

Document Control Sheet

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Originator	Head of Governance Siân Armstrong
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Equality Act 2010 issues fully considered	Yes

The Sir John Brunner Foundation
Northwich, Cheshire, CW9 8AF Tel: 01606 810020

1. Purposes of the policy

- 1.1 As directors of a charitable company limited by guarantee the Trustees have two sets of similar, and largely overlapping, duties to avoid conflicts of interest. The first duty comes from the charity law duty imposed on the governors by virtue of their position as charity law trustees. The second duty comes from company law and is imposed on governors by virtue of their position as company law directors.
- 1.2 Trustees have a legal obligation to act in the best interests of the Trust and in accordance with the Trust's memorandum and articles of association (its governing document) and to avoid situations where there is an actual conflict of interests or a potential conflict of interests where it is reasonably perceived that an actual conflict could emerge.
- 1.3 Article 97 of the articles of association imposes on the Trustees an obligation to disclose any actual or potential conflicts of interest and withdraw from discussions of the Trustees where it is possible that a conflict of interests may arise.
- 1.4 The charity law duty is derived from common law whereas the company law duty can be found in the Companies Act 2006.
- 1.5 Building on these duties imposed by law, it is the policy of the Trust that all Members, Trustees and senior staff attending Trustee and/or Trust committee meetings as well as committee members who are not Trustees must keep to the absolute minimum all unavoidable conflicts of interest between the interests of the Trust on the one hand and the personal, professional and business interests of the Member, Trustee, senior staff member or committee member concerned, and of persons connected with them¹, on the other. This includes avoiding as far as possible perceptions of conflicts of interest, as well as potential and actual conflicts of interest.
- 1.6 The purposes of this policy are:
 - 1.6.1 to ensure that the Trust complies with its legal duties;
 - 1.6.2 to protect the integrity of the Trust's decision-making processes;
 - 1.6.3 to enable all outside parties dealing with the Trust to have confidence in the Trust's integrity; and
 - 1.6.4 to protect the integrity and reputations of the Trustees, senior staff and committee members.

¹ For the definition of connected person see Charities Act 2011, s.188.

2. Conflict of interests

- 2.1 A conflict of interests is any situation in which an individual's personal interests (or a person connected with them), or interests that they owe to another body, may (or may appear to) influence or affect that individual's decision making.

3. Disclosure of interests

- 3.1 From the adoption of this policy, or upon being appointed, whichever is later, all those covered by the policy will be required to make a full written disclosure of any business or personal relationships held, financial or property interests held, or gifts or hospitality received, that could potentially result in a conflict of interests. A declaration of interests form is provided and must be used for this purpose. Any question about whether an individual has an interest which should be disclosed should be referred in the first instance to the Chair for a determination.
- 3.2 Written disclosures will be kept on a register maintained by [the Clerk] and individuals will be required to update their disclosure as and when their circumstances change. All disclosures will be reviewed on an annual basis at the beginning of each fiscal year. The register will be accessible by the Trust's internal and external auditors.

4. Organisation of meetings where a governor has disclosed an interest

- 4.1 Where an individual has previously disclosed an interest and the Chair [or Clerk] is satisfied that the interest is relevant to an item on the agenda for a meeting of the Trust board or a committee meeting the individual concerned may not be sent the papers in respect of that item.

5. Management of conflicts of interests in meetings etc

- 5.1 This section of the policy should be read in conjunction with Articles 97 of the Trust's Articles of Association.
- 5.2 In the course of meetings of the Trust board or a committee meetings all those present will be required to disclose any interests they have in a transaction or decision where they, their family, their employer or their close business or other associates will or may receive a benefit or gain. If there is a failure to declare an interest that is known to the Chair and/or the Clerk, the Chair or the Clerk will declare that interest. After disclosure of any such interest, in the course of a meeting the individual concerned will be asked to leave the room (unless expressly invited to remain, possibly in order to provide information on the matter in hand) whilst the matter is discussed. The individual will not be counted in the quorum for that part of the meeting and will not be permitted to vote on the question. In the case of all other activities, the individual

concerned will not be permitted to participate in the consideration or discussion of the matter other than to disclose their conflict of interest.

5.3 Declared conflict of interest will be reported in the minutes of the meeting. The report will record:

5.3.1 the nature and extent of the conflict;

5.3.2 an outline of the discussion;

5.3.3 the actions taken to manage the conflict.

5.4 Where an individual benefits a decision in which they have an actual or potential conflict, this will (if the Trust's auditors advise it to be necessary) be reported in the annual report and accounts in accordance with relevant accounting requirements.

6. Failure to disclose a relevant interest

6.1 The decision of the Chair as to whether an individual has failed to disclose a relevant interest shall be final. Failure to disclose a conflicting interest may lead to the individual being in breach of the Governing Body and or Trust's Code of Conduct as well as of this policy. It may also result in the individual being subject to legal action and personal liability for breach of trust and breach of statutory duty under the Companies Act 2006. Such breaches may lead to the Governing Body considering the possibility of removing the Governor from office. Breaches by a senior member of staff may lead to disciplinary action being taken under the Trust's staff disciplinary procedures.

7. Benefits for governors

7.1 It is a basic principle of charity law that charity trustees, such as Trustees, should not profit from their position, although Trustees are entitled to be reimbursed for reasonable expenses properly incurred in undertaking the business of the charity. This is reflected in Article 6.5 of the Trust's Articles of Association. Trustees have approved a policy on reimbursing governors' expenses and governors must comply with this. In addition, Article 6.3 of the Articles of Association allows the Trust to insure Trustees against liabilities arising from their office.

7.2 The Charities Act 2011 provides a detailed process whereby, exceptionally, charity trustees or persons connected to them may be allowed to receive payment from the funds of the charity for goods or services provided by them to the charity under a contract for services. This procedure is reflected in Articles 6.8-6.9 of the Trust's Articles of Association, which must be followed if a Trustee wishes to receive such a payment for themselves or a connected person.

7.3 Charity trustees are not allowed to receive remuneration simply for undertaking their duties as a trustee without the consent of the Charity Commission. This is

only granted in exceptional circumstances. Similarly, charity trustees are not allowed to be employed by the charity under a contract of service save where allowed by the charity's governing document (as is the case with the Principal/CEO and staff governors), or by law, or with the consent of the Charity Commission, which is only granted in exceptional circumstances.

8. Managing contracts

- 8.1 If an individual has a conflict of interest, they must not be involved in managing or monitoring a contract in which they have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

9. Data Protection

- 9.1 The information provided in disclosures will be processed in accordance with the data protection principles set out in the Data Protection Act 1998. Data will be processed only to ensure that Trustees act in the best interests of the Trust. The information provided will not be used for any other purpose.

10. Review of this policy

- 10.1 This conflicts of interest policy will be reviewed by the Trust biennially or more frequently should circumstances change.

APPENDIX

Declaration of Interests Form

I as [Member][Trustee][Governor][senior staff position held] of The Sir John Brunner Foundation have set out below my interests* in accordance with the Trust's conflicts of interest policy.

Category	<i>*Please give details of the interest and whether it applies to yourself or, where appropriate, a connected person as defined by the Charities Act 2011 or the Companies Act 2006 such as a member of your immediate family, employer or some other close personal connection.</i>
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise) e.g. trusteeships, directorships, local authority memberships, magistracy, tribunals etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Companies in which you hold more than 1% of the share capital.	
Gifts or hospitality in excess of £30 accepted from Foundation Suppliers or contractors in the last 12 months.	
Any contractual relationship with the Foundation.	
Any other interests which you consider are appropriate to disclose and are not covered by the above.	
Any other matter (e.g. an unspent criminal conviction or an act of bankruptcy) which would make you ineligible to serve as a Member/ Trustee/ Committee Member/ Senior Member of Staff.	

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed:

Name:

Date: