**Conflicts of interest policy and declaration form**

**Introduction**

1. This policy applies to the trustees of the Society for the Study of Addiction (the trustees and the Society respectively) and sets out guidelines and procedures for identifying, monitoring and managing actual and potential conflicts of interest.
2. In this policy references to:
   1. "conflicts" or "conflicts of interest" include actual and/or potential conflicts of interest and/or duty;
   2. persons who are "connected" with a trustee includes:
      1. a child, stepchild, grandchild, parent, brother or sister of a trustee;
      2. the spouse, unmarried partner or civil partner of a trustee or of any person falling within paragraph (i) above;
      3. any person who is in a business partnership with a trustee or any person who is in a business partnership with any person falling within paragraph (i) or (ii) above; and
      4. any company, business, trust or organisation in which a trustee (or any other person connected to them) has an interest as a beneficiary or through ownership, control or influence.

If in doubt about whether a person is connected, a trustee should seek advice from a solicitor or other person qualified to advise on the matter; and

* 1. "benefit" includes any payment or material benefit (including property, loans, goods and services), other than reasonable out of pocket expenses.

1. The Society's governing document (Articles of Association) sets out some procedures in relation to management of conflicts of interest. This policy should be read in conjunction with the governing document, and relevant provisions in the governing document take precedence over this policy.

**The purpose of this policy**

1. The directors of the Society are its trustees. They therefore have a duty to act in the best interests of the Society. In particular, they must not place themselves in a position where they have, or may have, a direct or indirect interest that conflicts with their duties as trustee and must not profit from their position as trustee. These obligations derive from the general fiduciary duties owed by trustees and the Companies Act 2006, which sets out specific requirements in relation to conflicts of interest.
2. Conflicts of interest can inhibit open discussions and may result in trustees taking irrelevant considerations into account or making decisions that are not in the Society's best interests. They can also damage the reputation of the Society if it appears that the trustees are influenced by personal interests or loyalties. All trustees must therefore be alert to the possibility that they, or their co-trustees, could be affected by a conflict of interests.
3. The procedures in this policy will enable trustees to identify and manage conflicts of interest so that they can ensure that conflicts do not prevent them from making decisions in the best interest of the Society. The policy will also help protect both the Society and the trustees from any appearance of impropriety in cases where conflicts of interest arise.

**Identifying conflicts of interest**

1. A conflict of interest is any situation in which a trustee's direct or indirect interests could, or could be seen to, prevent them from making a decision only in the best interests of the Society. Conflicts of interest may arise:
   1. where a trustee (or a person connected to them) stands to obtain a benefit from the Society; or
   2. where a trustee has a duty of loyalty to a third party that conflicts with their duty to the Society.
2. When considering if they have a conflict of interest, a trustee must be aware of the following principles:
   1. a conflict of interest exists if there is a possibility that the trustee's interest could influence their decision-making, even if the trustee's decision-making is not in fact adversely affected by the conflict. A reasonable perception that a conflict of interest exists can be enough for a trustee to be in breach of their duties; and
   2. the interest that gives rise to a conflict may be direct or indirect and, in particular, a conflict may relate to the interests of someone who is connected to a trustee as well as to their own personal interests.
3. It is impossible to set out every situation which may result in a conflict, but common situations include:
   1. paying a trustee, for example for carrying out a separate paid post at the Society or any trading subsidiary of the Society (even if they have resigned as a trustee);
   2. paying a trustee (or a person connected to them) for providing a service and/or goods to the Society;
   3. employing a person connected to a trustee at the Society or any subsidiary trading;
   4. making a grant or other payment to, or participating in panels involved in the allocation of funding or other benefits to, a trustee (or any person or organisation connected to them) including where the trustee (or any person or organisation connected to them) could benefit (e.g. academically) as a result of the allocation of funding to another person or organisation;
   5. determining the Society’s grant-making policy where the trustee (or a person or organisation connected to them) is, or could be, a beneficiary;
   6. making decisions in relation to service provision where a trustee (or a person connected to them) is a service user;
   7. a transaction between the Society and any trading subsidiary (or another Charity, academic institution or company) where a trustee is a director (or trustee) of both entities, and the transaction results in the Society receiving a substantial asset from, or transferring a liability to, the other entity;
   8. when a trustee (or a person or organisation connected to them) owes a legal obligation or duty towards another organisation or person (for example, an employer – including past employments in which the trustee continues to have a financial interest, another Charity of which they are a trustee, an academic institution or company with which they have a connection, any organisation or person from whom they or any person or organisation connected to them has recently received – or expects to receive – funding or in-kind support or any society or other organisations of which they are a member or in which they have a formal role) that conflicts with the trustee's duty to the Society;
   9. when a trustee has a personal sense of loyalty to another organisation or person that conflicts with their loyalty to the Society;
   10. when a trustee has religious or political views that could interfere with their ability to make decisions in the interest of the Society;
   11. selling, loaning or leasing Society assets to a trustee (or a person or organisation connected to them);
   12. acquiring, borrowing or leasing assets from a trustee (or a person or organisation connected to them); and
   13. the exploitation by the Society of any property, information or opportunity held by a trustee (or a person or organisation connected to them).

**Declaration of interests by prospective trustees**

1. Before a prospective trustee is appointed, they must be asked to declare any direct or indirect interests they have that might give rise to a conflict of interests.
2. If the trustees consider it likely that the prospective trustee will be subject to serious or frequent conflicts of interest, the trustees should consider whether it is appropriate to proceed with the appointment.

**Procedure for declaring interests**

1. All trustees have a personal responsibility to declare any interest that might reasonably be regarded as having the potential to give rise to a conflict (whether or not a conflict of interest currently exists).
2. On appointment, all trustees must complete the declaration of interests form provided at the Annex this policy. These declarations must be updated as soon as possible if any changes occur, including if any new conflict that arises in the future.
3. The information provided by trustees must be recorded in a register of trustees' interests. The register of trustees' interests will published on the Society’s website.
4. The Chief Officer will be responsible for maintaining the register of trustees' interests, including recording in the register all conflicts, interests, gifts and hospitality declared by trustees and circulating amendments or additions to the register (if any) to the trustee board at the start of each trustee meeting.
5. At least once in every 12-month period, all trustees must review the information relating to them contained in the register of interests and declare that the information is correct or make a further declaration if necessary.
6. It is for individual trustees to decide which matters to declare but, if in doubt, they should make a declaration. If a trustee would like to discuss the issue, they may contact the Society’s President or Chief Officer for confidential guidance.
7. The information provided by trustees will be processed in accordance with data protection principles as set out in accordance with relevant data protection legislation in force from time to time. Data will be processed only for the purposes set out in this policy and not for any other purpose.

**Process for declaring conflicts relating to a meeting**

1. The first item on the agenda of each trustee meeting will be a standing item requiring all trustees attending the meeting to declare any conflicts of interest relating to the matters to be discussed at the meeting.
2. If a trustee considers that they have an actual or potential conflict, they must inform the chair as soon as possible and always before any discussion of the relevant matter. The declaration must specify the nature and extent of any direct or indirect interest that gives rise to the conflict.
3. If a trustee is aware that another trustee has an actual or potential conflict that has not been declared, they must notify the chair and the other trustees.
4. If the chair is declaring a conflict, they must inform the other trustees.
5. If a trustee is uncertain whether or not they are conflicted, they must err on the side of openness and declare the interest.
6. The Chief Officer must note all conflicts declared in the minutes of the meeting in which they were declared or, if not declared in a meeting, in the minutes of the next trustee meeting.

**Procedure for declaring interests in transactions and arrangements**

1. A trustee who has a direct or indirect interest in any proposed transaction or arrangement must declare the nature and extent of that interest before the transaction or arrangement is entered into.
2. If a trustee has a direct or indirect interest in a transaction or arrangement that has already been entered into by the Society but has not declared that interest, they must declare the nature and extent of that interest as soon as is reasonably practicable.
3. If a declaration proves to be or becomes inaccurate or incomplete, the conflicted trustee must make a further declaration giving correct information about the nature and extent of their interest.
4. Such declarations must be made either at a meeting of the trustees or by sending written notice to the other trustees.
5. A trustee may give general notice that they or a person or organisation connected to them has an interest in a specified company, business or organisation and is to be regarded as interested in any transaction or arrangement with that company, business or organisation that may be entered into by the Society, after the date of the notice. Such notice must be given at a meeting of the trustees or the relevant trustee must take reasonable steps to ensure that it is brought up and read at the next meeting of the trustees after it is given. The notice must state the nature and extent of the interest that the trustee or a person connected to them has in the company, business or organisation.

**Procedure for assessing conflicts at meetings**

1. At the start of each meeting of the trustees:
   1. the chair must inform the other trustees and the Chief Officer of any conflict of interest that has been declared by a trustee that relates to the business to be discussed at the meeting; and
   2. the Chief Officer will note any amendments or additions to the register of trustees' interests made since the last meeting of the trustees.
2. The way in which conflicts are dealt with will depend on the nature and extent of the conflict. The non-conflicted trustees must therefore:
   1. assess the nature and extent of the conflict;
   2. assess the risk or threat to decision-making by the trustees;
   3. decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent the trustees from making decisions in the best interests of the Society, relates to a significant decision or risks significantly damaging the Society’s reputation); and
   4. decide what steps to take to handle the conflict.

When considering the conflict, trustees must take all relevant factors into account, make decisions only in the best interests of the Society and always protect the Society’s reputation.

1. The conflicted trustee may provide relevant information about the conflict and then must leave the meeting before the start of any discussion about the conflict and must not take part in any discussion or decision about the conflict and how to handle it and will not be counted.
2. The non-conflicted trustees must consider whether it is necessary to seek the advice of the Society’s legal or other governance adviser on whether the conflict is serious and/or on how to manage the conflict declared.

**Authorised conflicts of interest**

1. The trustee's duty to avoid a conflict of interest does not apply if, and to the extent that, the conflict of interest is authorised by any of the following:
   1. an express provision in the Society’s governing document;
   2. a statutory provision, such as the powers in the Charities Act 2011 to:
      1. pay a trustee (or a connected person) for providing services to the Society (sections 185 to 188); or
      2. take out and pay premiums for trustee indemnity insurance (section 189); or
      3. the Charity Commission or the High Court.
2. In each case, the trustee must always follow any conditions that apply to the authorisation.
3. The following conflicts of interest are authorised by the Society’s governing document:

A trustee or connected person may:

* 1. receive benefits such as publications from the charity in the capacity of a member of the Society, provided all other members are entitled to the same benefits;
  2. receive a benefit from the Society in the capacity of a beneficiary of the Society, provided that a majority of the trustees do not benefit in this way;
  3. enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Society where that is permitted in accordance with, and subject to the conditions in, section 185 to 186 of the Charities Act;
  4. subject to the provisions below, provide the Society with goods that are not supplied in connection with services provided to the Society by the trustee or connected person;
  5. receive interest on money lent to the Society at a reasonable and proper rate which must be 2% (or more) per annum below the base rate of a clearing bank to be selected by the trustees;
  6. receive rent for premises let by the trustee or connected person to the Society. The amount of the rent and the other terms of the lease must be reasonable and proper. The trustee concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion;
  7. take part in the normal trading and fundraising activities of the Society on the same terms as members of the public;

Subject to properly declaring their interest, a trustee or connected person who is employed by or has any other financial relationship with an organisation or institution may receive a direct or indirect benefit arising from:

1. a benefit provided by the Society to the organisation or institution as a beneficiary of the charity;
2. a benefit provided by the Society to a third-party beneficiary of the Society who is associated with the organisation or institution, in particular but not exclusively bursaries or scholarships provided to students or researchers at or associated with the organisation or institution;
3. a contract, transaction or arrangement entered into by the Society with the organisation or institution.

The Society and its trustees may only rely upon the authority provided by article 7.3(d) if each of the following conditions is satisfied:

1. the amount or maximum amount of the payment for the goods is set out in an agreement in writing between the Society or its trustees (as the case may be), and the trustee or connected person supplying the goods (“the supplier”) under which the supplier is to supply the goods in question to or on behalf of the Society;
2. the amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question;
3. the other trustees are satisfied that it is in the best interests of the Society to contract with the supplier rather than with someone who is not a trustee or connected person, and in reaching that decision the trustees have balanced the advantage of contracting with a trustee or connected person against the disadvantages of doing so;
4. the supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contact or arrangement with him or her or it with regard to the supply of goods to the Society;
5. the supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of trustees is present at the meeting during such vote;
6. the reason for their decision is recorded by the trustees in the minute book; and
7. a majority of the trustees then in office are not in receipt of remuneration or payments authorised by article 7.

In these provisions “charity” includes any company in which the Society holds more than 50% of the shares, or controls more than 50% of the voting rights attached to the shares, or has the right to appoint one or more directors to the board of the company.

**Procedures for managing conflicts**

1. If the conflict arises owing to a financial transaction between the Society and a trustee (or a connected person or organisation), or because a trustee (or a connected person or organisation) will or may obtain a benefit from the Society:
   1. any potential or proposed benefit must be authorised in advance (see section 10 (Authorised conflicts of interest) above); and
   2. the conflicted trustee must:
   3. withdraw from all discussions and decisions in relation to the matter; and
   4. not be counted in the quorum for that part of the meeting.
2. If the non-conflicted trustees decide that a conflict is serious, they must consider:
   1. securing the conflicted trustee's resignation and/or appointing a new trustee who is not conflicted;
   2. not pursuing the course of action that gives rise to the conflict or proceeding in a different way so that the conflict does not arise;
   3. seeking independent, expert advice about how to handle the conflict; and
   4. asking the Charity Commission for guidance.
3. If a conflict is not serious, the non-conflicted trustees must decide what procedures and level of participation by the conflicted trustee are appropriate. A number of steps may be taken to deal with the conflict, including:
   1. requiring the conflicted trustee to withdraw from the meeting for the relevant item and not to be counted in the quorum for that part of the meeting;
   2. allowing the conflicted trustee to remain in the meeting for the relevant item to take part in the discussion, but requiring them to withdraw from the meeting during decision-making and to have no right to vote on the matter; or
   3. appointing a new, non-conflicted trustee.
4. If the non-conflicted trustees decide that the conflict is low risk (in that it will not prevent the conflicted trustee from making decisions in the best interests of the Society), they may agree that the conflicted trustee may continue to participate in discussions and the decision-making process.
5. The chair must inform the conflicted trustee of the non-conflicted trustees' decision about how to manage the conflict.
6. The minutes of the relevant meeting must include a record of the nature and extent of the conflict, an outline of the discussion and the actions taken to manage the conflict.
7. Where a trustee or a connected person receives a payment or benefit from the Society, this must be reported in the annual accounts in accordance with the current Statement of Recommended Practice for accounting by charities (Charities SORP).

**Advisers and conflicts**

1. Before appointing any advisers to the Society, the trustees must consider whether the adviser has, or may be seen to have, any actual or potential conflict with the interests of the Society.
2. All advisers to the Society must be appointed by the trustees under terms that include:
   1. an obligation to inform the trustees if any circumstances arise in which they are or may be conflicted; and
   2. an obligation to address any conflicts that arise in the work they do for the trustees.

**Guidance**

1. All trustees must be familiar with the principles contained in the [Charity Commission's guidance on conflicts](https://www.gov.uk/guidance/managing-conflicts-of-interest-in-a-charity).

**Monitoring, enforcing and reviewing this policy**

1. Any trustee who becomes aware of a breach of this policy must report it to the President or Chief Officer as soon as possible.
2. The President must:
   1. report all breaches of the policy of which they are aware to the trustees at the next trustee meeting; and
   2. ensure that all breaches are noted in the minutes of the relevant trustee meeting.
3. The trustees have implemented this policy in order to monitor and manage conflicts of interest. Any failure to comply with the terms of this policy will not, in itself, result in a decision of the trustees being invalidated or in any liability to the Society’s beneficiaries.
4. This policy must be reviewed at annually, or sooner if required, by the trustees.

**Annex: Trustee declaration of interests form**

Trustees have a legal obligation to act in the best interests of the Society and in accordance with the charity’s governing document, and to avoid situations where there may be a potential conflict of interest.  This declaration should be read in conjunction of the Society’s policy on Trustees’ Conflicts of interest.

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| **Details for the statutory registers** | |
| **Title:** |  |
| **Full name**: |  |
| **Residential address**: |  |
| **Email address**: |  |
| **Telephone numbers**: |  |
| **Occupation**: |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category of interests** | **Please give details of the interest – or otherwise state that you have no interests.** | **Does the interest relate to you as a trustee or a person or organisation connected to you (please state who)?** | **When did the interest start?** | **When did the interest cease?** |
| 1. Please give details of your current employment and any relevant\* previous employment within the past 36 months. |  |  |  |  |
| 1. Please give details of any other previous employment where you or any connected person\*\* continue to have a financial interest. |  |  |  |  |
| 1. Please give details of any relevant current appointments (voluntary or otherwise) for you or any connected person e.g. trusteeships, directorships, local authority membership and tribunals. |  |  |  |  |
| 1. Please give details of any memberships of relevant professional bodies, special interest groups or mutual support organisations for you or any connected person within the past 36 months. |  |  |  |  |
| 1. Please give details of any investments in relevant unlisted companies, partnerships, other forms of business, major shareholdings (1% or more of issued capital) and beneficial interests within the past 36 months held by you or any connected person. |  |  |  |  |
| 1. Please give details of any gifts or hospitality offered to you or any connected person by relevant external bodies, and whether this was declined or accepted, in the past twelve months. |  |  |  |  |
| 1. Please give details of any contractual or financial relationship between you or any connected person and the Society (including the Society’s journals *Addiction* and *Addiction Biology*) or its journals’ publishers within the past 36 months. |  |  |  |  |
| 1. In the past 36 months, have you or any connected person received any funds, directly or indirectly, from companies involved in any of the following?  * addictive products or activities (including but not limited to alcohol, cannabis, e-cigarettes/vaping, gambling, nicotine, pharmaceuticals, psychedelic drugs and tobacco) * addiction treatment * addiction prevention |  |  |  |  |
| 1. Do you or any connected person currently have, or plan to have, any connection to patents, copyrights or businesses, the financial gain from which could influence your roles in relation to the Society? |  |  |  |  |
| 1. In the past 36 months, have you received any relevant funds related to addiction, directly or indirectly, from a charity, government or international agency? |  |  |  |  |
| 1. Please give details of any other financial or non-financial interest that is not covered by the above, which you or any connected person has that might give rise to a conflict of interest or have the potential to cause substantial damage to the Society’s reputation. |  |  |  |  |
| \* Relevant in this context refers to activities and interests for which you can reasonably foresee that a conflict may arise between your interests and your roles in relation to the Society, or where there is potential for substantial damage to the Society’s reputation.  \*\* A ‘connected person’ means your spouse, partner, parent, child, sibling, grandparent or grandchild (as applicable). | | | | |