



Access - the Foundation for Social Investment

CONFLICTS OF INTEREST POLICY FOR THE JOINT INVESTMENT COMMITTEE FOR THE GROWTH FUND

1. Introduction

- 1.1. This policy outlines the rules, principles and procedure for managing conflicts of interests for members of the Joint Investment Committee (JIC) for the Growth Fund. It is consistent with, and should be managed in conjunction with, the policy for managing conflicts of interest for the Access Board of Trustees.
- 1.2. The JIC will be the principal decision making body for the Growth Fund. The JIC will be jointly authorised by the Fund, BSC and Access to approve investments by the Growth Fund and provide oversight of the investment strategy, policy and activities.
- 1.3. Acting properly where there is a conflict of interest is of critical importance to all the partners and stakeholders in the Growth Fund given the source of funds, the reputational consequences, and the various corporate and personal responsibilities and obligations in place.
- 1.4. Conflicts of interest can also inhibit free discussion, result in decisions that are not in the interest of the foundation and give the impression that the foundation has acted improperly.
- 1.5. According to the [Charity Commission Guidance](#), a conflict of interest is any situation in which a trustee's personal interests or loyalties, or those of a Connected Person could, or could be seen to, prevent the trustee from making a decision only in the best interests of the charity. Given the role which the JIC plays in Access's governance this definition is considered relevant for its work even though it includes representatives who are not Trustees of Access.
- 1.6. In this context a Connected Person means a person with whom the JIC member shares a common interest such that he or she may reasonably be regarded as benefiting directly or indirectly from any material benefit received by that person. This could mean being a member of the JIC member's family or household or a person or body who is a business associate of the JIC member. For the avoidance of doubt, it does not include a company with which the JIC

member's only connection is an interest consisting of no more than one per cent of the voting rights.

2. Identifying a conflict of interest

2.1. Conflicts of interest usually arise in one of two circumstances:

- 2.1.1. Benefits to JIC members: There is a potential financial or measurable benefit directly to a JIC member, or indirectly through a connected person; or
- 2.1.2. Conflicts of loyalty: A JIC member's duty to the Growth Fund may compete with a duty or loyalty they owe to another organisation or person.

Benefits to JIC members

2.2. The most common situations in which conflicts of interest can occur include:

- 2.2.1. Direct financial gain or benefit to JIC members
- 2.2.2. JIC members as directors or employees of the foundation or of a subsidiary trading company
- 2.2.3. Sale of land of charity to a JIC member
- 2.2.4. Use of JIC member's property by the foundation
- 2.2.5. Indirect financial gain or benefit to a JIC member (e.g. through employing s spouse or other close relative)
- 2.2.6. Non-financial gain

2.3. In charity law, trustees cannot receive any benefit from their charity in return for any service they provide to the charity unless they have express legal authority to do so.

Conflicts of loyalty

2.4. Conflicts of loyalty arise because, although the JIC member does not stand to gain from the benefit, their decision making could be influenced by his or her other interests.

2.5. Examples could include, a conflict with a JIC member's loyalty to:

- 2.5.1. Another organisation, such as their employer
- 2.5.2. Another charity of which they are a trustee
- 2.5.3. A member of their family
- 2.5.4. Another connected person or organisation.

3. Process for managing conflicts of interest

3.1. Each JIC member is required to complete a Conflict of Interest Form.

- 3.2. Conflicts relating to the JIC member or to Connected Persons (as defined in 1.6 above) are required to be disclosed. At a minimum, JIC members should list on the Conflict of Interest Form, all organisations on which each JIC member or any Connected Person is an employee, officer (including directorship), member, shareholder, charity trustee or paid consultant.
- 3.3. The Conflict of Interest Form should be completed on at least an annual basis for review by the Chair and resolution by the Access Board.
- 3.4. The Forms will be collated into the foundation's Register of Interests which will be reviewed annually by the Chair.
- 3.5. JIC members are obliged to notify the Chair of any newly-arising interests throughout the year.
- 3.6. At the beginning of any JIC meeting, members will be asked to declare any conflict of interest relevant to items to be discussed. Any such conflicts will be minuted and dealt with in accordance with the identified grade of conflicts set out below and in line with Article 10 of the Articles of Association of Access.
- 3.7. If a JIC member is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the other JIC members.
- 3.8. The following four levels of response to be used to grade identified conflicts are broadly in line with Charity Commission guidance, i.e.:
 - 3.8.1. Minor conflicts – the JIC member registers and declares the interest, the JIC member may contribute to the discussion and may vote if two non-conflicted JIC members (as appointed by the JIC) authorise the conflicted JIC member to participate fully in the particular decision;
 - 3.8.2. Larger conflicts – the JIC member registers and declares the interest, the JIC member may contribute to the discussion but may not vote, if two non-conflicted JIC members (as appointed by the JIC) authorise the conflicted JIC member to do so;
 - 3.8.3. Serious conflicts – the JIC member registers and declares the interest and must withdraw from the decision making process (i.e. leave the meeting, not participate in relevant discussions or see any relevant papers)
 - 3.8.4. Major conflicts – the JIC member resigns.
- 3.9. Generally, JIC members should not participate in any decisions where they stand to gain whether directly or indirectly through a Connected Person.

- 3.10. In addition to the standing interests declared in the Register of Interests, the agenda for each JIC meeting will be circulated at least 48 hours before the rest of the papers for the meeting. JIC members will need to respond in advance of the papers being circulated with details of any specific conflict with any item on the agenda. Papers relating to this item, or relating to any other item highlighted in the register of interests, will not be distributed to that JIC member.
- 3.11. Should other JIC members perceive there to be a conflict relating to a JIC member who has not declared the interest themselves, then they should raise the issue with either one of the two nominated non-conflicted members (as appointed by the JIC) tasked with managing conflicts, the Chair of the JIC or Access's Chief Executive as appropriate.
- 3.12. Once an interest is declared, two non-conflicted members of the Committee (as appointed by the JIC) will make a judgement on the level of conflict. The course of action to be followed will also depend on the particular decision and the relevant circumstances.
- 3.13. The written record should show the nature of the conflict, the JIC member(s) who were affected, whether any conflicts were declared in advance, an outline of the discussion, whether anyone withdrew from the discussion, how the JIC members took the decision in the best interests of the Growth Fund.
- 3.14. Access must also include details of payments and other details to JIC members and Connected Persons and to say under what legal authority the payments or benefits have been made, together with the reason for them.
- 3.15. In the interests of transparency, Access will make this conflicts of interest policy and some or all of the Register of Interests publicly available.
- 3.16. In all cases, JIC members who are approached by individuals or organisations for advice on an application to the foundation or on the status or outcome of a specific application should always refer such enquiries to the relevant staff member in the foundation.
- 3.17. Each organisation represented at the JIC has the right to appoint one or two alternate members who can take the place of the regular JIC members in the case of absence or a conflict which excludes a JIC member from participating in a discussion.

Summary of Conflict Management Process

