

THE BARNES FUND TRUSTEE LTD CONFLICTS OF INTEREST POLICY

Introduction

1 The Barnes Fund Trustee Ltd¹ is corporate Trustee for The Barnes Fund² and linked charity, The Walsingham Lodge Trust³. As such, Directors of the Company are required to act at all times in the best interests of both the Company and the two charities⁴.

2 The Barnes Fund has two employees, whose responsibilities extend across the two charities. As such, they are expected to act at all times in the best interests of each charity.

3 This policy sets out how conflicts of interest are handled.

Identifying conflicts of interest

4 A conflict arises whenever a director or employee (or someone connected to them) stands to receive a benefit from the Company or charities, or has some separate interest or duty in a matter to be decided by the Company or charities.

5 As described by the Charity Commission in their latest guidance⁵, there are two common types of conflict of interest – financial conflicts and loyalty conflicts.

(a) Financial conflicts: Examples would include:

- a director receiving payments for carrying out their role as director (other than expenses)⁶;
- a director or person connected to them being employed or paid for work at the Company or one of the charities;
- the Company or charities buying goods or services from a business owned by a director or employee (or someone connected to them);

¹ Company number 10873803

² Charity number 200103

³ Charity number 200103-1

⁴ On occasion, the directors appoint others to the Trustee's committees. Such non-director committee members are expected to act at all times in the interests of the Company and the two charities, and the types of conflict that are of particular relevance to their role are discussed with them on appointment. Provisions on declaring, managing and recording of conflicts are as for directors.

⁵ Guidance dated Nov 2020: <https://www.gov.uk/guidance/managing-conflicts-of-interest-in-a-charity>

⁶ In practice, directors of the The Barnes Fund Trustee Ltd are not remunerated.

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- purchases by the Company or charities of assets owned by a director or employee (or someone connected to them), or sales of assets to them⁷; and
 - a director or employee being in receipt of gifts or hospitality in connection with their role at the Company or charities.
- (b) Loyalty conflicts: Examples would include:
- a director or employee (or someone connected to them) being a trustee of a grant applicant, or an employee or user of the services of a grant applicant;
 - a director or employee (or someone connected to them) being a friend, relative or carer of an individual grant applicant;
 - a director or employee (or someone connected to them) being a friend, relative or carer of an applicant to join the Housing Register for Walsingham Lodge or of a resident at Walsingham Lodge; and
 - a director or employee (or someone connected to them) being trustee or otherwise connected to an organisation which would benefit from an asset purchase or sale being considered by the Company or charities.

Declaring conflicts of interest

- 6 Directors and employees are required to declare their conflicts as follows:
- On appointment as director or employee, by completion of the declaration of interests form;
 - Whenever a new interest arises, by contacting the Executive Director (in the case of a director or administrator to the fund) or the Chair (in the case of the Executive Director). The Executive Director and Chair respectively supplement this process by inviting directors and employees to update their declarations annually.
 - At the beginning of a Board or Committee meeting (or in response to a request for a decision by email), where it is clear that a topic under discussion creates a conflict.

If not sure what to declare, directors and employees are asked to err on the side of caution in the interests of transparency and good governance.

- 7 Directors have a *joint* legal responsibility to make decisions that are based only on what is best for the charities and without influence from personal interests. If a director or employee omits to declare an interest, the Chair or Executive Director (or another director) will therefore declare the interest if known to them.

⁷ Charity Commission permission would be required.

Managing conflicts of interest

8 Where a conflict of interest has arisen, the Company's policy⁸ for managing it is as follows:

- The directors not affected by the conflict will decide whether the director or employee concerned should participate in the item or withdraw from the meeting immediately. In practice, it is usual in the case of an organisational grant application for a conflicted director or employee to be asked to stay initially, as they often have first-hand information which it is relevant and appropriate to share. In other instances, it is not usual to be asked to stay.
- Following sharing of information on the item (with or without them present), the conflicted director or employee is asked to leave while the remaining directors discuss and vote on the item.
- A conflicted director is not counted towards the quorum for discussion and decision on a particular item.

9 Finally, directors are aware that the Charity Commission guidance notes the possibility of what they term a 'serious conflict of interest', where the examples given are circumstances where:

- the majority of directors have a conflict;
- there is a single trustee, for example a company such as The Barnes Fund Trustee Ltd, and the trustee has a commercial interest in the charity decision; and
- a decision involves significant money or risk, and there is a conflict.

In these cases, the Charity Commission notes that directors should consider any or all of removing the conflict, taking legal advice, and asking for authorisation from the Charity Commission to proceed.

⁸ This policy reflects Article 25 of the Company's Mem and Arts which states the following:

25.1 Any Director who has an actual or potential conflict of interest or duty and is a Conflicted Director (*) in relation to any matter must:

25.1.1 fully declare the nature and extent of the interest before discussion begins on the matter;

25.1.2 withdraw from the meeting or discussion for that item, after providing any information requested by the other Directors;

25.1.3 not be counted in the quorum for that part of the meeting or decision-making process

25.1.4 be absent during the vote and have no vote on the matter; and

25.1.5 comply with any other requirement which the Directors resolve is necessary.

25.2 If any question arises as to whether a Director has a Conflict of Interest, the question must be decided by a majority decision of the other Directors

(*) A 'Conflicted Director' is defined as 'a Director in respect of whom a conflict of interest arises or may reasonably arise because the Conflicted Director or a Connected Person is receiving or stands to receive a benefit (other than payment of a premium for indemnity insurance) from the Company, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Company'.

Recording the handling of the conflict

- 10 The record of the meeting (or email exchange where a decision is made in this way) will record:
- the nature of the conflict and who it affected
 - when it was declared; and
 - how it was managed.

Note on record keeping

- 11 The Fund's register of interests is maintained by the Administrator, and is accessible to the Executive Director, Administrator and Chair only.
- 12 The information provided is processed in accordance with the Privacy Policy.