The Kennedy Trust for Rheumatology Research

Conflict of Interest Policy

Version Control

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The Kennedy Trust for Rheumatology Research

Conflict of Interest Policy

1. Purpose of the policy

The Trustees, as charity Trustees, have a legal obligation to act in the best interests of the Trust, and to ensure the Trust's affairs are not affected by private interests or by any competing duties of loyalty owed to others.

The Trust's academic strength is built upon the standing of its Trustees, many of whom are involved with academic bodies or in research. It is recognised that conflicts of interest may arise for everyone involved in the Trust's activities. The existence of a conflict of interest does not reflect on the integrity of the affected Trustee, so long as it is properly addressed.

The Trust's articles of association contain provisions dealing with conflicts of interest and the procedures to be followed at meetings of the board of Trustees in respect of them. This policy goes beyond the scope of the Trust's articles. The aim of this policy is to protect the Trust and its Trustees in situations where a conflict of interest or duty arises, or might arise, or could be seen to arise, and to ensure that such situations are dealt with openly.

It is the personal responsibility of each Trustee and employee to ensure that they have read and understood this policy and that they act in accordance with it.

References in this policy to a Trustee should be read as extending to any non-Trustee that is appointed to any committee of the Trust, to all employees of the Trust and to the President and Vice- Presidents of the Trust, unless the context requires otherwise.

2. What is a conflict of interest?

The Charity Commission refers to conflicts of interest in a decision-making context as:
"…any situation in which a Trustee's personal interests or loyalties could, or could be seen to, prevent the Trustee from making a decision only in the best interests of the charity."

Conflicts of interest usually arise where either:

- there is a potential financial or measurable benefit directly to a Trustee, or indirectly through a connected person; or
- a Trustee's duty to the Trust may compete with a duty or loyalty they owe to another organisation or person.

Different types of conflicts of interest may arise in relation to different aspects of the Trust's affairs, as below.

Conflicting personal financial interests arise where there is an opportunity for personal financial gain or benefit, directly or indirectly, to be derived by a Trustee or a Connected Person. An example would be an award of a research grant by the Trust to a Trustee or a close family member.

Conflicting loyalties arise:

a) where there is an opportunity for direct or indirect financial gain or benefit to be derived by others with whom a Trustee is closely associated, or where the interests of others closely associated with a Trustee may be affected by the decisions of the Trust. This extends to organisations of which a Trustee is an employee or Trustee and also personal friends or colleagues of a Trustee. An example would be awarding a grant to an institution in which a Trustee is employed or to a researcher who is a personal friend of a Trustee or with whom a Trustee has a close personal connection; and

b) where, through his or her role with the Trust, a Trustee is in a position, or has access to information, that could potentially be of advantage to them, in their non-Trustee capacity, or of advantage to an institution of which the individual is a Trustee or employee. An example is where confidential information, received as a Trustee, regarding the plans of the Trust or the Institute or another research organisation could be of advantage to a Trustee's employer institution or colleagues.

Annex 1 to this document sets out examples of situations where a conflict of interest could arise or could be seen to arise and specifies where a conflict of interest will normally be presumed to exist.

All aspects of the operation of the Trust may be affected by conflicts of interest. This conflicts policy applies to all decision-making whether in committee or by the board of Trustees or otherwise.

This conflicts policy extends beyond decision-making. In particular, the close relationship with the Kennedy Institute (the Institute) depends on trust and transparency and may also be adversely affected by failure to identify and manage potentially competing professional interests.

This conflict of interest policy therefore governs every aspect of the affairs of the Trust, from consideration of matters by the board of Trustees and its committees, decision-taking or advisory, to liaison with the Institute and other third parties.

3. Procedures to follow in relation to conflicts

This policy considers how these differing types of conflict of interest should be managed. The policy deals first with general conflict management principles and then with the application of conflict management in the consideration of decision making at Board and committee level and the relationship with the Institute and other research organisations.

4. Declaration of interests

All Trustees and prospective Trustees should complete the Trust's declaration of interests form, disclosing details of employment, other Trusteeships and roles and those of their Connected Persons. This information will be recorded in the Trust's register of interests.

Trustees should update their declaration of interests form as and when changes occur. Trustees will be asked to confirm that their declaration is up to date annually and on the date of their retirement from the Trust.

5. Procedure at meetings

At any meeting at which an agenda item is proposed in which a Trustee has a potential conflict, that conflict should be declared and minuted at the start of the meeting. In the event that the conflict of interest only becomes apparent during discussion on a matter, the Trustee concerned must declare the conflict as soon as it is apparent. In cases of doubt Trustees should err in favour of declaring the interest concerned. In each case, the procedure below for management of conflicts at a meeting should then be followed.

The question of whether a conflict of interest arises in relation to a funding application or similar decision will be considered on receipt of the application by the Trust's office or the Trust's office becoming aware of the proposed decision in consultation with the person or organisation seeking funding or otherwise involved. If it is considered that a conflict of interest exists in relation to a Trustee, he or she will not receive any related papers.

Where the Chair of the panel or committee is an applicant or co-applicant on a funding application, he or she must declare an interest and should not be involved in that round of meetings. The non-conflicted members of the panel or committee will appoint from amongst their numbers another member to chair the meeting.

In case of dispute, the decision of the Chairman of Trustees or the Chair of the committee (as relevant) as to exclusion of a member from a decision and related papers shall be final. If the dispute relates to the Chairman of Trustees or the Chair of the committee the decision will be made by majority vote of all others present and entitled to vote normally at the relevant meeting.

1. Once a conflict has been declared at a meeting and the non-conflicted Trustees have taken the view that a conflict situation has arisen, the steps below should be followed, in accordance with the Trust's Articles of Association.
2. Where the non-conflicted Trustees consider that a Trustee or Connected Person member has a personal financial interest[1] in a matter, the non-conflicted Trustees formally note and authorise the conflict but on the basis that:
    a) the Trustee concerned must withdraw from the meeting for the relevant item after providing any information requested by the Trustees;
    b) the Trustee concerned is not to be counted in the quorum for that part of the meeting; and
    c) the Trustee concerned shall have no vote on the matter and must remain absent during the vote.
3. Where the non-conflicted Trustees consider that a Trustee has a conflict of loyalties the non-conflicted Trustees formally note and authorise the conflict on the basis that the Trustee concerned must withdraw from the meeting for the relevant item, as above. Exceptionally, if the non-conflicted Trustees consider it is in the best interests of the Trust, they may allow the Trustee to remain and to continue to participate in discussions leading to the making of a decision and/or to vote. In making their assessment of what is in the Trust's best interests,

[1] Unless the personal benefit is expressly authorised in the Articles, the Charity Commission's prior written consent should be obtained. Some transactions also require authorisation by the members. Legal advice should be obtained.

the non-conflicted Trustees must take into account the potential reputational risk of a perceived failure to ensure the business of the Trust is protected against conflicts of interest.

4. In all cases a note is to be made of the nature of the conflict, the Trustees' discussion of the matter and the action taken to manage the conflict.

Where a conflict is declared in relation to a matter which does not require only a decision or a vote by Trustees, but requires on-going management, for example where a contract for services is entered into with a company closely associated with a Trustee, then performance of the ongoing matter, any complaints and any issues with the relationship will be reviewed regularly by the Board of Trustees (on a basis agreed at the time of the initial decision), in all cases, excluding the conflicted Trustee from such review and all related information.

6. Conflicts and the Trust's relationship with the Institute

6.1 The Institute, as the main focus of the Trust's grant funding, provides the Trust with confidential information. This includes information as to its research programmes and strategy. This information is received by the Trustees in their Trustee capacity and is not to be used other than in that capacity or disclosed by them to others.

6.2 Where Trustees become aware that information from the Institute received in their Trustee capacity places them in a position of personal conflict or conflicting loyalties, they must immediately declare the conflict by notifying the Chairman of Trustees. The existence of such conflicts may be made known to the Institute as the Chairman of Trustees shall determine.

6.3 Trustees are also required to ensure that they do not, by their actions, place themselves in a position of conflict of interest or conflict of loyalties, including a situation where they are, or may be perceived to be, able to use information received in their Trustee capacity for other purposes. This may therefore affect a Trustee's participation in discussions and work with third parties where that potentially competes with that of the Institute.

Review

This policy shall be circulated every year with the declaration of interest form.

ANNEX 1

Examples of Conflicts of Interest

The following are examples of situations that may give rise to a conflict of interest or a perceived conflict of interest in relation to a Trustee at any board or committee meeting or otherwise.

Part 1

1. A Trustee will be deemed to have a conflict of interest in relation to any form of grant application, any award or prize or any other funding decision where the Trustee or their Connected Person:
   a) is the lead applicant, co-applicant, co-investigator or a named collaborator;
   b) has a current personal working relationship with an applicant, co-applicant or a named collaborator;
   c) is a member of the same academic department or institute as an applicant, co-applicant or a named collaborator;

d) has collaborated substantively with one of the lead applicants within the last three years (in the sense that they have provided intellectual input on a project or trial);
e) has had a supervisory relationship with the lead applicant within the last five years;
f) has a direct or indirect financial interest in the grant application; or
g) is an applicant or co-applicant or named collaborator on a competing bid under the same scheme.

Part 2

Where a Trustee has some other, less significant, conflict of loyalties (but does not have a conflict of personal financial interest) the extent of participation (if any) of that member in the discussion or decision shall be decided upon by the Chair of the board of Trustees or of the relevant committee. Examples of these situations include those where the individual concerned or their Connected Person:

i. might be seen as a direct competitor of the applicant;
ii. is a member or employee of the same institution as the applicant;
iii. is a personal friend or has a close personal connection;
iv. would otherwise receive confidential information regarding the plans of the Trust or the Institute or another research organisation that, if divulged, could be of advantage to a Trustee's employer institution or colleagues.

Annex 2

Definitions*

Connected Person

In relation to a Trustee, a person with whom the Trustee shares a common interest such that he/she may reasonably be regarded as benefiting directly or indirectly from any Material Benefit received that person, being either a member of the Trustee's family or household, or a person or body who is a business associate of the Trustee, and (for the avoidance of doubt) does not include a company with which the Trustee's only connection is an interest consisting of no more than 1% of the voting rights.

Material Benefit

A benefit, direct or indirect, which may not be financial but has a monetary value.

* Taken from the Trust's Articles of Association