

**SCBF Conflict of Interest Policy**

**Conflict of Interest**

A conflict of interest can arise in any situation in which a Director’s personal interests or loyalties could, or could be seen to, prevent them from making a decision purely in the best interests of SCBF and its aims.

The Director should ask themselves if they could be considered, by someone outwith the SCBF and who was aware of the facts, to be prejudiced even if the Director believes they are acting with propriety.

This could be;

Appointment conflict could be where a Director as member of another organisation would be put in a position where they could not act in the best interests of SCBF without potentially compromising that other organisation. This would not necessarily involve a financial gain or loss but could arise in the case of a complaint for example.

Or

Personal conflict where a Director or a person with whom a Director is closely connected could gain or lose materially as a result of a decision made by SCBF thus potentially interfering with the ability of that Director to act in the best interests of SCBF.

**Closely Connected could be;**

* Any person to whom the Director is married
* Any person who is a civil partner of the Director or living with the Director in an equivalent relationship.
* Any child, parent, grandchild, grandparent, sibling of the Director (or spouse of any such person)
* Any institution, business or other formal body which is controlled (whether directly or through one or more nominees) by the Director or connected person.

A register of interests will be kept and published on the SCBF website. It will be updated after a Director has added or changed a declaration and reviewed annually.

**Registration of interests**

Directors should register interests as follows;

* Current employment and any previous employment in which they continue to have a financial interest.
* Appointments (voluntary or otherwise) such as trusteeships, directorships, local authority membership, or membership of a potentially grant seeking organisation, business or other body.
* Membership of any professional bodies, special interest groups or mutual support organisations.
* Any contractual relationship with SCBF.

**Declarations of interest**

Directors should declare interests if they become aware of a potential connection with SCBF business

* Ownership or lease of land and property.
* Ownership ,being a director of or having a significant pecuniary interest in companies.
* Gifts or hospitality offered to a Director by external bodies and whether this was declined or accepted in the last 12 months.

**Declaration of potential conflicts of interest**

This should be a standing item on the SCBF meeting agenda. Directors should declare any possible interests with this recorded in the minutes and then the register. The Directors will decide if a conflict of interest requires the Director to withdraw from the meeting or if any other action is required and this will be recorded in the minutes.

If a Director becomes aware of a possible conflict of interest during a meeting this should be declared as soon as is reasonable and the issue dealt with as described above. If a Director becomes aware of a potential conflict of interest during any other SCBF activity, such as in email messages this should be declared to the Administration Officer and reported to the next Management Committee meeting where fellow Directors should decide on the action required and this minuted. In the interim the Director should withdraw from that SCBF activity.

If a Director suspects that a fellow Director might have an undeclared interest this should be raised and fellow Directors would decide the action required. This should be recorded in the minutes.

Where a conflict of interest exists possible decisions available to the other Directors are:

* The Director withdraws from the meeting,
* The Director may hear the discussion but not make any comment or vote.
* The Director may contribute to the discussion but not vote.
* The Director may continue to play a full part in the discussion, including any vote

Should an interest lead to recurrent need to withdraw from meetings the ability to remain as a serving Director would need to be considered.

Recurrent failure to declare significant interest would result in removal of a Director from the board.

**Appendix 1 – Examples of conflicts of interest**

**Example 1**

***Situation: -*** A Director holds some shares in SSE or another renewable company with which SCBF either has, or is negotiating, a community benefit package.

***Finding :-*** Unlikely to cause a conflict of interest. Director is unlikely to have any benefit or loss from usual SCBF activities.

***Action required: -*** Could register the interest, but no further action required.

**Example 2**

***Situation: -*** A close family member of a Director works for a windfarm company.

***Finding: -*** Factors to consider would be the nature of the work the family member did with the windfarm company and the SCBF issue being discussed. A conflict is only likely to arise if this family member was part of the team negotiating benefit fund payments from the windfarm company but conflict seems unlikely where the family member was working as an electrician for example with no involvement in the financial agreements with SCBF

***Action: -*** If a conflict then Director withdraws from the meeting.

**Example 3**

***Situation: -*** SCBF is considering tenders for provision of a service. Director has a personal and or financial interest in an agency which might tender.

***Finding: -*** Conflict of interest

***Action required: -*** Director withdraws from meeting.

**Example 4**

***Situation: -*** SCBF considering grant application. Director is a member of the organisation which has applied but will not get any personal financial gain from the grant.

***Finding: -*** Possible conflict of interest as the potential benefit from the grant could interfere with the Director’s decision on the awarding of the grant. Factors to consider might be how widespread within the community the benefit is spread and the nature of benefit the grant would give.

***Action: -*** Director should declare the interest and not take part in the discussion or decision, or withdraw if that is the decision of the meeting. If numerous Directors are affected then this may not be a practical solution and some other solution should be sought.

**Example 5**

***Situation: -*** SCBF considering a grant application. Director is a committee member of the organisation which has applied.

***Finding: -*** An appointment conflict of interest as the Director cannot consider refusing the grant application without acting against the interests of the applying organisation.

***Action: -*** Director withdraws from the discussion.

**Appendix 2 – Managing Conflicts of Interest Flowchart**

**You must disclose the interest**

**Do you have an interest in the matter being discussed?**

**Does any person connected with you have an interest in the matter being discussed?**

 Yes

 Yes

**Does the body or office by virtue of which your appointment arises have an interest in the matter being discussed?**

 Yes

 No

**Is there a conflict between such interest and the interest of SCBF?**

 No

 Yes

**You can take part in the deliberation and decision making.**

**You must abide by the decision of fellow directors**

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