

Salford RD Holdings Ltd

Conflict of Interest Policy

Introduction

1. A conflict of interest may arise where a board member has a financial or other interest arising from their outside activities which influences, or might reasonably be perceived to influence, their impartiality or independence in performing their duties.
2. This Conflicts of Interest Policy (the Policy) explains how Salford RD Holdings Ltd (the Society) handles possible conflicts arising from the financial and non-financial interests ('outside interests') of its Board members, staff and volunteers.
3. The society must be, and be seen to be, impartial. This is an essential ingredient of the rules which govern our society and philosophy which underpins those rules. As well as being a core value required of all board members, staff and volunteers, impartiality is one of principles underpinning good and lawful decision-making. This means that whilst some conflicts can be disclosed and managed, there are other conflicts which are too significant and potentially damaging to the reputation of the Society to be managed effectively and the conflict must be removed.
4. This policy requires that decision-makers are not biased, or seen to be biased (otherwise known as 'apparent bias'), towards a particular outcome in a matter, as a result of their own outside interests. Any such bias (or apparent bias) would be in direct conflict with the overriding requirement of impartiality and commitment to acting in the interests of the society and its members at all times.
5. The outside interests of Board members, staff and volunteers can take many different forms, but will be capable of giving rise to the risk of a conflict of interest depending on the circumstances. Such circumstances may give rise to:
 - An actual conflict: where an individual's ability to apply judgement or act in one role is impaired or influenced by an outside interest;
 - A perceived conflict: where there may be a perception of a conflict based on the surrounding circumstances, including outside interests; or
 - A potential conflict: where an individual has an outside interest that could cause an actual or perceived conflict of interest to arise at some time in the future.

(Collectively referred to hereafter as 'conflict risks')

6. This Policy therefore sets out general guidance for Board members, staff and volunteers on conflict risks. A good understanding of this will help ensure that the society's decisions are untainted by bias or apparent bias, and that the society maintains its reputation for independent, impartial and robust decision-making.
7. The handling of specific conflict risks in relation to particular projects or inquiries will be considered by the society on a case-by-case basis, having regard to the legal established principle of a 'fair-minded observer in possession of all the facts.'

8. While this Policy addresses possible outside interests which could give rise to conflict risks, it is not possible to provide a comprehensive list of all the interests and circumstances in which a conflict risk may arise. Therefore:
- This Policy must be interpreted and applied with regard to its spirit and purpose; and
 - If a Board member, staff member or volunteer has any doubt as to whether a conflict risk may arise, the matter should be raised with the Society Secretary.

Annual Attestation

9. Board, staff members and volunteers are expected to attest to this Policy annually, confirming that they have read, understood and complied with the guidance. As part of this attestation process, all Board, staff members and volunteers will be required to make an annual declaration of any relevant outside interests. This will include providing a 'nil return' if they have no relevant outside interests.
10. The Society Secretary is responsible for ensuring that this Policy is applied and enforced on a day-to-day basis. If a Board, staff member or volunteer is in any doubt about the significance of an outside interest at any time, they should consult the Society Secretary in the first instance who will advise on appropriate action.

The general approach of the society to conflicts of interest

11. Board, staff members and volunteers must be alert to any conflict risks arising at all times and should review whether any of their outside interests give rise to conflict risks from time-to-time during all activities associated with the society. Some conflict risks can be identified in advance; others may only become apparent as the matter develops, or circumstances change (e.g. because of the involvement of a new party, or a change in the outside interests of a Board, staff member or volunteer).
12. Board, staff members or volunteers should, therefore, always disclose any outside interests to the Society Secretary, if they are in any doubt as to the compatibility of an outside interest with their work for the society. While they may be in a position to identify whether they have an outside interest of potential concern, they are not in the best position to judge any consequences for the society.
13. At the beginning of every Board meeting, board members will be asked to identify any potential conflicts of interest that may arise from the items on the agenda. The response from board members is to be minuted.

Financial interests

14. Financial interests held by Board, staff members or volunteers which may be of potential concern include:
- shares, stocks, debentures or bonds (including options or rights in or over any such securities), whether dealing personally or through intermediaries (e.g. a private banking service); and
 - pension schemes, insurance policies, collective investment schemes (such as unit trusts or investment trusts), whether dealing personally or through intermediaries or with lending institutions (e.g. building society mortgages or bank loans), subject to paragraph 19 below.

They may also include:

- the financial interests of others to whom the Board, staff member or volunteer gives investment advice; and
- those of a close family member (which, for the purposes of assessing financial interests, includes any family member or co-habiting partner over whose decisions on investment matters they exert an influence or in respect of whose investments they have actual knowledge).

15. Financial interests may relate not only to a company which has relationship with the society but also those which relate to other companies which are likely to take a significant part in proceedings with the society, such as suppliers, or whose value is likely to be significantly affected by a society decision.
16. Where the interest belongs to a close family member, the society will normally treat the interest as if it was an interest of the Board, staff member or volunteer for the purpose of assessing conflict risks. Where a financial interest belongs to a person with whom a Board, staff member or volunteer has a close personal relationship (as defined in paragraph 22 below), the society will have regard to the nature of the personal association or relationship in deciding what, if any, action must be taken.
17. Where assets are held by discretionary managers or in a trust, the society will adopt a prudent approach in deciding whether they raise concern. Relevant matters may include the duties to which a trustee or manager is subject, and the degree of knowledge a person has or may acquire of the particular assets held by a trust or manager.
18. Where assets are held by a Board, staff member or volunteer as trustee for or otherwise on behalf of another person, the society will normally treat them for conflicts purposes as if they were assets of the Board, staff member or volunteer.
19. Whether a conflict risk raised by a financial interest can be managed is judged, in part, by reference to whether it would have a material effect on the ability of the Board, staff member or volunteer to exercise their functions.
20. The society will not usually consider financial interests of potential concern where:
- holdings are in collective investment schemes, or in investment trusts or managed funds, bonds, policies or similar vehicles (including pension schemes, plans and policies) where investments are made and managed by professional managers in a significant number of enterprises without the Board, staff member or volunteer's involvement in investment decisions (unless they are unduly weighted towards investments in a particular sector);
 - securities are held under arrangements where the investment decisions are made by a professional investment manager, such as a stockbroker or bank, who has absolute discretion as to the purchase, sale and management of the investments and where the Board, staff member or volunteer has no involvement in such decisions and no knowledge of the underlying equities;
 - shareholdings are in companies the purpose of which is to own the freehold of a personal residence of a Board, staff member or volunteer;
 - holdings are of UK and other governments' stock, gilts, bonds, premium bonds, national savings; or
 - assets comprise goods and/or services bought on the open market on normal commercial terms available to other buyers (e.g. banking or insurance services, such as the mortgages and loans referred to in paragraph 14 above, telephone services, travel and tangible assets purchased on normal terms on the open market).

Non-financial interests

21. Conflict risks may also arise out of interests which are non-financial. Where a non-financial interest of the type described below gives rise to a conflict risk, it should be managed in accordance with the guidance below on handling conflict risks (see paragraph 31 onwards).

Personal relationships

22. A conflict risk may arise where the work of the society, could have real consequences for a person that a Board, staff member or volunteer has a close personal association or relationship with. Such persons could include not only any close family members (as defined at paragraph 14) but also other associates: for example, a close friend, a close relative or a business associate who is working for or advising a company the society is investigating (hereinafter referred to as 'close personal relationships').

Specific conflict risks

23. Due to the nature of the Society and its requirement for impartiality as set out in 3 and 4 above, it is important to acknowledge that certain conflicts cannot be managed effectively as the risk outweighs any benefit. Where a Society board member has a conflict of interest through a financial or non-financial interest in Bury FC Benefactors Limited either directly or via a close personal relationship, or where there is a close personal relationship with a board member appointed by Bury Council, that Society board member should resign from the board with immediate effect. Election policies should also reflect this to request disclosure of conflicts and exclude nominations where relevant.
24. The use of 'contra' payments within the Society, The Bury Football Club Company Limited or any of its subsidiaries is to be prohibited except under exceptional circumstances, and never permitted for payments between the Society, Society board members or shareholders within Bury FC Benefactors Limited.
25. The provision of commercial services at zero cost to the Society, The Bury Football Club Company Limited, or any of its subsidiaries, should be subject to the same scrutiny under this policy as standard contracted services.

Positions held outside the society

26. Conflict risks may also arise from past, current or future positions held outside the society by Board, staff members or volunteers (positions held in the last five years will be relevant as past positions). The following is a non-exhaustive list of examples of relevant positions:
- directorships;
 - equivalent positions with high-level responsibility for governance and performance;
 - senior paid or unpaid roles with charities and not-for-profit organisations;
 - consultancy, advisory or legal roles, whether remunerated or not
27. The significance of such positions generally diminishes over time. In particular, in the absence of complicating factors, a case-by-case analysis will be required.
28. Board members are required to disclose the following outside interests ('disclosable interests') to the Board Secretary:
- a) financial interest (as set out in paragraphs 14-20 above);
 - b) any remunerated employment, office or profession;
 - c) other regular sources of income or remuneration from business, professional or public activities or interests;
 - d) directorships, whether remunerated or not;
 - e) any other relevant non-financial interest (as set out in paragraphs 21-29 above).

29. Disclosure of (a) is required for current interests of Board members and their close family members. Disclosure of (b) to (e) includes both current and recent (at least the last five years) non-financial interests (including close personal relationships, as defined in paragraph 22 above) of Board members.
30. The Society Secretary will keep a record of all disclosures made under this Policy. The information will remain confidential and will not be disclosed except where required:
- for the purposes of managing conflict risks;
 - for the purposes of complying with the societies policies and procedures; or
 - for any other legal or regulatory obligation.

Handling of outside interests of Board members

31. From time-to-time Board members may have, or become aware of, outside interests which may not have been disclosed, but which in the context of a particular matter or issue before the society or the Board could nonetheless give rise, or be perceived as giving rise, to a conflict risk.
32. A Board member must disclose to the Society Secretary any such interest as soon as they become aware that it may cause a conflict, for example on receipt of an agenda for a meeting.
33. If in doubt as to whether or not there may be a conflict risk, Board members are advised to inform the Society Secretary, in order to provide an opportunity for the Society Secretary to assess the conflict.
34. The Society Secretary will consider all conflict risks that are brought to their attention on a case-by-case basis before making recommendations if appropriate, on what, if any, action should be taken. In making such decisions, the Society Secretary will have regard to all the circumstances, including the need to exercise an appropriate degree of caution to safeguard the society's independence and integrity.
35. Where a Board member holds a financial interest in a matter or issue before the Board, the presumption will be that the Board member should be recused from any discussion or determination in relation to that matter.
36. Subject to paragraph 35 above, in relation to any conflict risk, the Society Secretary, in consultation with the Society Chair where appropriate, will decide whether a particular interest may influence or appear to influence the Board member's role in relation to the matter giving rise to the conflict risk.
37. If the Society Secretary is satisfied that it is appropriate, the Board member may be permitted to participate fully or in a limited capacity in a decision or discussion. If the Society Secretary is not satisfied, the Board member shall withdraw from further participation in the decision or discussion in question.
38. In the event of a conflict risk arising for the society Chair (whether arising from a financial or non-financial interest), the Society Secretary having consulted the Society Secretary, will decide whether, or in what capacity, the society Chair may participate in a decision or discussion.

39. When taking on any outside appointments or acquiring financial interests, Board members should be aware that those interests may interfere with the Board member's ability to participate fully and effectively in the Board's work. Board members therefore need to:
- Notify the Society Secretary in advance of any additional appointment or employment that the Board member wishes to take up and allow the society the opportunity to comment; and
 - Self-certify any dealings in securities within seven days of dealing, save where the security relates to a financial interest unlikely to cause concern as set out in paragraph 20. This requires Board members:
 - To confirm in writing to the Society Secretary that they do not hold any inside or confidential information in relation to the securities that they are dealing in;
 - To declare, in good faith, that there is no other reason why it would be inappropriate for them to deal with the security in question; and
 - where they are aware a close family member (as defined in paragraph 14) has been dealing in securities in relation to which the Board member holds inside or confidential information, to confirm in writing to the Society Secretary that any such information was not provided to that family member.

Staff and Volunteers

Procedures for handling interests for staff and volunteers

40. Staff and volunteers should contact their manager or supervisor who should make an assessment of the conflict in question, in consultation with the Society Secretary. The Society Secretary will exercise their judgment, considering each case on its merits, having regard to the particular circumstances. If there is a doubt about the most appropriate person to speak with contact should be made with the society secretary.
41. The disclosure, the subsequent evaluation and, where appropriate, steps taken will be recorded by the Society Secretary.

Disclosure of outside interests

42. As with Board members, staff and volunteers should always consider whether they hold any outside interests which could give rise to a conflict risk in relation to any decision made by the society to which they are contributing, and any such interests must be disclosed. When thinking about such interests, staff and volunteers are reminded to read paragraphs 14 to 20 (financial interests) and paragraphs 21 to 30, which provide guidance as to those outside interests the society considers potentially problematic.
43. In relation to financial interests, staff and volunteers are reminded to consider the interests of any close family member, and staff and volunteers should be aware that any financial interest held by a staff member or volunteer as a trustee will be considered as a personal holding when assessing a conflict risk. Staff and volunteers must not be involved in taking any decision which could affect the value of their private investments, or the value of those on which they give advice to others, or use information acquired in the course of their work to advance their private financial interests or those of others.
44. In relation to non-financial interests, staff and volunteers should disclose any such interests which were held within the previous two years. Staff and volunteers should also consider whether a conflict risk arises from a close personal relationship (as described in paragraph 22 above) and where such a conflict risk arises, they must notify their manager or supervisor.

45. Any staff member or volunteer who has a close personal relationship (as described in paragraph 22) with a person who is employed, in a senior capacity, by an organisation that is involved in advising on matters related to the Society's remit (e.g. a law firm or economic consultancy) must inform their staff manager and the Society Secretary.

Audit

46. The Society will appoint a suitably qualified individual or committee to carry out an annual audit to ensure this Policy and its processes are being adhered to and the outcome of that audit will be reported to the Society's Board, highlighting any material concerns. Any material concerns must be reported to the Society's members.

Confidentiality

47. Board, members, and staff and volunteers are subject to a general duty of confidentiality in relation to the conduct of the affairs of the society and information they obtain in the course of their work.

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