

## THE POLICY

All staff, volunteers, and Management Committee members of the Society of Authors (SoA) must act to avoid any conflict of interest between the interests of the SoA or its associated charities, and any personal, professional, and business interests. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

## REASONS FOR THE POLICY

The purpose of this policy is to protect the integrity of the SoA's decision-making process, to enable our stakeholders to have confidence in our integrity, and to protect the integrity and reputation of volunteers, staff and committee members, as well as ensuring that we comply with our statutory duties.

Management Committee members are company directors and have a legal duty to avoid conflicts of interest under s175 of the Companies Act 2006 (see appendix 3). They are also corporate trustees of the SoA's various charities and as such have a duty under common law to act in the best interests of the charities for which they serve as corporate trustee. Management Committee members should not benefit from the charities and should not be influenced by their wider interests when making decisions affecting the SoA or the charities.

The majority of members have a multiplicity of interests, personal, domestic and professional that may, on occasion, compete with those of the SoA or the charity. It is almost impossible to avoid conflicts altogether, particularly because we seek to appoint staff and members with skills and experience from the wider literary and economic community. We have therefore developed this policy to manage such conflicts when they arise.

## WHAT IS A CONFLICT OF INTEREST?

A conflict of interest can be defined as:

*"...any situation in which a person's personal interests or responsibilities they owe to another body, may, or may appear to influence their decision making."*

Conflicts of interest arise when the interests of Management Committee members, staff, trustees, or "connected persons", are incompatible or in competition with the interests of the SoA or the charity. Such situations present a risk that we will make decisions based on these external influences, rather than the best interests of the SoA or the charity.

The most common types of conflict include:

- Direct financial interest - when a committee member obtains a direct financial benefit via:
  - the payment of a salary
  - the award of a contract to a company with which a member is involved
  - the sale of property at below market value to a member
  
- Indirect financial interest - this arises when a close relative of a member benefits from the SoA or charity:
  - the awarding of an employment contract to a member's spouse; and
  - making a grant to a member's partner or dependent child
  
- Non-financial or personal conflicts - occur where members receive no financial benefit, but are influenced by external factors:
  - influencing board decisions on service provision to their own advantage
  - to gain some other intangible benefit or kudos
  - awarding contracts to friends
  - conflicts of loyalties - members may have competing loyalties between the organisation to which they owe a primary duty and some other person or entity

It is, therefore, essential that all members are fully aware of their duties and responsibilities and that when acting as a director or trustee they must act in the best interests of the SoA or charity alone.

The interests of the members and the SoA and its charities will - for the most part - be consistent or complementary, but on the occasions where a conflict does arise, the responsibility of all the members is to the SoA or charity as appropriate. This includes any access that all members may gain to confidential or privileged information by virtue of their position. All members should remain alert to the fact that whatever information they acquire in their role should remain confidential and not be used to the advantage of themselves, an external individual, or entity.

Occasionally there may be cases where an apparent conflict is actually in the organisation's best interests. While the members may well act with integrity, the mere appearance of a conflict can be damaging to both the SoA, the charity and the management committee members, so conflicts need to be managed effectively.

**Examples of conflicts of interest include:**

1. A committee member who is also a user who must decide whether fees from users should be increased.
2. A committee member who is related to a member of staff and there is decision to be taken on staff pay and/or conditions.

3. A committee member who is also on the committee of another organisation that is competing for the same funding.
4. A committee member who has shares in a business that may be awarded a contract to do work or provide services for the organisation.
5. Committee members who are also corporate trustees deciding on the Management fees to be charged to associated charities.

## CONFLICTS OF LOYALTY

These conflicts of interest arise because, although the affected person does not stand to gain any benefit, their decision-making could be influenced by their other interests.

For example, their loyalty to the SoA could conflict with their loyalty to:

- another organisation for which they work or are affiliated to.
- another organisation for which they are a trustee or board member.
- a member of their family.
- another connected person or organisation.

Some conflicts of loyalty arise because the person has a competing legal obligation or duty to another organisation or person. Others result from conflicting loyalties which trustees owe or may feel towards family, friends or other people or organisations who are part of their network. A conflict of loyalty could also arise where their religious, political or personal views could interfere with their ability to decide the issue only in the best interests of the organisation or charity.

Management Committee/trustees' other interests and loyalties can generate conflicts of interest from time to time, some of which pose a minor risk and some of which are more serious. The Management Committee/trustees may decide that where a conflict of loyalty poses no risk or a low risk to decision making in the best interests of the SoA/charity, the affected Management Committee member/trustee, having declared their other interest, can participate in decision-making.

Legal requirement: Management Committee members/trustees must have authority in the governing document which allows the unconflicted members/trustees to decide that the member/trustee affected by the conflict of loyalty can participate. Even where Management Committee/trustees are relying on a governing document authority, they should ensure that they can demonstrate that they have taken their decision only in the best interests of the SoA/charity.

### Identifying low risk conflicts of loyalty

Deciding that a conflict of interest is low risk, and that the affected Management Committee member/trustee can participate in the decision, is a judgment for the Committee. It is not possible to give a definitive view of when this is appropriate. It depends on the particular decision and relevant circumstances. The Management Committee/trustees must take all relevant factors into account and be ready to explain their approach if asked.

### **Example: membership of another organisation**

An educational charity is making a decision about delivering a programme of work at regional arts centres, including a centre where one of its trustees is a member. This conflict is a conflict of loyalty because the trustee has a connection with the arts centre through their membership. However, the trustees may conclude that this is a low risk conflict of loyalty which, once declared, does not need to prevent the trustee from participating because:

- the trustee's connection to the arts centre is through membership only
- the trustee's membership is likely to have no bearing on their approach to the decision
- any benefits to arts centre members which result from the decision will only affect the trustee in the same way as other members

### **Example: appointments to closely linked organisations**

Where a trustee is appointed by:

- a local branch to the charity's national trustee body
- by a religious foundation to one of its schools

It is usually acceptable for the trustee to simply declare a conflict of loyalty and then participate in decisions. Although there may be a decision at the charity that also affects the appointing body, the similarity of charitable purpose between the two organisations means that conflicts of loyalty which do crop up often present only low risks to the charity. However, the trustees should decide in each case how the conflict of loyalty should be handled and should ensure they can demonstrate that that any decision was taken only in the best interests of the charity.

## **IDENTIFYING POTENTIAL CONFLICTS OF INTEREST**

A key means of preventing conflicts of interest from affecting decision-making is to identify potential conflicts in advance. This gives the Management Committee time to consider the implications and to respond appropriately. To ensure that members can manage any real or perceived conflict, the Chair will ask for such declarations at the start of each meeting. By asking members to declare their interests and keeping a register of such interests, we can monitor potential conflicts of interests on a continuous basis.

## **DECLARATION OF INTERESTS**

Accordingly, we ask Management Committee members (including Group Chairs, trustees and senior staff) to declare their interests, and any gifts or hospitality offered and received in connection with their role in the SoA and associated charities. A declaration of interests form is provided below for this purpose, listing the types of interest you should declare.

Potential and new members will be expected to declare their interests before appointment and subsequently, when they arise. This written disclosure will be kept on file and must be updated when material changes occur and reviewed on a regular basis – at least annually.

This register of interests should be used to record all gifts of a value over £100 and hospitality over £200 received by the Management Committee members and Senior Leadership Team. Interests and gifts will be recorded on the SoA's register of interests, which will be maintained by Governance team. The register will be accessible to the Management Committee.

If a member is concerned about a possible conflict of interest, they should view the policy and discuss the matter with the Senior Leadership Team before agreeing to take up the position.

## **DATA PROTECTION**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that Management Committee members, trustees and senior staff act in the best interests of the SoA and its charities. The information provided will not be used for any other purpose.

## **WHAT TO DO IF YOU FACE A CONFLICT OF INTEREST**

If you believe you have a perceived or real conflict of interest in a transaction or decision between the organisation's best interests and your best interests or a conflict between the best interests of two organisations that you are involved with you should:

- Declare the interest at the earliest opportunity
- Withdraw from discussions and decisions relating to the conflict.

After disclosure, you may be asked to leave the room for the discussion and may not be able to take part in the decision depending on the judgment of the other committee members present at the time.

The Management Committee executive administrator will take special care to ensure that minutes or other documents relating to the item presenting a conflict are appropriately redacted for the person facing the conflict. A balance will be made to ensure that the person still receives sufficient information about the activities of the SoA generally without disclosing sensitive information that could place the individual in an untenable position.

If you are user of the SoA's services, or the carer of someone who uses the SoA's or the charities' services, you should try not to be involved in decisions that directly affect the service that you, or the person you care for, receive(s). You should declare your interest at the earliest opportunity and withdraw from any subsequent discussion, unless expressly invited to remain. In this case you may not participate in, or influence, the decision or any vote on the matter. You will not be counted in the quorum for that

part of the meeting and must withdraw from the meeting during any vote on the conflicted item.

There are situations where you may participate in discussions from which you could indirectly benefit, for example, where the benefits are universal to all users, or where your benefit is minimal. This action will be agreed by the chair and minuted accordingly.

If you fail to declare an interest that is known to the Chief Executive and/or the Chair they will declare that interest.

Decisions taken where a member of the Management Committee or member of staff has an interest:

In the event of the Management Committee having to decide upon a question in which a Committee member or member of staff has an interest, all decisions will be made by vote, with a simple majority. Interested Management Committee members may not vote on matters affecting their own interests. All decisions under a conflict of interest will be recorded by the Management Committee administrator and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict
- an outline of the discussion
- the actions taken to manage the conflict

Where a board member / trustee benefits from the decision, this will be reported in the annual report and accounts in accordance with the current Charities SORP.

This policy is intended to supplement good judgment. Staff and Committee members should respect its spirit as well as its wording. See: [Conflicts of interest: a guide for charity trustees \(CC29\) - GOV.UK](#)

**Date policy first adopted:** January 2018 | **Last updated:** January 2025

# Appendix 1

## DECLARATION OF INTERESTS

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I ..... as employee/trustee/Management Committee member\* [\*delete as appropriate] of the Society of Authors have set out below my interests in accordance with the Conflicts of Interest Policy.

<b>Category</b>	<b>Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection.</b>
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise), e.g. trusteeships, directorships, local authority membership, tribunals etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings (e.g. more than 1% or 5% of issued capital) and beneficial interests.	
Gifts or hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months.	
Do you use, or care for a user of the SoA's services?	
Any contractual relationship with the SoA or its associated charities.	
Any other conflicts that are not covered by the above.	

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed:

Position:

Date:

## Appendix 2

### Example register of interests

Name of trustee	Description of interest	Does the interest relate to the trustee or a person closely connected to the trustee? (Please describe)	Is the interest current?
Mr. T. Smith	Joint owner of catering company Member of the local authority.	Trustee, other joint owner is the trustee's daughter. Trustee.	Current
Mrs. A. Jones	Employee of ABC charity with similar aims and objectives working in the same area.	Trustee.	No, trustee resigned post in 1999
Mr. A. Wright	Trustee of xyz charity.	Trustee.	Current
Miss. R. Clifford	Was bought lunch to value of £40 by representative of a photocopying machine supplier.	Trustee.	Current

## **Appendix 3**

### **Applicable law and provisions**

#### Companies Act 175 Duty to avoid conflicts of interest

(1) A director of a company must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.

(2) This applies in particular to the exploitation of any property, information or opportunity (and it is immaterial whether the company could take advantage of the property, information or opportunity).

(3) This duty does not apply to a conflict of interest arising in relation to a transaction or arrangement with the company.

(4) This duty is not infringed—

(a) if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(b) if the matter has been authorised by the directors.

(5) Authorisation may be given by the directors—

(a) where the company is a private company and nothing in the company's constitution invalidates such authorisation, by the matter being proposed to and authorised by the directors; or

(b) where the company is a public company and its constitution includes provision enabling the directors to authorise the matter, by the matter being proposed to and authorised by them in accordance with the constitution.

(6) The authorisation is effective only if—

(a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and

(b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

(7) Any reference in this section to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

## **Appendix 4**

### **Articles of the Society of Authors**

#### **16. Conflicts of Interest of Management Committee**

The members of the Management Committee may authorise any matter or situation proposed to them by a member of the Management Committee which would, if not authorised, involve him or her breaching his or her duty under section 175 of the Act to avoid conflicts of interest, but such member of the Management Committee may not participate in that decision-making process for quorum and voting purposes.