



## **Regulations of the Board of Trustees**

**Adopted by the Board, November 2020 (Updated November 2022 and March 2023)**

**Cycling Scotland ("the charity")  
Regulations of the Board of Trustees ("the Board")**

## 1. Definitions

These Regulations are made in accordance with Article 70 of the Articles of Association of the charity ("the Articles"). Words defined in the Articles shall have the same meanings when used herein.

## 2. Appointment of Members of the Board

In appointing members of the charity as members of the Board pursuant to Articles 29 to 38, the Board shall endeavour from time to time to ensure that, so far as reasonably possible and appropriate, the Board shall include persons with appropriate skills and knowledge in one or more of the following fields:

- finance
- HR
- legal
- academia
- relevant policy including transport planning / engineering, active travel, public health policy and environmental sustainability

Cycling Scotland has signed up to Partnership for Change, which set a voluntary commitment for gender balance on the Board of 50/50 by 2020 and when considering its membership, the Board will aim to be reflective of the communities we work with and wider society.

Term limits for Board members are a maximum of 3 terms of 3 years, from their first re-appointment after 2016. Should the skills review indicate the potential loss of a key skill, the Board may invite an outgoing Director to remain as a Director until a suitable replacement is found.

## 3. Appointment of Office Bearers

Article 40 of the Articles obliges the Board to elect a Chair from time to time and further provides that the Board may from time to time elect a vice-Chair. Unless there is majority agreement of the Board to the contrary, the Chair and the vice-Chair shall each hold office for a maximum period of three years, subject to any restriction on members of the Board contained in the Articles from time to time.

## 4. Quorum and Meetings

The quorum necessary for the transaction of business at meetings of the Board shall be not less than three persons who at the commencement of such meetings are members of the Board. A member of the Board shall not be counted in the quorum in relation to a discussion or a resolution on a matter concerning which such member of the Board is not entitled to be present or vote.

The Board shall meet at least four times in each calendar year.

## 5. Establishment of Committees

Article 70 permits the Board to delegate any of their powers to Committees consisting of such member or members of the Board as they think fit. The Board shall establish the following standing Committees ("the Committees"):

### 5.1 Finance Committee

- The Finance Committee shall undertake duties in accordance with the Terms of Reference set out in Appendix 1 hereto but shall refer major policy decisions to the Board for determination.
- The maximum length of service on the Finance Committee shall be nine years. The Committee shall appoint a Chair at its first meeting following the Annual General Meeting. The maximum term of appointment of a Chair of the Finance Committee shall be three years, subject to the Chair thereby not exceeding the said term of nine years' service on the Finance Committee.
- The quorum necessary for the transaction of business at meetings shall be two Directors and one officer adviser.
- The Finance Committee shall meet at least four times in each calendar year.

## 5.2 HR Committee

- The HR Committee shall undertake duties in accordance with the Terms of Reference set out in Appendix 2 hereto but shall refer major policy decisions to the Board for determination.
- The maximum length of service on the HR Committee shall be nine years. The Committee shall appoint a Chair at its first meeting following the Annual General Meeting. The maximum term of appointment of a Chair of the HR Committee shall be three years, subject to the Chair thereby not exceeding the said term of nine years' service on the HR Committee.
- The quorum necessary for the transaction of business at meetings shall be two Directors and one officer adviser.
- The HR Committee shall meet at least four times in each calendar year.

## 5.3 Appointments Committee

- The Appointments Committee shall act on behalf of the Board, in accordance with the Terms of Reference set out in Appendix 3, in dealing with all matters relating to the appointment of new Directors/Trustees arising outwith the arrangements set out for dealing with rotational re-appointment of Directors at the Annual General Meeting as set out in clauses 36 - 38 of the Articles of Association.
- The Committee shall deal with all matters relating to the appointment of the Chief Executive Officer and shall participate in the appointment of the Head of Finance & Corporate Services/Company Secretary.
- The Committee shall consist of a minimum of two and maximum of four Directors supported, as appropriate, by the Chief Executive Officer and Company Secretary.
- The Committee shall meet as required and shall normally be Chaired by the Chair of the Board

## 5.4 Other Committees

- The Board may establish any other Committee(s) it deems necessary to address and support the work of Cycling Scotland.

## 6. Interests of Members of the Board

Members of the Board have a duty to accept the responsibilities of their position and to act at all times in the best interests of the charity, ahead of any other professional or personal interest.

The Board's policy relating to conflicts of interest shall be as set out in Appendix 4 hereto (as the same may be amended from time to time).

The declaration of interests form to be used in conjunction with the Board's Conflict of Interest policy shall be as set out in Appendix 5 hereto (as the same may be amended from time to time).

The declaration of related party transactions form to be used in conjunction with the Board's Conflict of Interest policy shall be as set out in Appendix 6 hereto (as the same may be amended from time to time).

## **7. Governance**

The charity is committed to following the principles of good governance when carrying out its activities. In furtherance of this, the charity complies with the Scottish Governance Code for the Third Sector which sets out five core principles to be followed:

- **Organisational purpose** – be clear about the purposes and values of the charity and how it will achieve its aims
- **Leadership** – be clear about the Board's role and responsibilities and provide strategic direction in line with the charity's purpose, vision, and values
- **Board behaviour** – collectively and individually embrace and demonstrate mutual respect, integrity, openness, and accountability
- **Control** – develop and implement appropriate controls to direct and oversee progress and performance of the charity
- **Effectiveness** – understand the Board's role, powers and duties and work collectively and proactively to agree the charity's organisational purpose.

Pursuant to the core principle on board behaviour, the charity has adopted a Code of Conduct for Trustees. This is set out in Appendix 7.

## **8. Scheme of Delegation**

The Charity operates a Scheme of Delegation, as contained in Appendix 8.

The Scheme of Delegation empowers and enables timely and effective action by the Chair, Committees and Chief Executive working in partnership for the benefit of the charity and its beneficiaries. It ensures an appropriate level of delegation from the Board so that there is effective delivery and input into decision-making.

Where matters are referred to in the Scheme of Delegation as being delegated to the Chief Executive, this empowers the Chief Executive to delegate further to staff (except where indicated).

This Scheme of Delegation provides the framework for decision-making and action but there will be instances where it is not clear by whom an issue should be decided, or differences arise. The Board and every member of staff will work constructively together to arrive at timely, clear pragmatic solutions within the spirit of our charitable values, our strategy and the code of conduct, to maximise the positive impact of our work

## Appendix 1 – Finance Committee Terms of Reference

### 1. Purpose

The purpose of the Finance Committee is to provide strategic oversight of and ensure effective delivery and management of Cycling Scotland's finances, including income generation, programme and overheads expenditure and allocation of resources on behalf of the Board.

### 2. Objectives

- Oversee and monitor the effective management of Cycling Scotland finances including internal financial management control processes and procedures
- Ensure all legal requirements upon the charity are met, including audit, insurance, reserves and OSCR requirements
- Oversee the annual audit process including agreement of the Annual Audit Plan and associated fees, consideration of the auditors' report, findings and recommendations and submission of any letter of representation on behalf of the Board
- Review and monitor the annual budget, making recommendations to the Board
- Oversee and monitor the overall direction of income generation, including grant fundraising bids, in line with any strategic direction laid out by the Board
- Consider annual staff salary reviews in conjunction with the HR Committee and make recommendations to the Board for decision
- Oversee and monitor the management of the pension deficit
- Review implementation of the gifts and fundraising policy

### 3. Membership of the Finance Committee

The Finance Committee shall comprise of:

- A minimum of two and a maximum of four Directors, who shall normally be appointed by the Board at the annual post-AGM Board meeting
- CEO (officer adviser)
- Head of Finance & Corporate Services (officer adviser)

The Chair of the Finance Committee shall be appointed by the Committee at its first meeting after each AGM and may be any member of the Board other than the Chair of the Board.

The Finance Committee shall include (so far as practicable) at least one member with expertise relevant to its Terms of Reference.

### 4. Additional Attendees

The Finance Committee shall have power to invite additional occasional attendees (subject to a maximum of two) who are not members of the Board, for purposes including, but not limited to, the annual or other audit requirements.

### 5. Reporting

The quorum necessary for the transaction of business at meetings of the Finance Committee shall be two Directors and one officer adviser.

The Finance Committee will report to the Board following each of its meetings on the work and decisions of the Committee. Minutes will be recorded by an officer adviser.

The Finance Committee shall meet at least four times in each calendar year.

## Appendix 2 – HR Committee Terms of Reference

### 1. Purpose

The purpose of the HR Committee is to provide strategic oversight and ensure effective development and management of Cycling Scotland staff and implementation of all personnel policies on behalf of the Board.

### 2. Objectives

- Determine the general Terms & Conditions of Employment for staff and oversee their implementation
- Review and agree all updates to the Staff Handbook and discharge associated responsibilities
- Periodically review the continuing relevance and effectiveness of the organisation's HR policies and processes
- Ensure all legal requirements upon the charity related to HR and personnel matters are met, taking independent professional advice where appropriate
- Appoint representatives to hear appeals on grievance and disciplinary processes in appropriate cases in accordance with approved Staff Handbook processes
- Oversee the direction of workforce planning and staff recruitment in line with any strategic direction laid out by the Board
- Periodically review the organisation's staffing structure and approve any necessary revisions having regard to approved budgets and the approved Business Plan
- Make recommendations to the Board on any proposals for staff re-structuring or appointments which are unfunded or not provided for within approved budget limits
- Consider annual staff salary reviews in conjunction with the Finance Committee and make recommendations to the Board for decision

### 3. Membership of the HR Committee

The HR Committee shall comprise of:

- A minimum of two and a maximum of four Directors who shall normally be appointed by the Board at the annual post-AGM Board meeting.
- CEO (officer adviser)
- Head of Finance & Corporate Services (officer adviser)

The Chair of the HR Committee shall be appointed by the Committee at its first meeting after each AGM and may be any member of the Board other than the Chair of the Board. The HR Committee shall include (so far as practicable) at least one member with expertise relevant to its Terms of Reference.

### 4. Additional Attendees

The HR Committee shall have power to invite additional occasional attendees (subject to a maximum of two) who are not members of the Board, for purposes including, but not limited to the personnel needs of the organisation.

### 5. Reporting

The quorum necessary for the transaction of business at meetings of the HR Committee shall be two Directors and one officer adviser.

The HR Committee will report to the Board following each of its meetings on the work and decisions of the Committee. Minutes will be recorded by an officer adviser.

The HR Committee shall meet at least four times in each calendar year.

## Appendix 3 - Appointments Committee Terms of Reference

### 1. Purpose

The purpose of the Appointments Committee is to act on behalf of the Board in dealing with all matters relating to the appointment of new Directors arising outwith rotational appointments of Directors by the Annual General Meeting, as provided for under clauses 36 – 38 of the Articles of Association, and to lead on the search for and appointment of a Chief Executive as a vacancy arises.

### 2. Objectives

- Ensure orderly succession to Board positions
- Oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the organisation, and the skills and expertise needed on the Board in the future.
- Prepare a description of the role and capabilities required for a particular appointment and the time commitment expected. In identifying suitable candidates the Committee shall use open advertising or the services of external advisers to facilitate the search.
- Make recommendations on the appointment of new Directors/Trustees to the Board and AGM.
- Review the results of the process that relate to the composition of the Board and succession planning.
- Lead the appointment of a Chief Executive as a vacancy occurs, including confirming the job description with the Board, and all other aspects of the appointment process and including, as required, procurement of professional recruitment assistance.
- To participate, on behalf of the Board, in the appointment of the Head of Finance & Corporate Services/Company Secretary as a vacancy arises.

### 3. Membership of the Appointments Committee

The Appointments Committee shall comprise of:

- A minimum of two and a maximum of four Directors, who shall normally be appointed by the Board at the annual post-AGM Board meeting
- CEO (officer adviser)
- Head of Finance & Corporate Services (officer adviser)

The Chair of the Appointments Committee shall normally be the Chair of the Cycling Scotland Board.

### 4. Additional Attendees

The Appointments Committee shall have power to invite additional occasional attendees (subject to a maximum of two) who are not members of the Board, for purposes of providing expert advice and support on recruitment policy and procedures.

### 5. Reporting

The quorum necessary for the transaction of business at meetings of the Appointments Committee shall be two Directors and one officer adviser.

The Appointments Committee will report to the Board following each of its meetings on the work, decisions and recommendations of the Committee. Minutes will be recorded by an officer adviser.

The Appointments Committee shall meet as necessary to deal with and make recommendations on appointments as vacancies arise.

## **Appendix 4 – Conflicts of Interest Policy**

### **1. Purpose of the Policy**

The Board of the charity, as Trustees, have a duty to act in the best interests of the charity and in accordance with the charity's Memorandum and Articles of Association.

Conflicts of interest may arise where a Trustee's business, personal or family interests and/or loyalties conflict with those of the charity. Such conflicts may create problems; they can:

- inhibit free discussion
- result in decisions or actions that are not in the interests of the charity
- risk the impression that the charity has acted improperly

The aim of this policy is to protect both the charity and the Trustees involved from any appearance of impropriety.

### **2. Declaring Interests**

Trustees must declare their interests, and any gifts or hospitality received in connection with their role in the charity. A model declaration of interest form is attached at Appendix 4, listing the types of interests which should be declared.

If a Trustee is in any doubt about what to declare or whether/when a declaration needs to be updated, they should err on the side of caution. Any concerns or questions should be addressed to the charity's Company Secretary for guidance.

The declaration of interest form should be updated by each Trustee at least once a year, and also when any changes occur. The charity's Company Secretary shall maintain a record of all declaration of interest forms and also maintain a Register of Interests.

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 2018. Data will be processed only to ensure that Trustees act in the best interests of the charity. The information provided will not be used for any other purpose. Information contained on the declaration of interest forms shall be made available on request to members of the charity.

### **3. Related Party Transactions**

Trustees have a legal duty under s66 of the Charities and Trustee Investment (Scotland) Act 2005 to manage potential conflicts of interest in respect of Trustees and persons connected to them. Connected persons are defined in detail in the charity SORP. This can be summarised as: siblings; two generations up and down (parents, grandparents, children, and grandchildren) and their spouses or domestic partners; and the Trustee's spouse or domestic partner plus their children.

For this group of people, the charity requires to be informed if they have together a 20% or more share of the voting rights in an entity in order to manage any potential conflict of interest effectively. The entity can be another charity or a business interest. The SORP requires disclosure of transactions with connected persons.

Therefore, the charity requires to obtain a declaration of interests from each Trustee, covering the Trustee and those close to them, as summarised above, refreshed annually. A model declaration of related party form is attached at Appendix 4, listing the type of interests which should be declared.



#### **4. If a Conflict of Interest Arises**

If a conflict of interest arises, the Trustee should declare that interest at the earliest opportunity and withdraw from any discussion on the matter at any meeting of the Board of Trustees or of a Committee of the Board. A Trustee must not vote at a meeting of the Board of Trustees or any Committee of the Board on any resolution concerning such a matter.

All decisions relating to any conflict of interest will be recorded by the Board of Trustees 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

## Appendix 5 - Declaration of Interests Form

Cycling Scotland Limited (“the charity”)

I, \_\_\_\_\_ as a Trustee of the charity have set out below my interests in accordance with the charity’s Conflicts of Interest Policy (“the policy”).

Category	Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family or some other close personal connection.
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise) for example directorships, trusteeships, local authority membership, tribunals, public bodies etc.	
Membership of any professional bodies, special interest groups, voluntary or support organisations.	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings and beneficial interests which are of significance or relevance to, or bear upon the work and operation of the charity.	
Gifts or hospitality offered to you by external bodies in your capacity as a trustee of the charity and whether this was declined or accepted in the last 12 months.	
Trustee of the charity and whether this was declined or accepted in the last 12 months	
Any contractual relationship with the charity.	
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 Policy and for no other purpose.

Signed:

Date:

## Appendix 6 – Declaration of Related Party Transaction Form

### Cycling Scotland Limited (“the charity”)

Trustees have a legal duty under s66 of the Charities and Trustee Investment (Scotland) Act 2005 to manage potential conflicts of interest in respect of Trustees and persons connected to them. Connected persons are defined in detail in the charity SORP. This can be summarised as: siblings; two generations up and down (parents, grandparents, children, and grandchildren) and their spouses or domestic partners; and the Trustee’s spouse or domestic partner plus their children.

For this group of people, the charity requires to be informed if they have together a 20% or more share of the voting rights in an entity in order to manage any potential conflict of interest effectively. The entity can be another charity or a business interest. The SORP requires disclosure of transactions with connected persons.

Therefore, the charity requires to obtain a declaration of interests from each Trustee, covering the Trustee and those close to them, as summarised above, refreshed annually.

Trustee name: \_\_\_\_\_

### Other Directorships:

Name of entity and nature of interest	Are you aware of any transactions between this entity and the charity? If so, please provide details

### Family business interests where family holds 20% or more of the voting rights:

Name of entity and nature of interest	Are you aware of any transactions between this entity and the charity? If so, please provide details

Please sign below, confirming that as far as you can determine, this information is correct at the date of signing and for the charity’s last financial year:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Related Parties Definition

Per Statement of Recommended Practice (SORP) 2015:

Related parties is a term used by the SORP that combines the requirements of charity law, company law and the Financial Reporting Standard applicable in the UK and the Republic of Ireland. The term is used to identify those persons or entities that are closely connected to the reporting charity or its trustees.

The following 'natural persons' are classed as related parties:

- A. any charity Trustee and Custodian Trustee of the charity
- B. a person who is the donor of any land to the charity (whether the gift was made on or after the establishment of the charity)
- C. any person who is:
  - a child, parent, grandchild, grandparent, brother, or sister of any such Trustee (A) or donor (B) of land
  - an officer, agent, or a member of the key management personnel of the charity
  - the spouse or civil partner of any of the above persons (A, B, C1 and C2)
  - carrying on business in partnership with any of the above persons (A, B, C1, C2 and C3)
  - a person, or a close member of that person's family, who has control or joint control over the reporting charity
  - a person, or a close member of that person's family, who has significant influence over the reporting charity

Close member of a person's family' refers to:

- that person's children or spouse
- the children, stepchildren or illegitimate children of that person's spouse or domestic partner
- dependents of that person; and
- that person's domestic partner who lives with them as husband or wife or in an equivalent same-sex relationship

A charity is not necessarily related to another charity simply because a particular person happens to be a Trustee of both. It will only be 'related' if the relationship means that one charity, in furthering its charitable aims, is under the direction or control of the Trustees of another charity.

The following entities, which are not 'natural persons', are classed as related parties of a reporting entity (including a reporting charity) if any of the following conditions apply:

- the entity and the reporting charity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others)
- one entity is an associate or joint venture of the other entity (or a member of the group in which the other entity is the parent or a member)
- both entities are joint ventures of the same third entity
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity
- the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity
- an entity that is controlled or jointly controlled by a person, or two or more persons, identified in A, B, or C

- an entity in which a person, or two or more such persons, identified in A, B or C, taken together, have a substantial interest or significant influence over the entity

Control is presumed to exist when one or more persons identified in A, B or C, taken alone or together, hold directly or indirectly, more than half the voting power of an entity. However, control can also exist when they, directly or indirectly, control half or less than half of the voting power of an entity, if they have:

- power over more than half of the voting rights by virtue of agreement with other investors
- the power to govern the financial and operating policies of the entity under a statute or an agreement
- the power to appoint or remove the majority of the members of the Board of Directors or equivalent governing body, and control of the entity is by that Board or body
- the power to cast the majority of votes at the meetings of the Board of Directors or equivalent governing body, and control of the entity is by that Board or body

An individual has a substantial interest or significant influence in an entity where that person, or two or more persons identified in A, B or C, taken together, have an interest in the equity share capital of that entity of a nominal value of more than one-fifth of that share capital, or is entitled to exercise, or control the exercise of, more than one-fifth of the voting power at any general meeting of that entity.

Related party transactions are the transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

## Appendix 7 – Trustees Code of Conduct

### Cycling Scotland Limited (“the charity”)

#### 1. Introduction

Cycling Scotland Limited is a company limited by guarantee and is governed by its Articles of Association. The charity is established for charitable objects and purposes only.

Those who serve on the Board of Trustees of the charity have responsibilities both under company law as Directors and under charity law as Trustees. The charity seeks to provide a model of best practice in discharging these responsibilities via this code of conduct. As part of this each Trustee is required to agree to abide by this Code of Conduct and to sign the attached declaration accordingly.

This Code of Conduct is to be treated as being supplementary to the charity’s Memorandum and Articles of Association, a copy of which is provided to all Trustees, who should read and familiarise themselves with its terms.

#### 2. Purpose of the Code

This Code of Conduct aims to define the standards expected of the charity’s Trustees in order to ensure that:

- a. The charity is effective, open, and accountable.
- b. The highest standards of integrity and stewardship are achieved; and
- c. The working relationship with the charity’s management team is productive and supportive

#### 3. Company Directors’ Duties

Company Directors are subject to both common law fiduciary duties, being duties deriving from a position of trust, and statutory duties, including duties formalised in legislation.

- a. Overarching Common Law fiduciary duties which apply to the charity’s Trustees are:
  - i. Duty of **no conflict**, where a Trustee must not place themselves in a position where their own interests conflict with those of the charity, or where there is a real possibility that this will happen. This is also known as conflict of interests. Trustees should refer to the charity’s separate policy on conflicts.
  - ii. Duty of **no profit**, where a Trustee must not profit from their position at the expense of the charity.
  - iii. Duty of **undivided loyalty**, where a Trustee must show such to the charity, and not place themselves in a position where their duty to a non-charity party conflicts with their duty to the charity.
  - iv. Duty of **confidentiality**, where a Trustee must disclose information obtained in confidence from the charity only for the charity’s benefit, and in line with any wider approach to confidentiality of information.
- b. There is further formalisation of certain Common Law fiduciary duties within the Companies Act 2006, also known as statutory duties. These apply equally to charity’s Trustees and include:
  - v. A Trustee must act in accordance with the charity’s constitution, including its Articles of Association, and only exercise their powers for the purposes for which they are conferred.

- vi. A Trustee must act in a way which the Trustee considers, in good faith, would be most likely to promote the success of the charity for the benefit of its members as a whole, having regard, amongst other things to:
  - 1. the likely consequences of any decision in the longer term
  - 2. the interests of the charity's employees, where applicable
  - 3. the need to foster the charity's respective business relationships with suppliers, customers, and others
  - 4. the impact of the charity's operations on the community and the environment
  - 5. the desirability of the charity maintaining a reputation for high standards of business conduct
  - 6. the need to act fairly as between the members of the charity.
- vii. A Trustee must exercise independent judgement.
- viii. A Trustee must exercise the care, skill and diligence which would be reasonably expected of a person carrying out the Trustee's functions with the general knowledge, skill, and experience that the Trustee has.
- ix. A Trustee must avoid conflicts of interest with the charity.
- x. A Trustee must not accept benefits from third parties.
- xi. A Trustee must declare interests in proposed transactions or arrangements with the charity.

#### **4. Charity Trustee Specific Duties**

In addition to the duties above, the Charities and Trustee Investment (Scotland) Act 2005 imposes further standards which solely affect charity Trustees and, where applicable, override the corresponding duty imposed on company Directors by the Companies Act. Accordingly, when exercising their functions as a Trustee of the charity, Trustees must also ensure that they:

- a. seek, in good faith, to ensure that the charity acts in a manner which is consistent with its purposes
- b. act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person
- c. in circumstances capable of giving rise to a conflict of interest between the charity and any person responsible for the appointment of the Trustee, put the interests of the charity before those of the other person, or where the duty prevents the Trustee from doing so, disclose the conflicting interest and refrain from participating in any deliberation on the matter in question; and
- d. comply with any notice, direction, requirement, or duty imposed on the charity by the Office of the Scottish Charity Regulator or under the Charities and Trustee Investment (Scotland) Act 2005.

#### **5. General Principles**

##### **5.1 Selflessness**

Trustees should act with probity and prudence in the best interests of the charity as a whole. They should not act in order to gain financial or other material benefits for themselves, their family, their friends, or any other organisation with which they are associated.

### 5.2 Integrity

Trustees should conduct themselves in a manner which does not damage or undermine the reputation of the charity, or its staff. More specifically they:

- a. should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their role
- b. must avoid actual impropriety and any appearance of improper behaviour
- c. should avoid accepting gifts and hospitality that might reasonably be thought to influence their judgement

### 5.3 Objectivity

In carrying out their role, including making appointments, awarding contracts, recommending individuals for rewards and benefits, or transacting other business, Trustees should ensure that decisions are made solely on merit. In arriving at decisions in areas where they do not have expertise themselves, Trustees should consider appropriate professional advice.

### 5.4 Accountability

Trustees have a duty to comply with constitutional and legal requirements and to adhere to best practice in such a way as to preserve confidence in the charity.

Trustees are accountable to the charity's members and other stakeholders for their decisions, the effectiveness of the board and the performance of the charity overall.

### 5.5 Openness

Trustees should ensure that confidential information and material, including material about individuals is handled with due care in accordance with related legislation, in order that it remains confidential.

In addition, Trustees should be as open as reasonably possible about their decisions and the actions that they take. As far as possible they should give reasons for their decisions and restrict information only when the wider interest of the charity clearly demands.

### 5.6 Honesty

Both as Directors of the charity and as charity Trustees, the Trustees have a duty to avoid situations where they have, or could have, a direct or indirect interest which conflicts with that of the charity. There is however an important distinction in the treatment of a conflict of interest as it relates to a Company Director's dealings, compared to that of a charity Trustee.

A Company Director's conflict of interest can be authorised by the other Directors and then the conflicted Director may take part in any subsequent voting or discussion notwithstanding their interest.

However, a conflicted charity Trustee may not participate in any voting or discussion on the subject in which they have an interest. They should immediately declare their interest and



ensure they are not involved in and have no influence on any subsequent discussion, business, or voting. This conduct requirement overrides the lower standard imposed under the Companies Act.

The charity has in place a Conflicts of Interest Policy and maintains a Register of Interests. Each Trustee should familiarise themselves with the Conflicts of Interest Policy and complete a Declaration of Interests Form and a Related Parties Form as required.

### 5.7 Leadership

Trustees must:

- a. promote and support the principles of leadership by example
- b. prepare fully for, and attend meetings; actively engage in discussion and debate at meetings, listening carefully, challenging sensitively, and avoiding conflict; act collectively at meetings and accept a majority decision
- c. bring a fair and open-minded view to all discussions of the Board and ensure that all decisions are made in the charity's best interests
- d. respect the role of the staff of the charity
- e. accept and respect the differences in roles between the Board and the charity colleagues, ensuring that the board and the charity colleagues work effectively and cohesively for the benefit of the charity, and develop a mutually supportive and loyal relationship
- f. having given the staff of the charity delegated authority, be careful, individually, and collectively, not to undermine it by word or action
- g. accept the responsibilities of their position, and to act at all times in the best interests of the charity, ahead of any other professional or personal interest. They should at all times consider what is best for the organisation and its beneficiaries, and avoid bringing the charity into disrepute
- h. be familiar with the organisation's governing document and act in accordance with its terms and any relevant legislation
- i. have an up-to-date knowledge of the charity, its values and principles, and its operating environment
- j. manage conflicts of interest effectively; declare any and all relevant interests on appointment and during meetings of the Board; and
- k. respect confidentiality, and work considerately and respectfully with all, respecting diversity, different roles and opinions, and avoid giving offence

### 5.8 Respect

Trustees must respect fellow Trustees and employees of the charity and the role their colleagues play, treating them with courtesy at all times.

## 6. HMRC Fit and Proper Person

Her Majesty's Revenue and Customs will only allow the charity to receive UK charity tax reliefs for so long as the charity is managed by 'fit and proper people'. If any manager of the charity is found not to be a fit and proper person the charity could lose entitlement to charity tax reliefs. Accordingly, if a Trustee or prospective Trustee falls under any of the following categories, they should notify the charity at once:

- a. A history of tax fraud
- b. A history of other fraudulent behaviour including misrepresentation and/or identity theft
- c. HMRC knowledge of involvement in attacks against or abuse of tax repayment systems
- d. Information or evidence pointing to a heightened risk of involvement in other fiscal or financial impropriety

The charity asks that every Trustee completes and returns HMRC's Model Declaration for Fit and Proper Persons in terms of Declaration 7, below, to ensure that the charity complies with these rules.

## **7. Trustee's Declaration**

By accepting your appointment to the Board of Directors of the charity you are required to accept the terms of this Code of Conduct.

You must sign the Declaration below and return it to the Company Secretary and keep a copy of this Code of Conduct for your records.

I declare that:

- a. I am over 18
- b. I am not an undischarged bankrupt
- c. I have not previously been removed from Trusteeship of a charity by a court of the Charity Commissioners or any other relevant authority
- d. I am not under a disqualification order under the Company Directors' Disqualification Act 1986
- e. I am not disqualified by the Charities and Trustee Investment (Scotland) Act 2005 (Sections 69 and 70) from acting as a charity Trustee
- f. I undertake to fulfil my responsibilities and duties as a Trustee of the charity in good faith and in accordance with the law and within the charity's' objectives/mission
- g. I do not have any interests in conflict with those of the charity (either in person or through family or business connections) except those which I have formally notified the charity of. I will specifically notify any such interest at any meeting where Trustees are required to make a decision which affects my personal interests.
- h. I will abide by this Code of Conduct for Trustees of the charity.
- i. I have read, understood, and will adhere to the charity's Memorandum of Association and Articles of Association.
- j. I have completed and hereby return HMRC's Model Declaration for Fit and Proper Persons

Signed: .....

Date:

Name of Trustee:

## Appendix 8 – Scheme of Delegation

### Role of the Board

Collectively, the role of the Board is:

- To ensure that Cycling Scotland pursues its mission and charitable objectives as defined in the Articles of Association and that these remain relevant over time
- To provide strategic leadership and determine the strategic direction of the charity
- To approve policies, plans and budgets in order to achieve objectives, and monitor performance against them
- To ensure that the organisation's resources are applied exclusively in pursuance of its objectives, that its assets are protected and managed and to ensure the financial viability of the charity
- To ensure that Cycling Scotland complies with company, charity, employment, health & safety, and other legislation
- To approve and oversee frameworks of delegation, internal control, and risk management
- To oversee the effective and efficient administration and management of the organisation
- To appoint, supervise and support the Chief Executive and ensure other staff and volunteers are supported and supervised
- To safeguard the reputation and values of Cycling Scotland.

### Role of Individual Trustees / Directors

In order to fulfil these duties, key responsibilities for a Trustee include the following:

- To understand the legal responsibilities of the Board
- To have read and understood the Memorandum & Articles of Association
- To work in the interests of the organisation, and not for personal gain
- To ensure that the Board takes proper professional advice on matters in which it does not have the level of competence required for effective decision-making.
- To read and understand the financial information and to ensure the finances are sound and properly managed
- To make sure that Cycling Scotland is properly insured against all reasonable liabilities
- To oversee the organisation's risk management function, including the production of a Risk Register
- To make sure that any premises and equipment are properly looked after
- To work with the other Trustees to form an effective governing body for the organisation
- To attend meetings and to read papers in advance of meetings. <sup>1</sup>
- To attend Committee meetings as appropriate.
- To participate in other tasks which may arise from time to time, such as sitting on appointment and disciplinary panels and fundraising
- To keep informed about the activities of the organisation and wider issues, which affect its work

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<sup>1</sup> Absence from more than 3 Board meetings in a row may lead to removal as a Trustee

### **Delegation to the Chair (or vice Chair)**

In addition to the general responsibilities for all Trustees the Chair also has some specific responsibilities:

- Planning the annual cycle of Board meetings in conjunction with the Chief Executive
- Confirming agendas for meetings with the advice of the Chief Executive
- Chairing and facilitating Board meetings
- Giving direction to the Board's policy making
- To ensure that another Trustee(s) is able to act for the Chair when she/he is not available
- Liaise with the Chief Executive to keep an overview of the organisations affairs and to provide support as appropriate
- Leading the process of appraising the performance of the Chief Executive
- Liaising with the Chief Executive to develop the Board
- Bringing impartiality and objectivity to decision making

### **Delegated Authority to CEO (or as delegated to SMT and staff members)**

In order to achieve the charitable purposes of Cycling Scotland, the following powers are delegated:

#### **Finance:**

- Management of financial resources and decisions, within limits set in guidelines determined by the Board and Finance Committee
- Financial transactions, including BACS transfer and payments of grants (Head of Finance & Corporate Services)

#### **Personnel:**

- Operational leadership and management of staff and volunteers, recruitment of staff and determining staffing arrangements with oversight by HR Committee
- Implementation of policies for staff management (including discipline and grievance procedures) with escalation to HR Committee and Board as stated in policies
- Implementation of policies and procedures to meet legal and regulatory obligations in respect of vulnerable children and adults, health and safety, data protection with escalation to HR Committee and Board as stated in policies

#### **Business Planning:**

- Manage the Grant Funding bid process in negotiation with Transport Scotland and with other funders
- Formulate, modify and recommend the annual operating plan and budget to the Board
- Control and monitoring of activities and expenditure
- Re-allocation of resources 'in-year' to meet emerging requirements
- Formulate and report on organisation's risk management framework to the Board

#### **Strategy:**

- Leadership of the organisation's overall strategy and key policies
- Sign statutory and other routine reports to regulatory bodies (Company Secretary)
- Authority to enter into contractual or other partnerships in pursuit of the organisation's objects