

**Inquiry Report made under Section 33 of the Charities and Trustee Investment  
(Scotland) Act 2005**

**Social Bite Fund SC045232**

## **Introduction**

The Social Bite Fund is a Scottish Charitable Incorporated Organisation (SCIO) created in 2014.

The charity is well known in Scotland and beyond and operates a number of key initiatives in tackling homelessness.

OSCR opened an inquiry into the charity in September 2020. We received information relating to the governance of the charity. OSCR considered the information received, reviewed the information provided throughout the course of the inquiry and met with the former and current charity trustees.

The current and former charity trustees and others involved cooperated with the inquiry.

OSCR is publishing this report to:

- Explain the regulatory work we have undertaken and the conclusions arising from this, and
- Help other charity trustees learn lessons that will support them in their role.

## **Findings**

OSCR has reached findings in relation to the preparation of an agreement between the Social Bite Fund and a connected charity called The World's Big Sleep out Trust. These findings relate to matters upon which the former Social Bite Fund Board self-reported.

OSCR has found that there was a lack of clarity in the communications from one of the charity trustees to the other members of the Social Bite Fund Board about amendments they had made to the draft agreement. We also found that the charity trustees at the time did not appropriately manage a conflict of interest that arose when these amendments were made. Given the importance of this agreement to Social Bite Fund and its potential impact and financial consequences, we have reached a finding of misconduct in the administration of the charity. This finding of misconduct in the administration of the charity does not apply to one of the former charity trustees of the Social Bite Fund, Morag McNeil, who was unaware of the particular communications regarding the amendments made to the draft agreement because she was away on holiday and did not receive the communications in question.

These findings relate solely to a specific set of circumstances and an isolated incident in July 2019. OSCR has found no evidence of bad faith or personal gain during our inquiry.

Since then, the structure and governance of the charity has changed and improved. The former charity trustees initiated the improvements and the current charity trustees have built upon these changes. A number of roles within the charity

have been redefined and there has been further recruitment to strengthen the charity's staff team. The current trustees continue to take a proactive approach and are focussed on improvement.

OSCR does not consider it necessary or proportionate to take formal action in response to these findings because this was an isolated incident and there is no evidence of intentional wrongdoing. The former charity trustees took appropriate steps to deal with the issues around the agreement when they became aware of them.

### **Wider lessons for the charitable sector**

OSCR's inquiry has identified some areas where we consider there to be useful learning lessons for the wider charitable sector. These are areas where there are issues which we consider may affect other charities.

#### *Conflicts of interest*

OSCR found that there was a failure to adequately manage a conflict of interest when it arose in relation to amendments to the draft agreement. The person making the amendments was in a conflicted position.

#### **Lesson for the sector**

Charity trustees need to ensure they properly manage conflicts of interest. This means that they should consider their need to have a formal conflict of interest policy and ensure they have clear procedures that are understood and followed by all concerned. Individuals should not be involved in decisions where they are conflicted and are unable to put the interests of the charity first.

#### *Clear communication*

OSCR found there to be a lack of clarity in communications from one of the charity trustees to the rest of the Social Bite Fund Board about amendments which they had made to the draft agreement.

#### **Lesson for the sector**

Communication should be clear within a charity. Where tasks are delegated to one individual then that individual must be clear in their communications with the wider board, so the wider board can clearly understand the actions taken and any decisions they subsequently need to make. Clear communication is a key component of a well-run board.

### *What to do when issues arise*

There will be times when running a charity does not go smoothly. Mistakes can and do happen and the charity trustee board will find themselves having to consider how to best rectify these. We found that the former Social Bite Fund Board took appropriate steps to rectify the situation once they became aware of the issues. This was continued by the current charity trustees who continue to be proactive and focussed on improvement.

#### **Lesson for the sector**

It is important that charity trustees take appropriate steps to deal with issues when they arise. They should seek professional advice or support where appropriate and take any necessary steps.