Policy on working with and accepting contributions from pharmaceutical companies

Context

Pharmaceutical companies produce vaccines and other products that help prevent meningitis. They are therefore important in the wider strategic context of MRFs goal of defeating meningitis. Under current UK law, pharmaceutical companies are a legitimate source of income for charities either through donations, grants or sponsorship. At the same time, MRFs independence and perception of independence are crucial to our reputation for integrity with partners, donors, supporters, staff, wider public, and regulatory bodies in the UK and in countries where we operate. Because pharmaceutical companies generate income for their business from vaccines and we also promote the use of vaccines to help prevent meningitis we are therefore mindful of the need to clearly state the terms on which we engage with and accept income from pharmaceutical companies in order to avoid either real or perceived conflicts of interest and to maintain the independence of our strategy.

This policy states how we do this in principle and practice.

Principles

Our organisational values guide all our work including those with pharmaceutical companies and we are committed to applying these values. We want to operate with high integrity, in a way that is evidence-led and always in the best interests of our beneficiaries.

Three key principles guide our work with pharmaceutical companies.

- Independence: Our credibility as a trusted organisation depends upon our independence and use of evidence. No policy or programme decisions should be influenced or perceived to be influenced by a company.
- Accountability and transparency: In respect of any relationship we should be able to comfortably make a public statement about the nature of the relationship and how it benefits each party.
- Beneficiary first: We want to provide members of the public with the best advice and options, within the bounds of our expertise and the evidence to support what we say, and a corporate relationship should never compromise this.

Practice

In practice we apply these principles by:

- Never promoting a specific vaccine from a single company as a brand. For example, introduction of the MenB vaccine into the UK schedule in 2015 was a MenB vaccine campaign, not a Bexero campaign (the GSK product under consideration by the UK government at the time).
- Clearly acknowledging income from pharmaceutical companies in our Annual Accounts.
- Agreeing a collaboration statement with any pharmaceutical company we work with and receive funds from and publishing this on our website. This statement will include:
  - A statement of independence
  - Synergies of our work
  - Common goals
- Publishing on our website a financial summary of the last three years of donations from all pharmaceutical companies including a list of the projects that have been funded either in full or in part by pharmaceutical company funds.
- Agreeing clear contracts with companies stating clearly the terms of the income as either a donation, grant, fee or sponsorship and complying with the terms of those contracts for acknowledgement in public materials where necessary.

- Maintaining a cap on the total percentage of our income we will receive within a full accounting year. Details of this are set out below.
- Maintaining a cap on the total percentage of our income we will receive within a full accounting year from any one company.

The percentage cap for total income from all companies combined

The Trustees will review the percentage of our total income from pharmaceutical companies at least annually.

Because income from non-pharmaceutical company sources can fluctuate within a year the Board does not have a fixed rule cap on percentage of income that is acceptable from pharmaceutical companies. Instead, the Board uses a 'principle cap' figure that is monitored and has three levels:

Level 1: In normal/stable operating conditions, the Board caps total pharmaceutical contributions at no more than 25% of total income. This is considered the usual policy and is to be used as the basis for financial planning and solicitations for new contributions from companies. Activities above this level require Board authorization.

Level 2: In exceptional operating conditions, the Board caps total pharmaceutical contributions at no more than 50% of total income. The COVID pandemic is considered an exceptional operating condition. Exceptional operating conditions are anticipated to last no more than 3 years but are agreed only at the discretion of the Board. If they last longer than 3 years this policy must be updated.

Level 3: In one-off operating conditions, for example, the ability to make a single significant donation that is unlikely to be repeated, there is no upper limit and Trustees can use their discretionary assessment on the likely risk against the principles of this policy of accepting such income. When this occurs, the exceptional contribution should be reported separately for the purpose of transparency and a percentage of income figure can be publically shared on the website both with and without the exceptional contribution included. This is to ensure all readers can see the exceptional nature of the contribution.

The Board must state and record its current annual Level assessment and publish this along with the usual financial reports on the MRF website along with a justification for the assessment. Should the Level be changed within an accounting year, this must be recorded as a decision and published on the MRF website.

The percentage cap for income from one company

To support the principle of independence we seek a wide range of collaborations and support from different pharmaceutical companies. It is common, though not universal, for companies to have internal policies that cap their contributions to charity at a percentage of a charity income regardless of the charity's own policy. Typically this is in the range 25-30%, though some companies can contribute more.

Because company support can change within a year, the Board uses a principles cap figure for contributions from a single company that has three levels:

Level 1: In normal/stable operating conditions, the Board caps single company pharmaceutical contributions at no more than 25% of total income. This is considered the usual policy and is to be used as the basis for financial planning and solicitations for new contributions from companies. Activities above this level require Board authorisation.

Level 2: In exceptional operating conditions, the Board caps single company pharmaceutical contributions at no more than 50% of total income. The COVID pandemic is considered an exceptional operating condition. Exceptional operating conditions are anticipated to last no more than 3 years but are agreed at the discretion of the Board. If they last longer than 3 years this policy must be updated.

Level 3: In one-off operating conditions, for example, the ability to make a single significant donation that is unlikely to be repeated, there is no upper limit and Trustees can use their discretionary assessment on the likely risk against the principles of this policy of accepting such income. When this occurs, the exceptional contribution should be reported separately for the purpose of transparency and a percentage of income figure can be publically shared on the website both with and without the exceptional contribution included. This is to ensure all readers can see the exceptional nature of the contribution.

The percentage cap for one company must also be compliant with the percentage cap for all companies.

Cyclical factors

Every two years MRF hosts a Research Conference that attracts sponsorship from pharmaceutical companies. Because of this, requests for contributions from companies have a 'natural' two-year cycle in which a significant portion of funds available may be used on a conference every other year. Unlike the majority of other company funding, this funding is subject to VAT.

For this reason, the percentage principle caps above do not include sponsorship income associated with this research conference. However, percentage gross income from companies must be presented both with and without conference income included for the purpose of transparency when presenting information publically.