

Conflicts of Interest Policy

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Purposes of the policy

It is the policy of City of Portsmouth College Corporation ("Corporation") that all members of the Corporation (governors), Corporation/Committee members who are not members of the Corporation (associate governors) and senior staff attending Corporation/Committee meetings must keep to the absolute minimum all unavoidable conflicts of interest between the interests of the Corporation on the one hand and the personal, professional and business interests of the governor, associate governor or senior staff member concerned, and of persons connected with them¹, on the other.

This includes avoiding as far as possible perceptions of conflicts of interest, as well as potential and actual conflicts of interest or duty. A conflict of duty may arise where a governor, associate governor or senior member of staff has a duty towards another person or organisation that could prevent them from making a decision only in the best interests of the Corporation.

The purposes of this policy are to:

- Ensure that governors comply with their legal duties, including in particular those under the Corporation's Instrument & Articles of Government, and their duty in charity law to act only in the best interests of the Corporation;
- Ensure that conflicts of interests are managed appropriately
- Protect the integrity of the Corporation's decision-making process;
- Enable all outside parties dealing with the Corporation to have confidence in the Corporation's integrity; and
- Protect the integrity and reputations of governors, associate governors and senior staff.

This policy should be read in conjunction with the Charity Commission's Conflicts of Interest: a guide for charity trustees (CC29).

Disclosure of interests

From the adoption of this policy, or upon being appointed, whichever is later, all governors, associate governors and senior staff will be required to make a full written disclosure of any business or personal relationships held, financial or property interests held, other trusteeships, or gifts or hospitality received, that could potentially result in a conflict of interests. A declaration of interests form is provided and must be used for this purpose. Any question about whether a governor has an interest which should be disclosed should be referred in the first instance to the Director of Governance for a determination.

Written disclosures will be kept on a register maintained by the Director of Governance and all governors, associate governors and senior staff will be required to update their disclosure annually and when their circumstances change. All disclosures will be reviewed on an annual

¹ A connected person is essentially family, relatives or business partners of a trustee, as well as businesses in which a trustee has an interest through ownership or influence. The term includes a trustee's spouse or unmarried or civil partner, children, siblings, grandchildren and grandparents, or the spouse or unmarried or civil partner of these parties. For further information see the Charities Act 2011, s.188.

basis at the beginning of each academic year. The register will be accessible by any person wishing to inspect it, in accordance with clause 10 of the Corporation's Instrument of Government.

Organisation of meetings where a member has disclosed an interest

Where a governor has previously disclosed an interest and the Chair, advised by the Director of Governance, is satisfied that the interest is relevant to an item on the agenda for a meeting of the Corporation/Committee, the governor or associate governor concerned may not be sent the papers in respect of that item.

Decisions made other than at meetings

A similar approach will be adopted for decisions taken other than by meetings e.g. by written resolutions. Any governor or associate governor who has disclosed an interest considered by the Chair, advised by the Director of Governance, to be relevant to the matter to be decided by the procedure adopted may not be sent the proposed resolution and will not be allowed to vote on it.

Management of conflicts of interests in meetings etc.

This section of the policy should be read in conjunction with clause 10 of the Corporation's Instrument of Government.

In the course of meetings of the Corporation/Committee and all other activities (for example Board Strategy Days) all governors, associate governors and senior staff will be required to disclose the nature and extent of any interests they have in a transaction or decision where they, their family, their employer or their close business or other associates will or may receive a benefit or gain.

If there is a failure to declare an interest that is known to the Chair of Corporation and/or the Chair of the Committee or of any such meeting/person responsible for organising such activities and/or the Director of Governance, the Chair of Corporation or other such person or the Director of Governance will declare that interest.

After disclosure of any such interest, in the case of a meeting the governor, associate governor or senior staff member concerned may be required by a majority vote of governors not subject to such a conflicting interest to leave the room whilst the matter is discussed. The governor or associate governor will not be counted in the quorum for that part of the meeting and will not be permitted to vote on the question. In the case of all other activities, the governor, associate governor or senior staff member concerned will not be permitted to participate in the consideration or discussion of the matter other than to disclose his or her conflict of interest.

All decisions of the Corporation or Committee made following the declaration of a conflict of interest will be 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 governor, associate governor or senior staff member benefits from any such decision, this will (if the Corporation's auditors advise this to be necessary) be reported in the annual report and accounts in accordance with relevant accounting requirements.

Failure to disclose a relevant interest

Failure to disclose a relevant interest is taken very seriously at the College and considered a major breach of trust. The decision of the Chair as to whether a governor has failed to disclose a relevant interest shall be final. Failure to disclose a conflicting interest may lead to a governor or associate governor being in breach of the Code of Conduct for Corporation members as well as of this policy. It may, in extreme circumstances, also result in the governor or associate governor being subject to legal action and personal liability for breach of trust. Such breaches may lead to the Corporation considering the possibility of terminating the governor's or associate governor's membership of the Corporation or Committee respectively. Such breaches by a senior member of staff may lead to disciplinary action being taken under the College's staff disciplinary procedures.

Failure by a member to disclose a conflicting interest may also be reported to the Secretary of State for Education (via the DfE) as principal regulator of further education corporations. In the case of a serious breach of charity law duties by a trustee, the Secretary of State for Education may refer the matter to the Charity Commission, which has the power under the Charities Act 2011 to remove a charity trustee and/or disqualify a person from acting as a charity trustee.

Benefits for Corporation governors and associate governors

It is a basic principle of charity law that charity trustees, such as Corporation governors, should not profit from their position, although trustees are entitled to be reimbursed for expenses actually and reasonably incurred in undertaking the business of the charity. The Corporation has previously agreed that reasonable travel and subsistence expenses incurred by governors on College business will be met. In addition, clause 11 of the Corporation's Instrument of Government allows the Corporation to insure them against liabilities arising from their office.

The Charities Act 2011 provides a detailed process whereby, exceptionally, charity trustees or persons connected to them may be allowed to receive payment from the funds of the charity for services provided by them to the charity under a contract for services. This procedure must be followed by the Corporation if a governor or associate governor wishes to receive such a payment. Charity trustees are not allowed to receive remuneration simply for undertaking their duties as a trustee without the consent of the Charity Commission. This is only granted in exceptional circumstances. Similarly, charity trustees are not allowed to be employed by the charity under a contract of service save where allowed by the charity's

governing document (as is the case with the Principal and any staff governors), or by law, or with the consent of the Charity Commission, which is only granted in exceptional circumstances.

Data Protection

The information provided in disclosures will be processed in accordance with the data protection principles set out in the Data Protection Act 2011. Data will be processed only to ensure that governors and associate governors act in the best interests of the Corporation. The information provided will not be used for any other purpose.

Review of this policy

This conflicts of interest policy will be reviewed every two years or more frequently should circumstances change.