

## **GOVERNANCE CONFLICT OF INTEREST POLICY**

### **1. INTRODUCTION**

It is the policy of Furness College Corporation that all members of the Corporation [and senior staff attending Corporation and/or corporation committee meetings] [and corporation committee members who are not members of the Corporation] 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 member [or committee member] [or senior staff member] concerned, and of persons connected with them, on the other. This includes avoiding as far as possible perceptions of conflicts of interest, as well as potential and actual conflicts of interest.

### **2. POLICY DETAIL**

The purposes of this policy are:

- to ensure that members comply with their legal duties, including in particular those under the Corporation's instrument and articles of government, and their duty to act only in the best interests of the Corporation;
- to protect the integrity of the Corporation's decision-making process;
- to enable all outside parties dealing with the Corporation to have confidence in the Corporation's integrity; and
- to protect the integrity and reputations of the Corporation's members [and committee members] [and senior staff].

#### **Disclosure of interests**

Upon being appointed, all members of the Corporation, committee members and senior staff will be required to make a full written disclosure of any business or personal relationships held, financial or property interests held, 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 member has an interest which should be disclosed should be referred in the first instance to the Clerk for a determination.

Written disclosures will be kept on a register maintained by the Clerk to the Corporation and all members, committee members and senior staff will be required to update their disclosure as and when their circumstances change. All disclosures will be reviewed on an annual basis with members of the Corporation, Committee members and senior staff required to complete declaration of interest form.

The register will be accessible by any person wishing to inspect it, in accordance with clause 10<sup>5</sup> of the Corporation's Instrument of Government.

#### **Organisation of meetings where a member has disclosed an interest**

Where a member has previously disclosed an interest and the Chair [or Clerk] is satisfied that the interest is relevant to an item on the agenda for a meeting of the Corporation or of a corporation committee the member, committee member concerned may not be sent the papers in respect of that item.

#### **Decisions made other than at meetings**

A similar approach will be adopted *should the Corporation, at any point in the future*, amend the instrument of government to allow the Corporation to take decisions other than by meetings, e.g. by written

resolutions. Any member who has disclosed an interest considered by the Chair [or the Clerk] to be relevant to the matter to be decided by the procedure adopted will 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 or of a corporation committee and any other related governance activities all members, committee members and senior staff will be required to disclose 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 [or they have any other interest of a type identified by the Corporation].

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 Clerk to the Corporation, the Chair of Corporation or other such person, or the Clerk will declare that interest.

After disclosure of any such interest, in the case of a meeting the member and/or committee member, senior staff member concerned will either, and on instruction from the Chair of the Corporation, Chair of Committee or the required:

- be asked to leave the room (unless expressly invited to remain, possibly in order to provide information on the matter in hand)

or

- may be required by a majority vote of members not subject to such a conflicting interest to leave the room whilst the matter is discussed.

The member 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 member, or committee member, or 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 member, or committee member, 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**

The decision of the Chair as to whether a member has failed to disclose a relevant interest shall be final. Failure to disclose a conflicting interest may lead to a member, or committee member being in breach of the Corporation's Code of Conduct as well as of this policy.

It may also result in the member, or committee member being subject to legal action and personal liability for breach of trust. Such breaches may lead to the Corporation considering the possibility of suspending or terminating the member's, or committee member'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.

In such instances the Corporation's Standing Orders should be referred to for details of the procedure and criteria to be used where it is proposed that a member, or committee member, be suspended or have their membership terminated.

Failure by a member to disclose a conflicting interest may also be reported to the Secretary of State as principal charity law regulator. In the case of a serious breach of charitable duties by a trustee the Secretary of State 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 members and committee members**

By Clause 10<sup>1</sup> of the Instrument of Government no member shall acquire or hold any interest in any property that is held or used for the purpose of the institution without the written approval of the Secretary of State.

It is a basic principle of charity law that charity trustees, such as Corporation members, 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 approved a policy on reimbursing members' and committee members expenses and members and committee members must comply with this. In addition, clause 10 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 goods or services provided by them to the charity under a contract for services. This procedure must be followed if a member, or committee member 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.<sup>1</sup>

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 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 1998. Data will be processed only to ensure that members and committee members 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 2 years or more frequently should circumstances change.

<b>Conflict of Interest Policy</b>		
<b>Approved by</b>	Governance & Search Committee	Board
<b>Approval date</b>	October 2025	
<b>Reapproval date</b>	October 2027	

<sup>1</sup> See the Charity Commission's guidance *Payment and expenses of college governors*: <http://webarchive.nationalarchives.gov.uk/+http://www.charitycommission.gov.uk/detailed-guidance/specialist-guidance/schools,-colleges-and-universities/payment-and-expenses-for-college-governors>. Legal advice should be obtained before submitting an application to the Commission.