

# Conflicts of Interest Policy

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This policy and procedure is subject to The Equality Act 2010 which recognises the following categories of individual as Protected Characteristics: Age, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion and Belief, Sex (gender), Sexual orientation, Disability.

## **Conflicts of Interest Policy for Corporation Members, Co-opted Committee Members and Executive Leadership Team**

### **Purposes of the policy**

It is the policy of Milton Keynes College Group (the “Corporation”) that all members of the Corporation, and senior members of staff<sup>1</sup> attending Corporation and/or corporation committee meetings, and co-opted 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 members of staff, concerned, and of persons connected with them<sup>2</sup>, 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 member of the Corporation, committee member 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 members comply with their legal duties, including in particular those under the Corporation’s instrument and articles of government, and their duty in charity law 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 member and committee members and senior staff.

### **Disclosure of interests**

From the adoption of this policy, or upon being appointed, whichever is later, all members of the Corporation and 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, 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 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 and 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 at the beginning of each fiscal year. The register will be accessible by any person wishing to inspect it, in accordance with clause 11 of the Corporation’s Instrument of Government.

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<sup>1</sup> For this purpose senior member of staff means members of the Executive Leadership Team

<sup>2</sup> For the definition of “connected person” see Charities Act 2011, s.188.

## **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, the member or committee member concerned may not be sent the papers in respect of that item.

## **Decisions made other than at meetings<sup>3</sup>**

A similar approach will be adopted if the Corporation amends 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 11 of the Corporation's Instrument of Government.

In the course of meetings of the Corporation or of a corporation committee and all other activities, all members and committee members 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 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 or committee member or senior staff member concerned will be asked to leave the meeting (unless expressly invited to remain, possibly in order to provide information on the matter in hand) may be required by a majority vote of members not subject to such a conflicting interest to leave the meeting whilst the matter is discussed. The member or committee 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 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 corporation 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.

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<sup>3</sup> Only to be used where the Instrument and Articles have been amended to allow such decision making.

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.

### **Related Party Transactions**

Due to the nature of the College's operations and the composition of the Corporation, (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member may have an interest.

All transactions are conducted in accordance with the College's Financial Regulations (including procurement procedures where appropriate) and through the scrutiny of the Contracts Group. To mitigate perceptions risk, any contracts in excess of £10k may be subject to additional scrutiny, as agreed between the Group Chief Operating Officer and Chair of Audit & Risk Committee. This agreement will be reported (and minuted) at the next meeting of the A&R Committee.

In all cases, contracts are awarded on a best fit / best value basis.

### **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 and the College's Financial Regulations. It may, in extreme circumstances, 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 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. See the Corporation's Standing Orders for details of the procedure and criteria to be used where it is proposed that a member or committee member have their membership terminated.

Failure by a member to disclose a conflicting interest may also be reported to the Secretary of State for Education (via the Department for Education) 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 members [and committee members]**

<sup>4</sup>By clause 11 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 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 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.<sup>5</sup> 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 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 on an annual basis at the first meeting of the Search & Governance Committee Corporation in the academic year or more frequently should circumstances change.

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<sup>4</sup> This paragraph applies only to sixth form colleges. In practice the Secretary of State for Education will refer any such application to the Charity Commission.

<sup>5</sup> See the Charity Commission's guidance [Trustees expenses and payments \(CC11\) \(link here\)](#). Legal advice should be obtained before submitting an application to the Commission.

## APPENDIX

### Declaration of Interests Form

I ..... as ***[corporation member] [corporation committee member] [senior staff position held]*** of ***[name of college]*** have set out below my interests\* in accordance with the Corporation’s conflicts of interest policy.

Category	<i>*Please give details of the interest and whether it applies to yourself or, where appropriate, a connected person as defined by the Charities Act 2011 such as a member of your immediate family, employer or some other close personal connection.</i>
Current employment and any previous employment in which you continue to have a financial interest (including self-employment).	
Appointments (voluntary, remunerated or otherwise), e.g. trusteeships, directorships, local authority memberships, magistracy, tribunals etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Companies in which you hold more than 1% of the share capital.	
Gifts or hospitality in excess of £25 accepted from <i>[insert category of donor if prescribed by College policy on acceptance of gifts and hospitality]</i> in the last 12 months.	

Any contractual relationship with the Corporation [or any company or other organisation connected with the Corporation].	
Any other interests which you consider are appropriate to disclose and 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 conflicts of interest policy and for no other purpose.

Signed: .....

Position (Corporation Member/ Corporation committee member/ Senior Staff position):

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Date: .....