

# POLICY

## **Title: Conflict of Interest & Loyalties**

**Policy Holder: Director of Governance and Legal**

**Approval Board: College Leadership Team**

**Version No: v1.3**

**Last reviewed: September 2022**

**Review period<sup>1</sup>: 2 Years**

**Summary:** The purpose of this Policy is to identify and prevent conflicts of interest and loyalties affecting decision making, aiming to protect the integrity of the decision-making process for City College Norwich (CCN) and its Subsidiary Companies, to enable our stakeholders to have confidence in our integrity, and to protect the veracity and reputation of volunteers and the organisation as a whole. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

**Accessibility:** If you would like this information in an alternative format, e.g. Easy to Read, large print, Braille or audio tape, or if you would like the procedure explained to you in your language, please contact the College's marketing team on 01603 773 169.

**Further information:** If you have any queries about this policy or procedure, please contact the named policy holder or the College's marketing team on 01603 773 169.



<b>Legislation or Regulation:</b>	<ul style="list-style-type: none"> <li>• The Charities Act 2011</li> <li>• The Companies Act 2006</li> </ul>
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<b>Version Control Document</b>			
<b>Date</b>	<b>Version No.</b>	<b>Reason for Change</b>	<b>Author</b>
	v 0.1	Policy creation	J.Mitchell
Sept 2018	v 1.0	Policy approval	J.Mitchell
Aug 2019	v 1.1	Removal of UTCN References	P.Beacock
March 2021	v 1.2	Removal of TEN Group references	P.Beacock
Sept 2022	v 1.3	Review and removal of NES references.	J.Mitchell

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<sup>1</sup> The Review Period refers to our internal policy review process. The published policy is current and is the most recent approved version.

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## 1. Purpose

The purpose of this Policy is to identify and prevent conflicts of interest and loyalties affecting decision making, aiming to protect the integrity of the decision-making process for City College Norwich (CCN) and its Subsidiary Companies, to enable our stakeholders to have confidence in our integrity, and to protect the veracity and reputation of volunteers and the organisation as a whole. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

## 2. Policy Statement

CCN Governors and its Subsidiary Companies' Directors must make their decisions only in the best interests of the Corporation or respective Company.

Governors and Directors must avoid putting themselves in a position where their duty to act only in the best interests of the Corporation or Company could conflict with any personal interest they may have. This means that they should handle conflicts of interest using the following steps:

1. **Identify** conflicts of interest.
2. **Prevent** the conflict of interest from affecting the decision.
3. **Record** conflicts of interest.

## 3. Scope

This policy applies to all Governors of City College Norwich (CCN) and all Directors of any CCN Subsidiary Company.

## 4. Legal requirements

CCN are obliged to ensure they identify and prevent conflicts of interest and loyalties affecting decision making.

## 5. Definitions

**Board:** the Board of Governors in respect of CCN; and the Board of Directors of any CCN Subsidiary Company.

**Breach of Duty:** a breach of any Governor or Director's duty under the Companies Act and/or the relevant Articles of Association or Instrument and Articles of Government for the organisation.

**Companies Act:** the Companies Act 2006.

**Conflict of Interest:** any situation in which a Governor or Director's personal interests or loyalties could, or could be seen to prevent them from making a decision only in the best interests of the Corporation or their respective Company.

**Connected Person:** in broad terms this means family, relatives or business partners of a Governor or Director as well as businesses in which a Governor or Director has an interest through ownership or influence. The term includes a Governor or Director’s spouse, unmarried or civil partner, children, siblings, grandchildren and grandparents, as well as businesses where a Governor or a Director or family member holds at least one-fifth of the shareholding or voting rights.

**Conflict of Loyalty:** a particular type of conflict of interest in which a Governor or Director’s loyalty or duty to another person or organisation could prevent them from making a decision only in the best interests of the Corporation or their respective Company.

**Governing Document:** the legal document setting out the Organisation’s Objects and how it is administered, to include a trust deed, constitution, articles of association, instrument and articles of government or any other formal document.

**Director:** a member of CCN’s Subsidiary Companies Board.

**Governor:** a member of the CCN Corporation.

6. Our Objectives

Objectives	Outcomes
<p><b>1. Identifying conflicts of interest</b></p>	<ul style="list-style-type: none"> <li>• Conflicts of interest are considered as a pre-appointment issue with prospective appointees being requested to reflect on any potential conflicts or perceived conflicts before appointment, and to declare these at the earliest opportunity.</li> <li>• Individuals should have a clear understanding of the circumstances in which they may find themselves in a position of conflict of interest by considering this policy, the organisations governing document and any relevant legislation and statutory guidance.</li> </ul>
<p><b>2. Declare conflicts of interest</b></p>	<ul style="list-style-type: none"> <li>• Individuals should understand their personal duty to declare any conflict of interest and, where in doubt, should raise any potential or perceived conflict of interest with the Chairman or, if the Chairman is conflicted, the Vice Chairman of the Board at the earliest opportunity.</li> <li>• It is the policy of CCN, and its Subsidiary Companies, that at the start of all Board meetings, the attendees are asked whether there are any new declarations of interests and these are recorded (if any) on the minutes. This is a standing agenda item. If there are none, the minutes should clearly state that there were no new declarations of interests declared at that meeting.</li> <li>• At the first meeting of the academic year, each Board member is asked whether there are any new declarations to make and they are requested to sign their Declarations of Interest.</li> </ul>

<p><b>3. Preventing conflicts of interest from affecting decision making</b></p>	<ul style="list-style-type: none"> <li>• Individuals sitting on a Board should always declare any conflicts of interest which affect them at the earliest opportunity.</li> <li>• Any failure to declare a conflict of interest is a serious issue and will be treated by the Board as such.</li> <li>• The non-conflicted members of the Board should consider whether serious conflicts of interest should be removed or require authority, with reference to the organisation's Articles of Association or Instrument and Articles of Government and the relevant legislation.</li> <li>• Affected individuals should not participate in any decisions where they stand to gain, whether directly, or indirectly through a connected person.</li> <li>• Where there is a conflict of loyalty, the Board should carefully handle any participation by a conflicted individual.</li> <li>• Irrespective of the approach the Board take to prevent a conflict of interest from affecting their decision making, they should be able to demonstrate that their decision was made only in the best interests of the organisation.</li> </ul>
<p><b>4. Consider removing the conflict of interest</b></p>	<ul style="list-style-type: none"> <li>• The Board should consider the issue of the conflict of interest so that any potential effect on decision making is eliminated.</li> <li>• The Board should remove the conflict of interest in the most effective way to prevent it from affecting decision making.</li> </ul>
<p><b>5. Withdrawing from decision making where there is a conflict of loyalty</b></p>	<ul style="list-style-type: none"> <li>• The affected Governor or Director should declare the interest. The other Board members must then decide what level of participation, if any, is acceptable on the part of the conflicted member. Ultimately it is for the Chairman to decide whether withdrawal is in the best interests of the Corporation or Company. The options might include, but are not limited to, deciding whether the affected individual: <ul style="list-style-type: none"> <li>• can otherwise participate in the decision;</li> <li>• can stay in the meetings where the decision is discussed and made but not participate in the decision-making process; or</li> <li>• should withdraw from the decision-making process.</li> </ul> </li> </ul> <p>In deciding which course of action to take the Board:</p> <ul style="list-style-type: none"> <li>• must always make their decisions only in the best interests of the Corporation or Company with reference to the governing document and be able to demonstrate this.</li> <li>• should always protect the organisation's reputation and be aware of the impression that their actions and decisions may have on those outside of the organisation.</li> <li>• can allow a member to participate where the existence of their other interest poses a low risk to decision making in the organisation's interests, or is likely to have only an insignificant bearing on their approach to an issue.</li> </ul>

	<ul style="list-style-type: none"> <li>• should be aware that the presence of a conflicted individual can affect trust between Board members which could inhibit free discussion and might influence decision making in some way.</li> </ul>
<p><b>5. Record the conflict of interest</b></p>	<ul style="list-style-type: none"> <li>• Individuals are to record at the start of each academic year all known conflicts of interest and/or loyalty on their individual Declaration of Interest form.</li> <li>• All Declaration of Interest forms are recorded and published on the website.</li> <li>• Any interests declared during a meeting are recorded.</li> <li>• When anyone withdraws from the discussion the meeting minutes must record: <ul style="list-style-type: none"> <li>o the person/s withdrawing; and</li> <li>o the time which they withdraw and returned.</li> </ul> </li> <li>• Any decision made by non-conflicted members of the Board as to whether a conflicted member could participate in a discussion or decision, should be clearly minuted to set out the reasoning as to why the decision was reached and that it was in the best interests of the group for the decision to be made.</li> </ul>

## 7. Organisation Responsibilities

### Governance and Legal

- Monitor and control all registers of declarations.
- Monitor and control distribution of meeting papers and minutes where a known conflict exists.

### Chairman

- Have knowledge of their Board and committee members declared conflicts of interest and loyalties.
- Chair meetings to actively control any conflicts of interest and loyalties.

## 8. References to related policies

- Data Protection Policy
- Financial Regulations

## 9. Contact

Please contact the Director of Governance and Legal for advice on any aspect of this Policy.

## 10. Equal Opportunities Statement

This policy and procedure has been assessed against the nine protected characteristics outlined in the Equality Act 2010 and no apparent disadvantage to equal opportunities has been determined.

If you have any comments or suggestions in relation to equal opportunities of this policy or procedure please contact the policy holder.