

Conflicts of Interest Policy

Purposes of the policy

It is the policy of Cleveland College of Art and Design Corporation (“the Corporation”) that all members of the Corporation and senior staff attending Corporation and/or 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 member 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.

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 senior staff.

Disclosure of interests

From the adoption of this policy, or upon being appointed, whichever is later, all members of the Corporation 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 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 members and the Corporation’s internal and external auditors.

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 concerned may not be sent the papers in respect of that item.

¹ For the definition of “connected person” see Charities Act 2011, s.188.

Management of conflicts of interests in meetings

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 a corporation committee and all other activities all 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 senior staff member concerned will be asked to leave the room (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 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 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 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

Any failure to declare a relevant and material interest, or position of influence, and/or to record a relevant and material interest or position of influence that has been declared, may, but not necessarily, render void any decisions made by the Corporation Board or its properly constituted committees.

Any conscious or deliberate failure to declare a relevant or material interest or position of influence will be addressed through the relevant performance or disciplinary routes with the individual. An ad hoc committee would be established if any independent member of the Corporation Board identified a conflict that had not been declared. Membership would consist of chair, vice-chair and chair of Audit committee.

Disciplinary action, which could lead to dismissal, may be taken if any CCAD employee or Corporation Board member fails to declare a relevant interest, or is found to have abused his or her official position, or knowledge, for the purpose of self-benefit, or that of family or friends. A criminal action could be instigated under Section 4 of the Fraud Act 2006.

Benefits for Corporation members

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' expenses and 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 goods or services provided by them to the charity under a contract for services. This procedure must be followed if a 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.² 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 act in the best interests of the Corporation. The information provided will not be used for any other purpose.

Review of this policy

² See the Charity Commission's guidance *Payment and expenses of college governors*: <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.

This conflicts of interest policy will be reviewed on an annual basis or more frequently should circumstances change.

Approved by the Corporation on [Date]
Reviewed by the Corporation on 21 November 2014

APPENDIX
Declaration of Interests Form

I as **[corporation 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.	
Appointments (voluntary or otherwise) eg. 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 £[20] accepted from [insert category of donor if prescribed by College policy on acceptance of gifts and hospitality] in the last twelve 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.	
Any other matter (e.g. an unspent criminal conviction or an act of bankruptcy) which would make you ineligible for membership/continued membership of the Corporation.	

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/ Senior Staff position):

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Date:

