



Brasenose College
Personnel Committee
18th May 2015

Item 9.2
Conflicts of Interest Policy
For decision

The conflicts of interest policy was adopted in June 2011.

The committee is asked to review the policy and recommend to Governing Body the re-adoption, or if required amendment, of the policy. No amendments are recommended.

It is noted that the completion of Conflict of Interest Statements (CIS) by Fellows has not become regular practice, and this needs to be acted upon. The Bursar commits to refresh this procedure, with the assistance of his secretary, the HR Manager and the Principal's secretary.

Philip Parker
Bursar

14 May 2015

Brasenose College

Policy on the management of conflicts of interest

Approved by Governing Body on 1 June 2011

A. Introduction: managing conflicts of interest

1. The Charity Commission recommends that all charities have a policy on how they will deal with any conflicts of interest to which charity trustees may be subject as a result of their involvement in the work and decision-making processes of the charity. All Fellows are in a fiduciary relationship with the College and so must act wholly and exclusively in the interests of the College in relation to their involvement in management and governance matters.
2. This policy follows recommendations in the booklet *A Guide to Conflicts of Interest for Charity Trustees*, published by the Charity Commission. The following extracts are indicative of the general nature of the issue:
 - A conflict of interest is any situation in which a trustee's personal interests, or interests which they owe to another body, and those of the charity arise simultaneously or appear to clash.
 - We recognise that it is inevitable that conflicts of interest occur. The issue is not the integrity of the trustee concerned, but the management of any potential to profit from a person's position as trustee, or for a trustee to be influenced by conflicting loyalties.
 - It is the potential, rather than the actual, benefit from which the conflict of interest arises which requires authority. In order to avoid a breach of trust and to ensure transparency, authority is required where there is a possibility of benefit. This will avoid accusations of impropriety, which could in turn have a damaging effect on the charity's reputation.
 - All trustees need to be alert to possible conflicts of interest which they might have and to how they can minimise their effects. A key aspect of minimising the effects of conflicts of interest is to be open and transparent about such situations when they arise. We recommend that all trustees advise their charity of any actual or potential conflicts of interest of which they are aware, as soon as they arise.

http://www.charitycommission.gov.uk/Charity_requirements_guidance/Charity_governance/Good_governance/conflicts.aspx#2
3. Conflicts of interest are managed in five main ways:
 - (a) The payment of remuneration or provision of benefits to members of Governing Body is subject to recommendations from the Remuneration Committee.
 - (b) Provision of other financial benefits to members of Governing Body is restricted.
 - (c) There is a register of Governing Body members' material interests.

(d) Every member of Governing Body or one of its committees who has a material interest shall declare that at any meeting in which it relates to the business under discussion.

(e) Provision is made for members of Governing Body and its committees to absent themselves (or not vote) where they have a material interest.

4. The Code applies to committee meetings in addition to College meetings.

B. Conflicts of interest statements

The following persons shall be required to complete a Conflict of Interest Statement (CIS):

- a. Members of Governing Body
- b. Members of the Board of Directors of all companies in which the College holds a majority of the shares
- c. Such other persons as the Governing Body shall require to complete a CIS

A person required to complete a CIS shall do so within one month of his/her appointment and at the end of each financial year of the College. The Statement shall (1) confirm reading and acceptance of the By-laws and notes thereto; (2) list potential conflicts of interest (see (h) and (i) below); (3) agree to complete a revised Statement if further need arise. In the absence of declared conflicts of interest, the Statement may be made electronically by simple reply to an email.

C. Duty to declare

Any member of Governing body who has a **material interest** in any matter of business before the Governing Body shall declare the interest at the beginning of each meeting at which that business is under consideration (or before the discussion of that business). There is no need to declare an interest which is overt on the agenda (such as a re-election).

D. Meaning of material interest

A material interest is any matter which may influence the judgment of the person possessing it, or may reasonably appear to be capable of influencing that person's judgment, so that the judgment may not be exercised wholly and exclusively in the interests of the College. A member of Governing Body whose partner or close family members may benefit from any matter of business has a material interest. [Note 1]

Any position as a shareholder, company director or charity trustee shall not constitute a material interest unless there is a reasonable possibility that the company or charity may be engaged in any business, appeal, or transaction involving the College. [Note 3]

If there is doubt whether a declared interest is material the Governing Body shall determine it in the absence of the Fellow or Fellows concerned, after hearing his or her views, and the Governing Body's decision shall be final.

E. Withdrawal from meeting

If a material interest exists, then the Fellow with the material interest shall withdraw from any meeting, or part of it, at which the business is under consideration, and shall not speak on the matter, unless the Governing Body or the committee shall have resolved to the contrary, but in no case shall the Fellow vote on the matter.

F. Recording in the minutes

Where a Fellow or any member of a committee declares an interest, that fact shall be recorded in the minutes of the meeting. Any resolution of the Governing Body or committee under paragraph E above allowing the Fellow to speak or not to withdraw shall be recorded in the minutes of the meeting.

G. Excluded interests

Paragraphs B to F do not apply to **excluded interests**. An interest is an excluded interest if:

- (i) it is an interest which arises from the holding of (1) a Tutorship and other Tutors have a similar interest, or (2) a position held by four or more Fellows;
- (ii) it is an interest arising from membership of a Faculty or Department in the University, or the holding of an office or position in the University, where the other members of the Faculty or Department or the other persons holding such an office or position in the University, as the case may be, have a similar interest (this also applies to interests of partners and close family members, provided that they have been entered on the register of interests);
- (iii) it is an interest arising from membership of (or from being a director of) a subsidiary company of the College [Note 2]
- (iv) it is an interest which arises from a general review of College stipends or benefits;
- (v) it arises from appointment or re-appointment to any unpaid position in the College (a Fellow's interest in his or her election or re-election to a Fellowship or appointment or re-appointment to any paid office or position in the College is not excluded).

H. Register of interests

Those listed in paragraph B shall register their material interests with the Principal's office, the information being recorded in a register kept for the purpose. They shall notify the Principal's office of any new material interest occurring whenever such new material interest occurs. The register shall include a statement of membership of any Faculty or Department in the University, and the holding of any office or position in the University (excluding merely part-time offices). The register of interests shall be available for inspection in the Principal's office by any Fellow.

I. Benefits to Members of Governing Body

No direct or indirect financial gain or benefit shall be provided for any Fellow. This does not apply to:

- (i) payments or benefits authorised by the Statutes or by the Fellow's contract of employment; and
- (ii) a contract (other than for employment or provision of services) entered into with a Fellow (or a contract under in which the Fellow receives an indirect benefit), provided that, where a payment or benefit exceeds £300, the Bursar (or College Accountant in case of the Bursar being the conflicted Fellow) has certified that the contract is not disadvantageous to the College and not unduly advantageous to the Fellow.[Note 4]

J. Remuneration and benefits for persons connected with Fellows

Remuneration and benefits may be provided for persons connected with Fellows if:

- (i) they are for tasks generally undertaken by persons unconnected with the College (examples being out-College tuition, examining and participation in selection of students); or
- (ii) where a payment or benefit does not exceed £300, the Bursar (or College Accountant in case of the Bursar being the conflicted Fellow) has certified that the contract is not disadvantageous to the College and not unduly advantageous to the Fellow or connected person; or
- (iii) they are approved by the Governing Body and Remuneration Committee; or
- (iv) the requirements of s73A of the Charities Act 2006 are otherwise satisfied.

K. Principal

This policy applies to the Principal as it applies to Fellows.

Notes

- The test for deciding whether or not an interest is material is an objective one. It also depends on appearances - the test is not simply whether the interested person might be influenced, but whether the possibility of influence might reasonably seem to arise. If the business benefits a close friend or associate, then the interest should be regarded as material unless the relationship is overt – as where two Fellows in a subject may be regarded as friends.*
- Any Fellow who is a director of a subsidiary company of the College must take care to manage the conflict that can arise between his or her duty to the College and that to the company, and of the need to be aware at all times in which capacity he or she is acting.*
- A Fellow may hold shares in a company which enters into a contract with the College or stands to benefit if the College takes a certain decision. The interest of the Fellow is material according to the following rules:*

unquoted shares: if it represents 10% or more of the shares;

quoted shares: if it both has a value in excess of £10,000 and represents more than 1% of the shares (such shareholdings will be exceptional).

For this purpose, Fellows' holdings shall include those of partners, close family members and close friends or associates. If an interest is registered, it need only be the name of the company or investment vehicle, without the number or value of shares held.
- Such gains or benefits will not be common, but can arise in a number of circumstances. Examples are (A) receipt of payment for services to Brasenose (other than those permitted by the Statutes); (B) entering into a transaction with the College for the purchase or sale of property; (C) a contract with the College where a Fellow has an interest (a shareholding in a local decorating company could provide an example). (A) is precluded absolutely, whereas (B) and (C) can be approved by the specified procedure. These rules are additional to those applying to decisions in meetings; (C), for example, would apply to a contract authorised by the Bursar.*