

Conflict of Interests Policy

Approved by: Corporation
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Author/reviewer: Director of Governance
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1. Introduction and purpose

1.1 At Halesowen College, we want to ensure the decisions taken by its members of the **Corporation and senior postholders** are free from personal bias and do not unfairly benefit any individual or organisation/company associated with the college.

1.2 The purpose of this policy is to:

- Clarify expectations regarding ethical conduct and acting in accordance with the Corporation Members' Code of Conduct
- Ensure Corporation members comply with their legal duties, in particular those under the Corporation's Instrument & Articles of Government and their duty in charity law to act only in the best interests of the Corporation
- Protect the integrity of the Corporation's decision-making processes
- Enable all outside parties dealing with the Corporation to have confidence in the Corporation's integrity
- Protect the integrity and reputation of Corporation members and senior postholders

2. Legislation and guidance

2.1 This policy is based on the statutory and legal requirements regarding the management of conflicts of interest for college corporations, which can be found in the following:

- [Conflicts of interest: a guide for charity trustees - GOV.UK](#)
- [FE and sixth-form college corporations: governance guide - GOV.UK](#)
- [College financial handbook - Guidance - GOV.UK](#)
- [Managing Public Money.pdf](#)
- [Halesowen College Corporation Instrument & Articles of Government](#)

3. Scope

3.1 This policy applies to Corporation members (governors) of the college and its senior postholders.

3.2 Although not a statutory requirement, co-opted members of a committee will also be expected to follow this policy.

4. Definitions

4.1 A conflict of interest is any situation in which an individual has a business, financial or personal interest or loyalty that could prevent or be perceived to prevent them from making a decision only in the best interests of the college. This is any sufficient interest in a subject area, either by close association or financial interest, that could bias the decision making of an individual or the Corporation.

4.2 Conflicts of interest can be actual, potential and perceived. They may be financial, professional, personal or indirect, and can also relate to linkages or involvement with external stakeholders.

4.3 It is not possible to provide an exhaustive list of what constitutes a conflict of interest but, in the context of this policy, examples include:

- Working for a company/organisation that provides or has the potential to provide services to the college
- Financial interests, such as shares, investments, land or property ownerships, etc
- Being related to a student within the college
- Being related to a staff member of the college
- Being related to a Corporation member or senior postholder
- Having a connection or friendship with the family of a student or staff member of the college
- Having (or previously having) a sexual or intimate personal relationship with a Corporation member, senior postholder or member of staff
- Undertaking paid or voluntary work outside of their position at the college
- Holding a governance role in another organisation, including governorship at another educational institution or a charity trusteeship

4.4 A serious conflict of interest includes situations where the conflict is:

- So acute or extensive that the individual isn't able to make their decisions in the best interests of the college or could be perceived as being unable to do so
- Present in significant or high-risk decisions
- Associated with inappropriate trustee benefit (applies to Corporation members only)

4.5 Senior postholders of the college are:

- CEO & Principal
- CFO & Vice Principal
- Deputy CEO & Principal; and
- Director of Governance

5. Roles and responsibilities

5.1 The Chair of the Corporation will:

- Ensure the Register of Interests is completed annually
- Ensure declarations of interest are sought at the beginning of every meeting

- Supported by the Director of Governance, arbitrate decisions about how to deal with conflicts of interest, where appropriate

5.2 The Vice Chair(s) of the Corporation will:

- Undertake the role/responsibilities within this policy associated with the Chair of the Corporation in relation to the Chair's own conflicts of interest

5.3 The Committee Chairs will:

- Ensure declarations of interest are sought at the beginning of every meeting
- Supported by the Director of Governance, arbitrate decisions about how to deal with conflicts of interest, where appropriate

5.4 The Director of Governance will:

- Maintain the Register of Interests and update it when Corporation members and senior postholders inform them of any changes to their circumstances
- Advise the Corporation on how to deal with conflicts of interest
- Monitor this policy, seek advice on any necessary changes and undertake a formal review as per the agreed frequency

5.5 Corporation members will:

- Declare their interests before (and during where appropriate) meetings and complete the register of interest faithfully
- Make sure they inform the Director of Governance immediately of any changes to their circumstances
- Take appropriate action to remove any conflicts of interest or seek advice on how to do so if necessary

5.6 Senior postholders will:

- Ensure they are familiar with this policy
- Disclose any activity, connection or relationship that constitutes an actual conflict of interest or may give rise to a potential conflict of interest

6. What should be declared

6.1 Corporation members and senior postholders must declare:

- Any current financial/business interest that could stand to gain from their position at the college
- The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged (related party transaction)
- Any relevant pecuniary interest in any contract the college holds or proposed to enter into
- Directorships, partnerships and employment with businesses/organisations outside the college
- Governance roles (governorships and trusteeships) with other organisations/institutions

- Material interests arising from relationships with Corporation members and/or senior postholders (including spouses, partners and close relatives)
- Financial/business interests of their spouses, partners and close relatives, where there's a possibility the college may have dealings with that person
- Any friendship or family relationship where there is potential for conflict of interest (or perception)

6.2 If a Corporation member or senior postholder is not sure if something constitutes an actual or perceived conflict of interest, or whether it needs to be declared, they should err on the side of caution and declare it.

6.3 Senior postholders must declare an interest in relation to matters of their own pay and appraisal, and must not be involved nor participate in related discussions or decisions. Senior postholders will therefore be asked to leave the meeting when these matters are to be discussed.

6.4 Staff governors must also declare an interest in relation to matters of pay and appraisal of any other staff member and must not be involved nor participate in related discussions or decisions. Staff governors will therefore be asked to leave the meeting when these matters are to be discussed.

7. Procedures

Register of Interests:

7.1 The college requires each member of the Corporation and senior postholder to complete their declaration of interest form at the beginning of each academic year. In the case of in-year appointments, their declaration of interest will be requested upon starting in their role. This process will be managed by the Director of Governance. Upon receipt of the declarations, the Director of Governance will undertake a review and will discuss any areas for clarification with individual governors as required, a log of which will be maintained by the Director of Governance. Any matters of concern will be referred to the Chair of the Corporation or wider Corporation as appropriate (see 7.3).

7.2 Every member of the Corporation and senior postholder must identify and declare potential and actual conflicts of interest. Declarations should be made as soon as possible after being identified.

7.3 The Corporation, supported by the Director of Governance, will explore potential conflicts of interest when:

- Reviewing applications for Corporation and senior postholder vacancies
- Undertaking the annual update of the Register of Interests
- Reviewing the agenda of a Corporation/committee meeting, at the beginning of every meeting and during meetings

7.4 The individual declaration of interest forms are used to compile the Corporation's Register of Interests, which is updated annually (or more regularly in the event of in-year updates) and published on the college's website in accordance with the college's Data Protection Policy. Unless deemed appropriate

by the Corporation, personal details of friends/family members will not be published but will be kept on record by the Director of Governance.

7.5 A review of the Register will be undertaken by the college's external auditors as part of the annual audit of accounts process.

7.6 If an individual's circumstances change after the annual update of the Register of Interests, they must immediately inform the Director of Governance that they need to update their declaration.

Declaring conflicts of interest and taking action

7.7 Agendas of Corporation and committee meetings will be circulated in advance by the Director of Governance. Corporation members and senior postholders should review these agendas and alert the Director of Governance as soon as possible if they have a conflict of interest related to an agenda item.

7.8 Every formal Corporation and committee meeting will include a standing agenda item to allow declarations to be made. If an undeclared conflict becomes apparent during a meeting, this must be immediately declared by the Corporation member/senior postholder.

7.9 In the case of a conflict of interest, the Chair of the Corporation and Director of Governance will meet with the individual to discuss and decide any action that might need to be taken and their agreed limits of contribution. During meetings, this will likely be either:

- Withdrawing from the meeting during the item where the matter is to be discussed
- Refraining from contributing to the discussion; or
- Refraining from voting on a decision

The Chair of the Corporation and Director of Governance may also decide, having declared the interest, the individual is free to participate in the discussion/decision as normal.

7.10 In relation to the decisions set out in 7.8, Corporation members can raise their objection to a decision and request this be placed on record.

7.11 When deciding which course of action to take, the Corporation/committee must:

- Always make their decision in the best interests of the college and be able to demonstrate this
- Act to protect the college's reputation
- Consider how actions and decisions could be perceived by those external to the college
- Consider the level of risk associated with the decision in question, and the risk that the conflict of interest will affect the individual's ability to be impartial or to act only in the best interests of the college
- Be aware that the presence of a Corporation member or senior postholder with a conflict of interest (even if they cannot vote or take part in the discussion) may inhibit free and open dialogue and could affect the decision in some way

7.12 In cases of serious conflict of interest, the Corporation may choose to avoid the conflict by:

- Not pursuing a particular course of action

- Proceeding with an issue in a different way
- Not making an appointment
- Securing a resignation from a conflicted Corporation member

7.13 Details of all conflicts declared during a meeting, and action taken, will be recorded in the minutes.

7.14 Corporation and senior postholders will not be involved in the following processes, in relation to family and friends:

- Recruitment
- Staff disciplinary
- Staff grievance
- Complaints
- Student disciplinary

7.15 Corporation members and senior postholders should not disclose any restricted or confidential information obtained in connection with their duties.

Related party transactions

7.16 Corporation members and senior postholders will adhere to Section 2.43 of the FE Colleges Financial Handbook regarding the principles regarding related party transactions.

8. Failure to declare a conflict of interest

8.1 For Corporation members

- Failure to declare a conflict of interest is a breach of the Corporation Members' Code of Conduct
- If it becomes apparent a Corporation member has not declared a relevant conflict of interest, the Director of Governance will verify the interest and immediately update the register of interests to ensure the record is complete and accurate
- Depending on the nature of the omission, the Corporation may also:
 - o Vote to suspend the Corporation member
 - o Vote to remove the Corporation member from office
 - o Follow any relevant disciplinary procedures
- If any Corporation member is aware of another member's undeclared interest, they should immediately inform the Director of Governance

8.2 For senior postholders

- Failure to declare a conflict of interest will be dealt with in-line with the staff code of conduct and senior postholder policies (where appropriate)

9. Monitoring and review

9.1 This policy will be reviewed every three years by the Director of Governance (or sooner if an update is required) and presented for approval by the Corporation.

10. Links to other policy documents

10.1 This policy links to the following policy documents:

- Appointment and re-appointment of governors procedure
- Code of Conduct for Corporation Members
- Corporation eligibility and suitability criteria
- Financial Regulations
- Instrument & Articles of Government
- Standing Orders