

Conflict of Interest Policy Governors and Senior Staff

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Version	Author	Date	Section	Changes summary
2	S Francis	September 2025	All	Updated policy to be in line with new template, College Financial Handbook (effective 23 July 2025) and made it more succinct.

1. Purposes and Scope of the Policy¹

1.1 The aim of this policy is to protect both the College and the Governors from any appearance of impropriety. It is the policy of Craven College Corporation (the "Board") that all members of the Board, Committee members who are not members of the Board, co-opted members and senior staff attending Board/Committee meetings must keep to the absolute minimum all unavoidable conflicts of interest between the interests of the Board on the one hand and the personal, professional and business interests of the member, co-opted members or senior staff member concerned, and of persons connected with them*, on the other.

**A connected person is essentially family, relatives or business partners of a trustee, as well as businesses in which a trustee has an interest through ownership or influence. The term includes a trustee's spouse or unmarried or civil partner, children, siblings, grandchildren and grandparents, or the spouse or unmarried or civil partner of these parties. For further information see the Charities Act 2011, s.188.*

1.2 In line with the [College financial handbook - GOV.UK](#) the Board must have a conflict of interest policy, with systems in place to record and manage any such conflicts. This policy must be kept under regular review and the Board must ensure that Governors, members of the Senior Leadership Team complete the register of interests, and the register must be reviewed at least annually.

1.3 The purposes of this policy are:

- To ensure that members comply with their legal duties (see section 13)
- Governors as charity trustees, have the legal obligation to act in the best interest of the Board and in accordance with the Board's Instrument and Articles of Government.
- To protect the integrity of the Board's decision-making process.
- To enable all outside parties dealing with the Board to have confidence in the Boards' integrity.

¹ The policy should be read in conjunction with the Charity Commission's guide "Conflicts of interest: a guide for charity trustees (CC29) [Conflicts of interest: a guide for charity trustees \(CC29\) - GOV.UK](#)

- To protect the integrity and reputations of the Board's members, committee members and senior staff.
- In addition, in fulfilling a voluntary role, charity trustees are under a duty not to make a personal profit from their position in acting as a trustee.

1.4 It is recommended practice of the AoC Code of Good Governance for Colleges to have a Conflict of Interest Policy.

2. Definition

2.1 For the purpose of this policy, a conflict of interest is a situation where personal, financial, or other interests or loyalties may compromise, or appear to compromise, a Governor's or Senior Staff member's impartiality or ability to act in the best interests of the College.

Types of Conflicts:

Direct Financial Interest

- Receiving payment or salary (except for the Principal or Staff Governors)
- Contracts awarded to companies in which the Governor or staff member has a financial stake
- Preferential sale or lease of property

b) Indirect Financial Interest

- Employment or contracts awarded to a relative of a governor
- Grants awarded to children or dependents
- Services offered to businesses owned by connected persons

c) Non-Financial or Personal Interest

- Personal status gain or informal benefit
- Favours friends or associates in contracts or recruitment
- Involvement in College provision that benefits the individual or family personally

d) Conflict of Loyalty

- Holding governance roles in other charities or organisations with competing interests
- Split loyalties between two organisations working with or competing for College business

3. Declaration of Interests

3.1 All Governors and SLT members must complete a declaration of interests upon appointment and review it annually or as circumstances change. Disclosures must include employment, trusteeships, ownerships, gifts or hospitality, and close relationships that may impact or influence decision-making.

3.2 A declaration of interests form is provided and must be used for this purpose. Any question about whether a governor has an interest which should be disclosed should be referred in the first instance to the Director of Governance and Chair for a determination.

3.3 Declarations are recorded in the College's Register of Interests, maintained by the Director of Governance. This register is reviewed annually and is open to inspection in accordance with the Board's Instrument of Government.

4. Roles and Responsibilities

- Governors, co-opted members and SLT: Responsible for identifying and declaring conflicts.
- Chair of Governors: Decides on actions where conflicts are unclear.
- Director of Governance: Maintains the Register of Interests and ensures compliance.

5. Management of Conflicts of Interest

5.1 Governors and SLT members must declare any interest in items on meeting agendas at the beginning of each meeting. If a relevant conflict is known in advance, the Chair or Director of Governance may withhold papers.

If a conflict is deemed material by the Chair or Director of Governance, the conflicted individual must:

- Declare the interest clearly
- Withdraw from relevant agenda items
- Not vote or be counted in quorum
- Only remain to provide information (with the Chair's permission)
- Possibly be excluded from receiving relevant papers in advance.

5.2 If decisions are made outside of meetings (e.g. written resolutions), the same approach applies. Conflicted individuals will not be sent the proposed resolution or allowed to vote.

6. Recording

6.1 All decisions of the Board or Board Committee made following the declaration of a conflict of interest will be reported in the minutes of the meeting. The minutes will record:

- the nature of the conflict
- an outline of the discussion
- the actions taken to manage the conflict.

6.2 The Director of Governance should take special care to ensure that minutes or other documents relating to the item presenting a conflict are appropriately redacted for the governor facing the conflict. A balance needs to be made to ensure that the governor still receives sufficient information about the activities of the Board generally without disclosing such sensitive information that could place the individual in an untenable position

6.3 Any benefit arising from a conflicted decision may need to be reported in the Board's Annual Report, following auditor advice.

7. Failure to Disclose

7.1 If there is a failure to declare an interest that is known to the Chair of Board and/or the Chair of the committee or of any such meeting/person responsible for organising such activities and/or the Director of Governance, the Chair of Board or other such person or the Director of Governance will declare that interest.

7.2 The decision of the Chair as to whether a governor has failed to disclose a relevant interest shall be final. Failure to disclose a conflicting interest may lead to a Governor being in breach of the Board's Code of Conduct as well as of this policy. Consequences may include removal from office, disciplinary action, or referral to the Charity Commission.

7.3 Such breaches by a senior member of staff may lead to disciplinary action being taken under the College's staff disciplinary procedures.

8. Benefits for Board and Committee members

8.1 It is a basic principle of charity law that charity trustees, such as Board 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 Board has approved a policy on reimbursing members' and committee members' expenses and members and committee members must comply with this. In addition, clause 10 of the Board's Instrument of Government allows the Board to insure them against liabilities arising from their office.

8.2 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 Board if a member or committee member wishes to receive such a payment.

8.3 Charity trustees are not allowed to receive remuneration simply for undertaking their duties as a trustee without the consent of the Charity Commission². 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.

9. Data Protection

9.1 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 Board. The information provided will not be used for any other purpose.

10. Equality, Diversity and Inclusion

An Equality Impact Assessment has been undertaken. The College judges that this policy does not adversely affect individuals with protected characteristics under the Equality Act 2010.

11. Training and Monitoring

All Governors and SLT will be provided with training on this policy during induction and through ongoing development. The Director of Governance will monitor compliance and maintain records.

12. Review

This policy will be reviewed by the Director of Governance every two years or sooner if legislative or operational changes occur. It will be recommended by the People, Search and Governance Committee and ratified by the Board.

13. Related Policies and Documents

This policy supports the College in complying with the legal and regulatory framework, including:

- [College financial handbook - GOV.UK](#)
- [Charities Act 2011](#)
- [Framework for auditors and reporting accountants of colleges - GOV.UK](#)
- [FE and sixth-form college corporations: governance guide - GOV.UK](#)
- [AoC-Code-of-Good-Governance.pdf](#)
- [The Seven Principles of Public Life - GOV.UK](#)

Related policies:

- Board Code of Conduct
- Standing Orders
- Financial Regulations
- Expenses Policy
- Instrument and Articles of Government

² See the Charity Commission's guidance [Charities paying a trustee or a connected person: understand the rules \(CC11\) - GOV.UK](#) Legal advice should be obtained before submitting an application to the Commission.