

Royal Northern College of Music

Conflict of Interest Policy

Policy & Procedure

Department: Governance

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RNCM
ROYAL NORTHERN
COLLEGE of MUSIC

1. **Introduction**

The RNCM (the College) recognises that members of its Board of Governors have diverse interests and contacts within the local, national and international community and acknowledges that such links are often in the public interest as well as beneficial to the College and to individuals.

The College is committed to best practice in all aspects of corporate governance and aims to conduct its business in accordance with:

- The principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).
- The Committee of University Chairs (CUC) Higher Education Code of Governance.
- The College's governing documents, the Instrument and Articles of Government.
- The regulatory requirements of the Office for Students (OfS).
- Charity Commission Guidance.

As part of this commitment, all members of the Board and its Committees are required to exercise independent judgement at all times in the best interests of the College. This includes fully disclosing any actual, perceived or potential conflicts of interests as these arise and, if necessary, abstaining from any involvement in the decision-making process, including withdrawing from a meeting.

2. **Purpose of the Policy**

The purpose of this policy is to provide clear guidance on identifying, declaring and managing conflicts of interest (Regulation 7 of the College, pursuant to Article 15(1)). The policy is not intended to suggest any lack of trust in members of the Board of Governors. It is designed to protect individuals and the College from allegations of fraud and corruption and forms part of the College's commitment to good governance.

This policy:

- ensures high standards of integrity in the conduct of business by the Board of Governors of the College;
- enables the College to avoid both impropriety and any appearance or perception of impropriety;
- assists in identifying conflicts of interest;
- explains the process for the disclosure of conflicts of interest;
- provides guidance to those responsible for dealing with conflicts of interest;
- assists in the resolution of conflicts of interest in order to protect the College, members of the Board and its Committees and those in attendance.

3. **Scope**

The policy applies to all Governors, Co-opted Committee members, the Clerk to the Board, and to members of the Principal's Executive Group who are in attendance at meetings of the Board.

4. **Definition**

A conflict of interest is any situation in which an individual's pecuniary, family or other personal interests, may (or may appear to) influence or affect the individual's decision-making. Individuals are responsible for their own actions and must consider the consequences (both actual and perceived) of potential conflicts of interest. It is an individual's duty to recognise and declare any potential conflicts of interest that may

impact their work at the College. This includes relevant indirect interests through a partner, spouse or immediate family.

The types of relevant interests that should be declared include:

- Paid employment or self-employment
- Directorships
- Shareholdings
- Trusteeships
- Honorary/advisory positions
- Board/committee appointments
- Receipt of gifts and/or hospitality

The existence of a conflict of interest does not reflect upon the integrity of the member(s) concerned as long as it is properly addressed. It is necessary, therefore, to have in place mechanisms to protect them, and the College, from reputational damage or other liabilities, so it is essential that they declare any interest that they, or any connected person, may have that could give rise to a conflict, or give the appearance or perception of a conflict, even if no actual conflict exists.

5. Obligations

In the performance of their functions, members of the Board and its Committees are under a legal obligation to act in the best interests of the College and should, therefore, declare interests, either prior to discussion at a particular meeting if the interest is thought to be a non-recurring event (such disclosures are a standing item on all Board and Committee meeting agendas), or through an appropriate entry in the Register of Interests (see below) if it is long term or permanent.

In order to determine whether a conflict of interest exists, it should be determined whether the private, personal or commercial interest is likely to interfere or appear to interfere with the objective judgement the member should show in performing his/her Board duties.

Circumstances which may give rise to a conflict include, but are not restricted to:

- where matters relating to a connected person¹; are under specific consideration;
- where the interests of a connected person may conflict with the interests of the College;
- where, in the course of consideration of reports or other documents received as a Board or Committee member, a member comes across information that may be of material personal advantage to them in some other capacity, or as such, to a connected person;
- where the member is on an interviewing panel and a candidate for interview is a connected person;
- where the interests of some other Board, Committee, Trust etc. of which the member is also a member may conflict with the interests of the College;

¹ The term 'connected person' is taken to refer to 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, as well as businesses where a trustee or family member holds more than 1% of the shareholding or voting rights.

- where the member serves in some external advisory capacity and may need to provide advice in that capacity upon College operations, suitability, effectiveness or *bona fides*;
- where the member is an employee, director or major shareholder in a company or organisation which has or is seeking a contractual relationship with the College.

6. **Disclosing a Conflict**

There are various ways in which a potential conflict should be disclosed:

Recruitment and Appointment Process

As part of the Governor nomination and appointment process, due diligence is undertaken to ensure that any potential conflicts of interest are identified. Any potential conflicts are considered by the Nominations Committee before a recommendation for appointment is made to the Board. On appointment, Governors are requested to read and comply with this policy and to complete a Declaration of Interests Form (Appendix 1) which should list all interests. This is then retained by the Clerk to the Board.

Ongoing Declaration

In order to ensure the accuracy of the details contained in the Register of Interest, Governors are requested to notify Clerk to the Board of any changes on an ongoing basis. In addition, an annual update of the Register is undertaken.

The responsibility for avoiding conflict of interest, in the first instance, lies with the member. The Board has determined that those individuals covered by the policy are required annually to declare in a Register of Interests, maintained by the Clerk to the Board, any interests of a long-term or permanent kind which might have a bearing on their relationship with the College. Any changes in circumstances, including new interests, should be declared and updated at the earliest opportunity.

Ultimately, it is at the discretion of each individual what, if any, interests they declare. However, in considering whether and what interests to declare, individuals may wish to ask themselves whether members of the public knowing a particular piece of information about an individual might reasonably conclude that the relevant interest could influence their judgement. If they might so conclude, the best protection for the individual and for the College would be for the interest to be declared in the Register. It is for the individual members to decide whether the interests of any connected persons are relevant in this context.

If in any doubt on these matters, individuals should err on the side of caution, or seek the advice of the Clerk to the Board. If under any particular heading in the Register there is nothing to declare, a 'nil return' should be clearly indicated.

Board/Committee Meetings

Where a conflict of interest arises from an agenda item at a meeting of the Board or a Committee, Governors should declare the interest before or at the start of the meeting or as soon as it becomes apparent during the course of the meeting, whether or not the interest is already formally recorded in the Register of Interests. A reminder is included on every agenda.

7. Managing Conflicts of Interest

All Governors' interests are recorded on the Register of Interest, which is maintained by the Clerk to the Board. The Clerk to the Board and the Chair are responsible for determining where a material conflict of interest exists and how this should be managed/resolved.

In the vast majority of cases, and depending on the nature and status of the business under consideration, the disclosure in the Register of a potentially conflicting external activity is sufficient to deal with the matter. On occasions, particularly if the conflict identified is actual rather than perceived, it may be necessary for the College to propose a different way of managing an activity such that the conflict is minimised or avoided. Potential conflicts of interest at meetings will normally be resolved through the individual concerned not participating in the relevant discussions, or any subsequent discussions, and (as necessary) having restricted access to information. However, in instances where a serious and/or continuous conflict has been identified, the most appropriate action may be to invite a member to resign from his or her post.

Where an interest is declared on a matter being discussed at meetings of the Board or its Committees, the declaration will be recorded in the minutes and where appropriate, the Chair may ask the member concerned to withdraw from the meeting during the relevant discussion.

Gifts, Benefits and Hospitality

Those to whom this policy applies should be careful to ensure propriety over receipt of gifts, benefits or hospitality in the course of, or connected with, College business. Other than those of small intrinsic value, these should be notified to the Clerk to the Board. Section 4 of the College's Ethics Framework provides further information in relation to gifts and hospitality.

Membership of Boards, Committees, Trusts, etc.

Please list names of organisations, and positions held i.e. Chairman, Member, Trustee, etc.

Organisation	Position
<u>Those with charitable status</u>	
<u>Those with non-charitable status</u>	

Other Significant Interests

Please list any other interests of either yourself or close family members which you feel it is appropriate to declare

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Signed

Date

Thank you for providing this information. You will be asked to verify and/or amend this information annually. It will be held on a central register at the RNCM for your period of Governorship or employment and for three years after the expiry of your period of office. The information will then be destroyed.