

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 its employees and members of the 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. However, it also recognises that it is possible that such connections may give rise to potential conflicts of interest.

The College recognises that, in general, individuals will recognise conflicts of interest and will want to ensure that there can be no perception of their receiving an inappropriate advantage and that they are personally beyond suspicion. It also recognises that, in most cases, potential conflicts of interest will be easily avoided or resolved by informal action either by the individual concerned or through discussion with their manager.

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, employees and members of the Board and its Committees are required to exercise independent judgement at all times in the best interests of the College. For full-time academic staff, Heads of Department and members of the Board and its Committee this extends to 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 for full-time academic staff, Heads of Department and members of the Board and its Committees (Regulation 6 of the College, pursuant to Article 15(1)). The Policy is not intended to suggest any lack of trust and 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 employees and 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, its employees, members of the Board and its Committees and those in attendance at meetings.

## 3. **Scope**

The Policy applies to all full-time academic staff and Heads of Department employed by the College (hereafter referred to as 'employee'), members of the Board and its Committees and the Clerk to the Board.

#### 4. **Definitions**

**Conflict of interest.** A situation in which an employee or a member of the Board and its Committees has a private or personal interest which is likely to appear to influence the objective exercise of an aspect(s) of their College duties. For the purpose of this Policy, the term 'conflict of interest' includes perceived and potential as well as actual conflicts of interest. This includes relevant indirect interests through a relative or friend.

**Private, personal or commercial interest.** A financial or non-financial interest to the employee or members of the Board and its Committees or to a relative or a friend of the employee or member of the Board and its Committees.

- *Financial interest* refers to anything of monetary value, including, but not limited to, pay, commission, consultancy fees, equity interests, forgiveness of debt, property, royalties, and intellectual property rights.
- *Non-financial interests* refer to any non-financial benefit or advantage, including, but not limited to, enhancement of an individual's career, education or professional reputation, access to privileged information or facilities.

**Relative or friend.** Any member of an employee's or Board's close family (i.e. spouse, civil partner, parents, siblings or children); their partner; close personal friends; any person with whom the employee has an intimate relationship.

The existence of a conflict of interest does not reflect upon the integrity of the individual(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. 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, employees and 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 for members of the Board, the Principal and the College's Executive Team, 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 their duties.

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

- where matters relating to a relative or friend; 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 an employee or member of the Board, an individual comes across information that may be of material personal advantage to them in some other capacity, or as such, to a relative or friend;
- where the individual 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 individual is also a member may conflict with the interests of the College;

- where the individual 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 individual 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 of Interest**

It is the responsibility of employees and members of the Board and its Committees to recognise situations in which they have a conflict of interest or might reasonably be seen by others to have a conflict, to disclose that conflict to the appropriate person and to take such further steps as may be appropriate as set out in more detail in Section 8 below: Managing Conflicts of Interest.

Disclosure must include sufficient information to enable appropriate resolution, which is likely to include: the type of potential conflict of interest, the nature of the activity, a description of all parties involved, the potential financial or non-financial interests or benefits, and any other relevant information. The confidentiality of disclosures will be respected as far as possible; the information will only be shared with those with a need to know.

### **Procedure as Part of Day-to-Day Business**

Disclosure should be made at the time the conflict first arises, or it is recognised that a conflict might be perceived, in writing to the Head of Department/Line Manager (or equivalent). If the Head of Department or Line Manager (or equivalent) has an interest in the matter to be discussed, the disclosure shall be made to the person at the next higher level of authority. The disclosure must include sufficient information so that an appropriate resolution can be achieved.

### **Procedure as Part of Committee Business**

Where a conflict of interest arises from an agenda item at a meeting of the Board or College Committee, individuals 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 as a standing item on every agenda.

### **Procedure for members of the Board of Governors**

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.

### **Annual Declaration of External Interests**

All members of Board, the Principal and members of the Executive Team should supply and keep updated on an annual basis the required information for the College's Register of Interests. The Register is maintained by the Clerk to the Board. Should an individual's external interests change through the course of the year, the Clerk to the Board of Governors should be informed.

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.

## **7. Failure to Disclose a Conflict of Interest**

Failure to disclose an actual or perceived conflict of interest, or to cease involvement in the situation until the conflict has been resolved, constitutes a breach of an employee's contract of employment and may result in disciplinary action. In determining whether disciplinary action is appropriate, consideration will be given to the extent to which the employee could reasonably have been aware of the actual or perceived conflict of interest and/or made a reasonable decision not to declare it.

Failure by a Governor to disclose an actual or perceived conflict of interest, or to cease involvement in the situation until the conflict has been resolved could, in serious cases, result in the Governor being asked to step down from the Board.

## **8. Managing Conflicts of Interest**

In the vast majority of cases and depending on the nature and status of the business under consideration, the disclosure in the Register, or for an employee, to their Head of Department or Line Manager, 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 including:

- disclosure of all pertinent information to other relevant individuals;
- exclusion from, or third party review of, any decision-making/authorisation;
- reduction of involvement in the activity;
- close monitoring of the activity;
- termination of involvement by others (e.g. a relative or friend) in the activity;
- divestiture of relevant personal interests.

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.

Where an interest is declared on a matter being discussed at meetings of College Committees, 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.

## **9. 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 Director of Finance. Section 9 of the College's Ethics Framework and Section 6 of the Ethical Fundraising and Gift Acceptance Policy provide 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

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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.