

## St Hilda's College

### Policy on Conflicts of Interest

#### Trustees' Fiduciary Responsibilities

Trustees (i.e. Governing Body fellows) have a legal duty to act only in the best interests of the College. They must therefore not allow their personal interests to interfere in any way with their governing of the College, and consequently, where a potential conflict of interest arises, it must be managed in such a way that it does not adversely impact upon the College.

Provided a potential conflict of interest can be managed satisfactorily, trustees (and other senior members of the College) may engage in a wide variety of external activities, such as serving on government, other public sector, business or community boards, acting as governors of schools or other educational establishments, and schools' outreach. The College considers that such activities are in the public interest and may also be of benefit to the College, the University and the individuals concerned.

Consistent with the Charities Act 2011, the College's Statutes permit the payment in good faith of remuneration to fellows for services rendered to the College and for the reimbursement of out-of-pocket expenses incurred in connection with the affairs of the College. The College By-laws provide for an independent Remuneration Committee to consider and advise Governing Body on fellows' stipends and allowances. Other than that, the College's Royal Charter, Statutes and Bylaws are silent on the subject of conflict of interest and so the College must be guided by best practice as recommended from time to time by the Charity Commission.

#### Definition of Conflict of Interest

A *Conflict of Interest* arises in a situation in which a trustee's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the College.

- A conflict of interest exists even where there is the possibility that a trustee's personal or wider interests could influence the trustee's decision making
- Even a perception that there is a conflict of interest can damage the College. Where the perception is not accurate because there is no conflict of interest, the trustees should always be able to respond appropriately to the situation by managing the risks to the College and being prepared to explain how they have made their decisions only in the best interests of the College
- Conflicts of interest relate to a trustee's personal interests and the interests of those connected to them. This means that there is a conflict of interest where there is a proposed transaction between the College and a connected person. Similarly, there is a conflict of interest where there is a benefit or a potential benefit to a connected person.

In this context, a *connected person* includes family members, relatives or business partners of a trustee, as well as businesses in which a trustee has an interest through (part-) ownership or influence. The Charities Act 2011 defines in s188 the meaning of connected person in relation to the purchase of goods services and in s118 in relation to land disposals.

The definition of Conflict of Interest covers, implicitly, conflicts of loyalty too. These are situations in which a trustee's own personal benefit or gain are not at issue, but their allegiance or obligations towards another person or body of significance to the College might affect their decision making.

Examples of potential Conflicts of Interest that could arise in the College include, without limitation:

1. Approving the levels of stipends and allowances payable to Governing Body fellows.
2. Membership of a recruitment panel when considering a connected person for employment
3. Considering the award of grants, scholarships and the like to connected persons
4. Interviewing or otherwise considering for acceptance an applicant to study in the College where that applicant is a connected person
5. Procurement of goods and services from a connected person
6. Accepting inappropriate hospitality or gifts from College suppliers

Fellows who have joint appointments in the University are also subject to the University's Policy on Conflict of Interest. Conflicts of interest that might arise in relation to the University are separate and distinct from those that arise in relation to the College.

### **Obligation to Declare a Conflict of Interest**

Where a trustee (incl. any connected person) has a Conflict of Interest as defined, the onus rests with the trustee to declare that conflict as soon as it arises (which may be upon appointment) and in any event prior to any discussion in Governing Body of the matter that gives rise to the conflict of interest or taking any decision in relation to that matter, so that the conflict of interest may be appropriately managed. *In the event of any doubt, the trustee should err on the side of caution and declare an interest.* It may be helpful to discuss the matter first with the Principal or the Bursar.

To facilitate this process:

1. a Register of Fellows' Interests will be maintained by the Governing Body Secretary, in which all Governing Body fellows' interests will be expected to declare any appointments, offices, memberships, partnerships, directorships and the like, paid or unpaid, of bodies or organisations that have financial dealings with the College or are in any other way significant to the activities of the College. This declaration should be made when the conflict of interest first arises, and then on an annual basis thereafter (incl. NIL returns) in each Michaelmas Term prior to the first meeting of Governing Body in that term.

The Register of Fellows' Interests will be open to inspection by all Governing Body Fellows.

2. In addition, there should be a standing agenda item at the beginning of each meeting of Governing Body inviting fellows to declare any conflicts of interest in relation to any items on the agenda, whether or not already declared under 1 above. The Principal or, in her/his absence, whoever is chairing the meeting, will decide on the appropriate action (see *Managing Conflicts of Interest*).
3. The following statement should be included at the foot of the first page of the agenda of each meeting of the Governing Body:

*Fellows are reminded of the College's Policy on Conflicts of Interest, which requires them to declare, at or before the start of the meeting, any financial or other interest that could give rise to a conflict of interest in relation to any item on the agenda.*

### **Managing Conflicts of Interest**

If a conflict of interest is serious and persistent it may be necessary, in order to preserve the College's integrity and reputation, to remove that conflict permanently by some appropriate means,

such as by resigning from the external office or appointment that gives rise to the conflict or by resigning from the Fellowship.

If the conflict is not considered to be serious and persistent, it must nevertheless not be allowed to influence decision-making and the fellow concerned must, after consultation with the Principal, refrain as far as possible from any dealings that would activate or exacerbate the conflict, and in particular she/he should refrain from voting on any related matter in meetings of the Governing Body. It may also be appropriate to refrain from talking on the matter concerned in such meetings or indeed to withdraw from the meeting altogether when such a matter is discussed.

The minutes of a meeting of Governing Body should always include a record of the declaration of a conflict of interest and how it was dealt with.

Gifts may not be solicited from suppliers or others. Unsolicited gifts received, including hospitality, should be avoided if possible unless of low value (less than £50), in which case gifts should be handed over to the Principal's PA for the College's annual charity raffle. Exceptionally, provided they are of low value and are recorded in the Trustee Gift/Hospitality Register maintained by the Governing Body Secretary, end of term gifts to tutorial fellows from their students may be accepted and retained.

### **Related Party Transactions**

In addition to identifying potential conflicts of interest, as part of the College's governance and annual reporting in its accounts, information must be compiled on any transactions involving related parties which potentially require disclosure in the notes to the accounts in accordance with Financial Reporting Standard 102 Section 33 and the Charities SORP 2015.

**'Related parties'** is the term used to identify those persons or entities that are closely connected with the College and its fellows. This term includes fellows (as trustees), senior administrative staff, donors of land and persons connected to them, e.g. by virtue of family relationship or business partnership. A full definition of *related parties* is available from the Bursar or Governing Body Secretary.

**'Related party transactions'** are the transfer of resources, services or obligations between related parties, regardless of whether a price is charged, and may include the following:

- a) Purchases, sales, leases and donations (including donations which are made in furtherance of the College's objects) of goods, property, money and other assets such as intellectual property rights to or from the related party.
- b) The supply of services by the related party to the College, and the supply of services by the College to the related party. Supplying services includes providing the use of goods, property and other assets and finance arrangements such as making loans and giving guarantees and indemnities.
- c) Any gifts or hospitality received in connection with their role in the College.
- d) Any other payments and other benefits which are made to fellows under express provisions of the governing document of the Charity or in fulfilment of its charitable objectives.

Examples of related party transactions which are most likely to occur include employment/engagement by the College of a family member of a trustee for teaching or other purposes, donations made to the College by a fellow or an individual connected with a fellow, and the receipt of hospitality by a fellow in connection with their role in the College.

### **Obligations to declare related party transactions**

To facilitate the compilation by College of related party transactions, fellows are required to provide details of any anticipated related party transactions annually when making their declaration of interests in each Michaelmas Term prior to the first meeting of Governing Body in that term. Senior administrative staff are also required to provide details of anticipated related party transactions before the first Governing Body meeting of each Michaelmas Term.

Fellows and senior administrative staff will also be required to confirm any actual related party transactions (whether or not they had been anticipated at the beginning of that academic year), together with any previously undeclared conflict of interest situations that had arisen in connection with that individual's role as an employee of St Hilda's College, Oxford and/or as a member of Governing Body. This declaration must be made annually following the end of the College's financial year on 31 July and before 31 August each year for inclusion in the College's annual accounts. NIL returns to be provided if appropriate.

### **Scope of Application**

Note that reference in this Policy to a meeting of Governing Body includes reference to a meeting of any of its sub-committees and working groups or panels established to undertake College business.

This Policy applies to all College trustees (i.e. Governing Body fellows) as well as, mutatis mutandis, student representatives or members of academic staff who attend Governing Body and its sub-committees and such other senior members of administrative staff or external individuals involved with College business, as GB shall determine.

Declarations of Interest and anticipated/actual related party transactions by administrative staff will be made by way of personal letter to the Bursar/completion of a related party transaction form, rather than by inclusion in the Register of Fellows' Interests; and prior to taking any decision in relation to an administrative matter in the College, any manager subject to this Policy should discuss any conflict of interest not already declared with the Bursar.

Similarly, declarations of interest and related party transactions by students, members of academic staff, and external individuals involved with College business will be made by personal letter to the Principal.

References within this policy to 'fellows' shall be interpreted to mean Governing Body Fellows (and therefore trustees) only, not to those elected to other classes of fellowship.

***Approved by Governing Body on 11 October 2023***