

Section E

**COLLEGE CODE OF CONDUCT  
FOR SALFORD CITY CORPORATION  
MEMBERS**

2017 - 2018

**BASED ON EVERSHEDES FOURTEENTH EDITION  
FURTHER EDUCATION COLLEGES VERSION**

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**\* Throughout this code "Corporation Member" or "Members" may be substituted by "Governor" or "Governors" and "Corporation" by "Governing Body" as appropriate.**

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## **COLLEGE CODE OF CONDUCT FOR CORPORATION MEMBERS**

(approved by the Salford City College *Corporation* on 26 June 2017)

### **1. INTRODUCTION**

- 1.1 This Code is intended as a guide, to indicate the standards of conduct and accountability which are expected of Salford City College *Corporation Members*, to enable them to understand their legal and ethical duties and to assist them both in carrying out those duties and in their relationship with the *Corporation* and Principal as the Chief Executive. This Code therefore is aimed at promoting effective, well informed and accountable college governance, and is not intended to be a definitive or authoritative statement of the law or good practice.
- 1.2 In addition to this Code, Corporation Members are recommended to familiarise themselves with the source documents listed in the Schedule.
- 1.3 If a Corporation Member is in doubt about the provisions of this Code or any of the source documents, the Clerk should be consulted and, if necessary, professional advice should be obtained. However, ultimate responsibility for the appropriateness of conduct as a Corporation Member of the College and for any act or omission in that capacity rests with the individual Corporation Member.
- 1.4 This Code applies to every committee or working party of the Corporation and to every subsidiary company or joint venture of the College to which Corporation Members may be appointed.
- 1.5 By accepting appointment to the Corporation, each Corporation Member agrees to accept the provisions of this Code.
- 1.6 Each Corporation Member by accepting the provisions of this Code agrees that any breach of the Code by them may lead to the termination of their appointment as a Member in accordance with clause [10] of the Corporation's Instrument and Articles of Government.

### **2. INTERPRETATION**

In this Code:-

- 2.1 'College' means this College;
- 2.2 'College Mission Statement' means the statement set out/referred to at paragraph 3.1 of this Code or such other mission statement as may be agreed by the Corporation from time to time;
- 2.3 'College Core Values' means those Core Values set out at paragraph 3.2 of this Code or such other core values as may be agreed by the Corporation from time to time.

- 2.4 '*Corporation\**' means the further education corporation which was established for the purpose of conducting the Salford City College;
- 2.5 '*Corporation Member\**', 'Chair', 'Principal' and 'Clerk' mean respectively the Member of the Corporation of the College, the Chair of the *Corporation*, the CEO/Principal of the College and the Clerk of the *Corporation*;
- 2.6 'DBIS' means the Department for Business, Innovation and Skills;
- 2.7 'ESFA' means the Education Funding Agency or any successor body;
- [2.9 'Foundation Code' means the English Colleges' Foundation Code issued by the Association of Colleges in November 2011 or subsequent Codes adopted by the Corporation
- 2.9 'ESFA' means the Skills Funding Agency or any successor body;
- 2.10 all other definitions have the same meanings as given in the College's Instrument and Articles of Government; and
- 2.11 words importing one gender import any gender.

### 3. **AIMS AND VALUES**

#### 3.1 The College's Mission Statement -

Salford City College will inspire and empower people to create and take opportunities to enrich lives through learning.

It will do this by harnessing community pride, citizenship, loyalty and enterprise to embrace learning as the key to opportunity and social and economic wellbeing.

Underpinning this vision will be a strong sense of team spirit at all levels – staff, student, parents, employers and politicians will exploit opportunities to work together to achieve their personal goals and enrich the overall quality of life in the City.

#### 3.2 Core Values

A focus on learners, Transparency, Integrity, Respect, Innovation, Social responsibility, Inclusivity, Unconditional pursuit of excellence, Leading by example, Partnership and collaboration, Celebrating diversity.

3.3 The College Mission Statement, together with the corporate objectives of the College agreed by the Corporation from time to time, seek to encapsulate the core purposes and aims of the College. Corporation Members, should have due regard to these purposes and aims and to the Core Values when conducting the business of the Corporation and considering the activities and proposed activities of the College.

3.4 The Corporation recognises its obligations to all those with whom it and/or the College have dealings, including students, employees, suppliers, other educational institutions and the wider community. In particular, the Corporation is committed to:

- having close regard to the voice of the learner;
- combating any discrimination within the College on the grounds of the characteristics protected by the Equality Act 2010 (“the 2010 Act”) and promoting equality in accordance with its duty under the 2010 Act; and
- engaging with the community which the College serves in order to understand and meet its needs and
- observing its duty under the Education (No.2) Act 1986 to take reasonable steps to ensure freedom of speech for members of the College community and visiting speakers [and its duty under the Counter Terrorism and Security Act 2015 to have regard to the need, when exercising its functions, to prevent people from being drawn into terrorism<sup>1</sup>]<sup>2</sup>.

3.5 The Corporation is also committed to ensuring that it conducts its business in accordance with the highest ethical standards as set out in more detail in this Code.

#### 4. **DUTIES**

4.1 Corporation Members are in the position of charity trustees and as such owe a fiduciary duty to the College. This means that they should show it the highest loyalty and act in good faith in its best interests. Each Corporation Member should act honestly, diligently and (subject to the provisions appearing in paragraph 10 of this Code relating to collective responsibility) independently.

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<sup>1</sup> On this point see the statutory guidance issued by the Home Office on compliance with the duty in s.26 of the Counter Terrorism and Security Act 2015: <https://www.gov.uk/government/publications/prevent-duty-guidance>

<sup>2</sup> The implementation of this duty has been delayed pending the issue of further statutory guidance on the management of external speakers and events. The coalition government intended that the duty should be commenced on 1 July 2015 but this is dependent upon the outcome of the general election. Eversheds will be issuing briefings on the implementation of the duty.

The actions of Corporation Members should promote and protect the good reputation of the College and the trust and confidence of those with whom it deals.

- 4.2 Decisions taken by Corporation Members at meetings of the Corporation and its committees must not be for any improper purpose or personal motive. Decisions taken must always be for the benefit of the College, its students and staff and other users of the College and must be taken with a view to safeguarding public funds. Accordingly, Corporation Members must not be bound in their speaking and voting by mandates given to them by other bodies or persons (including but not limited to the bodies that elected them).
- 4.3 Corporation Members must observe the provisions of the College's Instrument and Articles of Government and in particular the duty to give immediate notice to the Clerk should they become disqualified from continuing to hold office and also the responsibilities given to the Corporation by the College's Articles of Government. Those responsibilities, including a list of "reserved" responsibilities which are so important that they must not be delegated, are set out in Appendix 3.
- 4.4 Corporation Members should comply with the Standing Orders and terms of reference of the Corporation and its committees to ensure that the Corporation conducts itself in an orderly, fair, open and transparent manner. Corporation Members must keep those Standing Orders and terms of reference under periodic review.
- 4.5 Corporation Members should also have regard to the different, but complementary, responsibilities given to the Principal as the College's Chief Executive. The responsibilities given to the Principal by the College's Articles of Government are set out in Appendix 4. Whereas it is the Corporation's function to decide strategic policy and overall direction and to monitor the performance of the Principal and any other senior post holders, it is the Principal's role to implement the Corporation's decisions, and to manage the College's affairs within the budgets and framework fixed by the Corporation. Corporation Members should work together so that the Corporation and the Principal as Chief Executive perform their respective roles effectively.
- 4.6 Corporation Members should refer to the Clerk for advice relating to the governance functions which are set out in Appendix 4 and have regard to the Clerk's independent advisory role.

## 5. **STATUTORY ACCOUNTABILITY**

- 5.1 Corporation Members are collectively responsible for observing the duties set out in the Financial Memorandum which the College has entered into with the ESFA and the Funding Agreement which the College has entered into with the EESFA

as a condition of receiving public funds. A summary of some of the more important requirements of the Financial Memorandum and of the Funding Agreement with the EESFA is set out in Appendix 5.

5.2 Although the ESFA is the main provider of funds to the College, Corporation Members should note that they are also responsible for the proper use of income derived from other sources, such as the Higher Education Funding Council for England (HEFCE) and the European Union (EU) and for the control and monitoring of expenditure of such income, in order to meet the requirements of the relevant funding body and public audit. Where funding is received directly from HEFCE the College will have a memorandum of assurance and accountability with HEFCE which sets out the basis on which such funding is provided. Where HEFCE funding is received indirectly via a collaboration with a HEFCE funded institution such funding will be subject to obligations contained in the memorandum of co-operation between the College and that institution.

5.3 As accounting officer for the Agency, its Chief Executive is directly responsible and accountable to Parliament for ensuring that the uses to which the ESFA puts its funds are consistent with the purposes for which the funds were given and comply with the conditions attached to them. The Principal, as accounting officer for the College, is also directly responsible and accountable to Parliament, through the Committee of Public Accounts, for the effective stewardship by the College of public funds. The Principal may be required to appear before the Committee of Public Accounts, alongside the Chief Executive of Skills Funding, to give an account of the use made by the College of such funds. The Corporation is accountable to Parliament for ensuring the financial health of the College, and to the Courts for ensuring that the College is conducted in accordance with the Education Acts and the general law.

## 6. **PUBLIC SERVICE VALUES**

Although further education corporations are classified as part of the private not for profit sector for government accounting purposes, they remain public bodies in many legal contexts. In particular, public service values are at the heart of the further education service. High standards of personal and corporate conduct, based on the principles set out in Appendices 1 and 2 of this Code, and the recognition that students and other users of the College's services come first, are a requirement of being a *Corporation Member*, and should underpin all decisions taken by the *Corporation*.

## 7. **SKILL, CARE AND DILIGENCE**

A *Corporation Member* should in all his or her work for the College exercise such skill as he or she possesses and such care and diligence as would be expected from a reasonable person in the circumstances. This will be particularly relevant

when *Corporation Members* act as agents of the College, for example, when functions are delegated to a committee of the *Corporation* or to the Chair. *Corporation Members* should be careful to act within the terms of reference of any committees on which they serve.

## 8. **POWERS**

*Corporation Members* are responsible for taking decisions which are within the powers given to the *Corporation* by Parliament under sections 18 and 19 of the Further and Higher Education Act 1992, as amended. A summary of those powers is set out in Appendix 6. If a *Corporation Member* thinks that the *Corporation* is likely to exceed its powers by taking a particular decision, he or she should immediately refer the matter to the Clerk for advice.

## 9. **CONFLICTS OF INTEREST**

9.1 Like other persons who owe a fiduciary duty, *Corporation Members* should seek to avoid putting themselves in a position where there is a conflict (actual or potential) between their personal interests and their duties to the *Corporation*. They should not allow any conflict of interest to arise which might interfere with the exercise of their independent judgement.

9.2 *Corporation Members* are reminded that under the College's Instrument of Government and its policy on Conflicts of Interest and the general law they must disclose to the *Corporation* any direct or indirect financial interest they have, or may have, in the supply of work to the College or the supply of goods for the purposes of the College, or in any contract or proposed contract concerning the College, or in any other matter relating to the College or any other interest of a type specified by the Corporation in any matter relating to the College, or any duty which is material and which conflicts or may conflict with the interests of the *Corporation*.

9.3 If an interest of any kind (including an interest of a spouse, partner or business associate of a *Corporation Member* or of a close relative of the *Corporation Member* or his or her spouse, partner or business associate) is likely or would, if publicly known, be perceived as being likely to interfere with the exercise of a *Corporation Member's* independent judgement, then:-

9.3.1 the interest, financial or otherwise, should be reported to the Clerk;

9.3.2 the nature and extent of the interest should be fully disclosed to the *Corporation* before the matter giving rise to the interest is considered;

9.3.3 if the Corporation Member concerned is present at a meeting of the Corporation, or any of its committees, at which such supply, contract

or other matter constituting the interest is to be considered, he or she should:-

- (a) not take part in the consideration or vote on any question with respect to it and shall not be counted in the quorum for that meeting; and
- (b) withdraw from that Corporation or committee meeting where required to do so by a majority of the Members of the Corporation or committee present at the meeting.

9.4 For the purposes of clause 9.3 "close relative" includes but is not limited to a father, mother, brother, sister, child, grandchild and step-father/mother/brother/sister/child.

9.5 Where it is proposed that the Corporation should grant a member a financial interest (such as a contract for the supply of goods or services) the Corporation must observe the requirements of the Charities Act 2011. The Corporation may wish to take legal advice before granting such an interest to a member.

9.6 *Corporation Members* must not receive gifts, hospitality or benefits of any kind from a third party which might be in breach of the Bribery Act 2010 and the College's anti-bribery policy and the College's policy on receiving gifts or be seen to compromise their personal judgement or integrity. Any offer or receipt of such gifts, hospitality or benefits should immediately be reported to the Clerk.

9.7 The Clerk will maintain a Register of *Corporation Members'* Interests which will be open for public inspection. *Corporation Members* must disclose routinely to the *Corporation* all business interests, financial or otherwise, which they or persons associated with them may have, and the Clerk will enter such interests on the Register. *Corporation Members* must give sufficient details to allow the nature of the interests to be understood by enquirers. *Corporation Members* should inform the Clerk whenever their circumstances change and interests are acquired or lost. In deciding whether an interest should be disclosed, *Corporation Members* should have regard to the meaning given to "interest" in paragraphs 9.3 and 9.5 of this Code.

## 10. **COLLECTIVE RESPONSIBILITY**

10.1 The *Corporation* operates by *Corporation Members* taking majority decisions in a corporate manner at quorate meetings, including meetings held by telephone and by alternative methods such as written resolutions, in both cases only if so provided for in the Instrument and Articles. Therefore, a decision of the *Corporation*, even when it is not unanimous, is a decision taken by the *Corporation Members* collectively and each individual *Corporation Member* has a

duty to stand by it, whether or not he or she was present at the meeting of the *Corporation* when the decision was taken.

- 10.2 If a *Corporation Member* disagrees with a decision taken by the *Corporation*, his or her first duty is to have any disagreement discussed and minuted. If the *Corporation Member* strongly disagrees, he or she should consult the Chair and, if necessary, then raise the matter with the *Corporation* when it next meets. If no meeting is scheduled, the *Corporation Member* should refer to the power of the Chair or under the College's Instrument of Government to call a special meeting and, if appropriate, exercise it, requesting the Clerk to circulate the *Corporation Member's* views in advance to the other *Corporation Members*. Alternatively, as a final resort, the *Corporation Member* may decide to offer his or her resignation from office, after consulting the Chair.

## 11. **OPENNESS AND CONFIDENTIALITY**

- 11.1 Because of the *Corporation's* public accountability and the importance of conducting its business openly and transparently, *Corporation Members* should ensure that, as a general principle, students and staff of the College have free access to information about the proceedings of the *Corporation*. Accordingly, agendas, minutes and other papers relating to meetings of the *Corporation* are normally available for public inspection when they have been approved for publication by the Chair.
- 11.2 There will be occasions when the record of discussions and decisions will not be made available for public inspection; for example, when the *Corporation* considers sensitive issues or named individuals and for other good reasons. Such excluded items will be kept in a confidential folder by the Clerk, and will be circulated in confidence to *Corporation Members* save for those Members who have a conflicting interest in the particular sensitive matter. Some confidential items are likely to be of a sensitive nature for a certain period of time only (for example information relating to a proposed commercial transaction or collaboration with another institution). The *Corporation* should specify how long such items should be treated as confidential or, if this is not possible, such items should be regularly reviewed to consider whether the confidential status should be removed or whether the public interest in disclosure outweighs that confidential status and the item made available for public inspection. When considering such issues the *Corporation Members* must also consider the College's publication scheme issued under the Freedom of Information Act 2000.
- 11.3 However, staff and student *Corporation Members* have no right of access to minutes dealing with matters in respect of which they are required to withdraw from meetings under the College's Instrument of Government.

- 11.4 It is important that the *Corporation* and its committees have full and frank discussions in order to take decisions collectively. To do so, there must be trust between *Corporation Members* with a shared corporate responsibility for decisions. *Corporation Members* should keep confidential any matter which, by reason of its nature, the Chair or members of any committee of the *Corporation* are satisfied should be dealt with on a confidential basis.
- 11.5 *Corporation Members* should not make statements to the press or media or at any public meeting relating to the proceedings of the *Corporation* or its committees without first having obtained the approval of the Chair or, in his or her absence, the Vice Chair. It is unethical for *Corporation Members* publicly to criticise, canvass or reveal the views of other *Corporation Members* which have been expressed at meetings of the *Corporation* or its committees.

## 12. **COMPLAINTS**

- 12.1 In order to ensure that the affairs of the College are conducted in an open and transparent manner and that the College is accountable for its use of public funds but also to its employees, its students and the community it serves, it is important for there to be appropriate complaints procedures in place and for these to be well publicised. *Corporation Members* are reminded of their specific responsibility under the Articles of Government to make rules specifying the procedures in accordance with which employees may seek redress of any grievances relating to their employment, of the importance of having formal complaints procedures in place to handle issues raised by students, former students and third parties and of the legal requirement to have a whistle blowing procedure in place.
- 12.2 Under the ESFA's Financial Memorandum with colleges (Part 2, clause 19.4), students, employers and other third parties have a right to make a complaint to the ESFA in respect of the College or of any of its decisions. *Corporation Members* in particular are reminded that under the ESFA's Procedure for dealing with complaints about Providers of Education and Training (October 2015) the ESFA:
- *can* investigate complaints about quality or management of learning provision, undue delay or non-compliance with published procedures, poor administration by the Provider, equality and diversity issues (except where there is a more appropriate mechanism for dealing with the matter through the court or tribunals or other organisations), health and safety concerns and complaints made by learners following HE courses in FE colleges;

- *will not* investigate complaints about examination results or curriculum content where a more appropriate form of redress would be the examining body or Ofqual, individual employment issues, contractual disputes, matters which are the subject of legal action or complaints about higher education courses in colleges (which should be referred to the Office of the Independent Adjudicator).

### 13. **ATTENDANCE AT MEETINGS**

A high level of attendance at meetings of the *Corporation (80%)* is expected so that *Corporation Members* can perform their functions properly.

### 14. **GOVERNANCE DEVELOPMENT**

- 14.1 The *Corporation* shall seek to ensure that all *Corporation Members* are appointed on merit, in accordance with an open selection procedure carried out by the *Corporation's* Governance and Search Committee, and are drawn widely from the community which the College serves so as to be representative of that community. The *Corporation* should have regard to the provisions relating to the membership of the *Corporation* in the College's Instrument of Government, the need to combat discrimination and to promote equality, and the need to make available a range of necessary skills and experience to ensure that the *Corporation* carries out its functions under the College's Articles of Government.
- 14.2 *Corporation Members* must obtain a thorough grounding in their duties and responsibilities by participating in the College's governance induction and training programmes, including regular refresher workshops.
- 14.3 In order to promote more effective governance, *Corporation Members* will carry out an annual review of the performance by the *Corporation* of its duties and responsibilities, including a review of their own performance as part of a continuing and critical process of self evaluation.

### **SCHEDULE - List of source documents**

1. the College's Instrument of Government;
2. the College's Articles of Government;
3. the Standing Orders and terms of reference of the Corporation and its committees;
4. the Financial Memorandum entered into by the College with the ESFA and the Funding Agreement entered into by the College with the EESFA;

5. the College's Mission Statement and corporate objectives;
6. the College's Strategic Plan;
7. the College's policies that extend to Corporation members, including where relevant the College's policies on equal opportunities and freedom of speech, and the anti-bribery policy as required by the Bribery Act 2010, the College's policy on receiving gifts and the College's policy on conflicts of interest and the College's policy on safeguarding learners; and the College's policy on preventing people being drawn into terrorism;
8. the principles laid down by the Committee on Standards in Public Life (Nolan Committee) for those holding public office, namely:
  - selflessness;
  - integrity;
  - objectivity;
  - accountability;
  - openness;
  - honesty; and
  - leadership.

An extract from the report of the Nolan Committee setting out these Principles in more detail is set out at Appendix 1;

9. the Audit Code of Practice issued by the ESFA;
10. the Foundation Code of Good Governance for English Colleges, issued by the Association of Colleges;
11. the Good Governance Standard for Public Services published by the Independent Commission on Good Governance in Public Services (Good Governance Standard).

An extract from the Good Governance Standard setting out the six core principles of good governance is set out at Appendix 2;

Appendices 1 (the Seven Principles of Public Life), 2 (Six Core Principles of Good Governance), 3 (Responsibilities of *Corporation Members*), 4 (Responsibilities of the Principal and Clerk), 5 (Financial Memorandum of the ESFA) and 6 (Powers of the [*Corporation*]) are attached to this Code for reference.

## **APPENDIX 1**

### **The Seven Principles of Public Life**

The following is an extract from the Second Report of the Nolan Committee on Standards in Public Life, May 1996

#### **SELFLESSNESS**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

#### **INTEGRITY**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

#### **OBJECTIVITY**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

#### **ACCOUNTABILITY**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

#### **OPENNESS**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

#### **HONESTY**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

#### **LEADERSHIP**

Holders of public office should promote and support these principles by leadership and example.

## APPENDIX 2

### Six Core Principles of Good Governance

The following is an extract from the Good Governance Standard for Public Services published by the Independent Commission on Good Governance in Public Services, January 2005

1. **Good governance means focusing on the organisation's purposes and on outcomes for citizens and service users**
  - 1.1 Being clear about the organisation's purposes and its intended outcomes for citizens and service users;
  - 1.2 Making sure that users receive a high quality service;
  - 1.3 Making sure that taxpayers receive value for money.
2. **Good governance means performing effectively in clearly defined functions and roles**
  - 2.1 Being clear about the functions of the governing body;
  - 2.2 Being clear about the responsibilities of the non-executives and the executive, and making sure that those responsibilities are carried out;
  - 2.3 Being clear about relationships between the governors and the public.
3. **Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour**
  - 3.1 Putting organisational values into practice;
  - 3.2 Individual governors behaving in ways that uphold and exemplify effective governance.
4. **Good Governance means taking informed, transparent decisions and managing risk**
  - 4.1 Being rigorous and transparent about how decisions are taken;
  - 4.2 Having and using good quality information, advice and support;
  - 4.3 Making sure that an effective risk management systems is in operation.
5. **Good governance means developing the capacity and capability of the governing body to be effective**

- 5.1 Making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well;
- 5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group;
- 5.3 Striking a balance, in the membership of the governing body, between continuity and renewal.
6. **Good governance means engaging stakeholders and making accountability real**
- 6.1 Understanding formal and informal accountability relationships;
- 6.2 Taking an active and planned approach to dialogue with accountability to the public;
- 6.3 Taking an active and planned approach to responsibility to staff;
- 6.4 Engaging effectively with institutional stakeholders.

## **APPENDIX 3**

### **Standards for Individual Members**

Also see The Seven Principles of Public Life, and Six Core Principles of Good Governance, above

#### **What you need to do**

As an individual Member you must do the following:

1. Act in Line with the seven principles of public life
2. Identify your own skills, ideas, experiences and knowledge and work out how to transfer them to an educational setting.
3. Recognise your own ignorance about the changes in education and develop new skills and knowledge to keep up to date.
4. Take an active interest in the work of the College.
5. Review the skills, knowledge, experience and work of the governing body every year.
6. Respect the authority, roles and structures of the governing body and the College, and the rules of confidentiality.
7. Make sure that you have enough information and advice to make the best decisions possible.
8. Balance and make use of different viewpoints when making sense of a situation.
9. Where there is not enough information, or it is conflicting or not clear, make sure that you take effective action to deal with this.
10. Work effectively with other Members to take decisions through analysing risks, assessing options and being aware of the consequences.
11. Agree decisions that are:
  - a. In line with the College's best interests;
  - b. In time for appropriate action to be taken; and
  - c. Communicated to those who need to know.
12. Accept corporate responsibility for decisions taken by the Corporation, even when you do not agree with them.
13. Check that the minutes of the Corporation's work adequately record the thinking behind the decisions taken.
14. Where necessary, authorise the Chair to act on behalf of the Corporation between meetings.

#### **What you need access to**

To be able to carry out your responsibilities as a Member, you will need access to the following.

- a. The Instrument and Articles of Government
- b. Any regulations, Standing Orders and bylaws that affect the governing body.
- c. Advice from the clerk on issues of principle and procedure

#### **What you need to know**

You will need to know and understand the following:

1. The seven principles of public life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
2. The role of the Chair in leading the work of the Corporation.
3. The role of the Clerk in supporting the work of the Corporation.

4. The role of the principal in managing the day-to-day operations of the College.
5. The rules of procedure for meetings (for example, how often they are held, the minimum number of members, confidentiality, access to minutes and attendance of advisers).
6. The role of the committee and what business is given to them.
7. The code of conduct for Members, including the policy on Members' travel, meals and accommodation.

### **How you might need to behave**

You will need these personal qualities and behaviours to carry out your role effectively:

1. You identify and raise ethical issues, cope with ambiguity and confront difficult questions.
2. You say something when you think one interest group is acting in a way that reduces the opportunity for other less powerful groups.
3. You resist pressures from other Members or managers to achieve results by any means.
4. You think it is important that, even if everyone appears to agree with a particular action, someone is prepared to question why everyone agrees – why are we doing it like this?
5. You are aware of your own personal interests and can separate these from your role. You call attention to any occasions when your own or others' personal interests affect the work of the Corporation or its advisers.
6. You recognise that there are dilemmas at the heart of the role of the Corporation. You accept that there are no absolute 'right ways' of doing things. The demands on Colleges and the responses to these demands change over time.
7. You act in an assured and unhesitating way when faced with a challenge. Your first response is to think before acting.
8. You maintain your beliefs, commitment and effort in spite of setbacks or opposition. You can show stamina when faced with difficult challenges without being stubborn or too assertive.
9. You work with other Members to develop creative and appropriate solutions. You take account of the views of others, recognising that the governing body needs to act together to exercise its authority.
10. You solve problems by trying to find new approaches, thinking creatively and balancing rational thought and emotion.
11. You avoid taking 'knee jerk' decisions. You want to know what is going on to understand what is happening and why. You investigate in a way that pays attention to the feelings of those involved.
12. You understand and are sympathetic to the wishes and ambitions of students.

## **Standards for the Chair and Chairs of Committees**

### **As Chair of the Corporation, you must do the following:**

1. Make sure that the skills of the Clerk are used to support the Corporation / Committee, in line with the instrument and articles of government.
2. Make sure that all members of the Corporation / Committee act in line with the seven principles of public life give their views and take part in making decisions, and declare any conflicts of interest.
3. Provide effective leadership to make sure that the Corporation / Committee:
  - meets its statutory duties and responsibilities;
  - acts reasonably, fairly and in line with what is morally right;
  - acts together as a group;
  - recognises different views;
  - appoints, supports and authorises suitably-qualified people to key roles and committees;
  - assesses members' individual and joint performances.
4. Make sure that the Corporation / Committee does what it is supposed to do in:
  - expressing its vision;
  - maintaining and developing the educational character, values and ethos of the College;
  - setting corporate objectives;
  - assessing the performance of the Principal and the Clerk; and
  - monitoring the financial health of the College.
5. Make sure that the Corporation / Committee communicates the decisions it has taken to all those who need to know.  
Corporation Chair only:
6. Take a lead in setting up an effective working relationship with the Principal, based on a mutual understanding of the responsibilities and authority each role carries.
7. Make sure that appropriate arrangements are in place for appointing, suspending and dismissing people who hold senior posts.
8. Make sure that the Corporation responds to invitations to take part in events or to comment on proposals.

### **What you need access to**

To be able to carry out your responsibilities as Chair of the Corporation, you will need access to the following:

1. The Principal, Vice-Chair of the Corporation and the chairs of committees.
2. Advice from the Clerk about the laws, regulations and policy statements affecting the College.
3. A list of approved specialist advisers and the rules around access to them.
4. The register of Members' interests.

### **What you need to know**

You will also need to know and understand the following:

1. The requirements of the instrument and articles of government, any standing orders and trust deeds that apply to the College.
2. The role of the Clerk in advising and supporting the work of the Corporation.

3. The role of the Principal in managing the day-to-day work of the College and as a member of the Corporation.
4. How the Corporation is made up in terms of the numbers of Members in each category.
5. The conditions for appointing and re-appointing Members.
6. The role and terms of reference of all committees.
7. When to call meetings of any other committees.
8. The public interest disclosure and procedure policy.
9. The three-year rolling programme for strategic planning demanded by the funding council (that is, plans for the next years that are updated yearly in the light of any changes that are needed).
10. The current year's budget-planning procedure for future years.
11. The dates and information needed for financial returns.

### **How you might need to behave**

The following personal qualities and behaviours are on top of those we have given for the individual Member.

1. You act strategically.
2. You make sure that the Corporation keeps its eye on the medium-to-long term objectives and intervene when it loses focus.
3. You manage the role boundaries.
4. You behave in a way that respects the different and similar responsibilities of Members, the principal and the senior management team.
5. You motivate and influence others and promote teamwork.
6. You make sure that opposing or difficult views are heard and that everybody is invited to make a contribution.
7. You respect and resolve different views.
8. You make sure that joint responsibility is taken for decisions in a way that respects differences in the governing body, the College and the wider community.
9. You encourage new and existing Members.
10. You understand that to be a Member is not a job for life and the governing body needs to renew itself.
11. You are committed to your own development and recognise your limits.
12. You are willing to be guided (for example, by the Clerk, outside advisers and specialist committees).
13. You show the benefits of self-appraisal by assessing your own performance.

## APPENDIX 4

### Summary of Main Responsibilities of *Corporation Members* under the Articles of Government

***Responsibilities that cannot be delegated are indicated with a double asterisk.***

Under the College's Articles of Government<sup>3</sup> the *Corporation* shall be responsible:

- (a) for the determination and periodic review of the educational character and mission of the institution and for oversight of its activities\*\*;
- (b) for publishing arrangements for obtaining the views of staff and students on the determination and periodic review of staff and students of the educational character and mission of the institution and the oversight of its activities;
- (c) for approving the quality strategy of the institution;
- (d) for the effective and efficient use of resources, the solvency of the institution and the *Corporation* and for safeguarding their assets\*\*;
- (e) for approving annual estimates of income and expenditure;
- (f) for the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Clerk, including, where the Clerk is, or is to be appointed as, a member of staff, the Clerk's appointment, grading, suspension, dismissal and determination of pay in the capacity as a member of staff;
- (g) for setting a framework for the pay and conditions of service of all other staff; and
- (h) for setting the policy by which the tuition and other fees payable to the College are determined (subject to any terms and conditions attached to grants, loans or other payments paid or made by the ESFA).

"Senior Post" means the post of Principal and such other senior posts if any<sup>4</sup> as the *Corporation Members* may designate for the purposes of the Articles.

### Responsibilities which must not be delegated

The Articles of Government prohibit<sup>5</sup> the *Corporation* from delegating the following:-

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<sup>3</sup> The position is as set out in the 2008 Instrument and Articles. Corporations are free to amend these within the parameters set by the revised Schedule 4 Further and Higher Education Act 1992 as inserted by the Education Act 2011. Responsibilities which must be retained by the corporation under the revised Schedule 4 are shown with a double asterisk. The list that follows summarises the effect of Articles 3, 9, 10 and 19.

<sup>4</sup> Under the revised Schedule 4 FHEA it is open to corporations not to designate any posts as senior ones.

- (a) the determination and periodic review of the educational character and mission of the institution\*\*;
- (b) the approval of the annual estimates of income and expenditure;
- (c) the responsibility for ensuring the solvency of the institution and the *Corporation* and the safeguarding of their assets\*\*;
- (d) the appointment of the Principal or holder of a senior post;
- (e) the appointment of the Clerk (including, where the Clerk is, or is to be, appointed as a member of staff the Clerk's appointment in the capacity as member of staff);
- (f) the modifying or revoking of the Articles of Government;
- (g) the consideration of the case for dismissal, of the Principal, the Clerk or the holder of a senior post unless such function is delegated to a committee of *Members of the Corporation*; and
- (h) the power to determine an appeal in connection with the dismissal of the Principal, the Clerk or the holder of a senior post unless such power is delegated to a committee of *Members of the Corporation*.

The *Corporation* may, from time to time, resolve to add other functions which must not be delegated to this list of "reserved" responsibilities.

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5 See note 6

## **APPENDIX 5**

### **Summary of main responsibilities of the Principal under the Articles of Government<sup>6</sup>.**

Under the College's Articles of Government the Principal shall be the Chief Executive of the College and shall be responsible for:

- (a) making proposals to the *Corporation* about the educational character and mission of the institution, and for implementing the decisions of the *Corporation*;
- (b) the determination, of the institution's academic activities and the determination of its other activities;
- (c) preparing annual estimates of income and expenditure, for consideration and approval by the *Corporation*, and the management of budget and resources within the estimates approved by the *Corporation*;
- (d) the organisation, direction and management of the institution and leadership of the staff;
- (e) the appointment, assignment, grading, appraisal, suspension, dismissal, and determination, within the framework set by the *Corporation*, of the pay and conditions of service of staff, other than the holders of senior posts or the Clerk, where the Clerk is also a member of the staff; and
- (f) maintaining student discipline and, within the rules and procedures provided for within these Articles, suspending or expelling students on disciplinary grounds and expelling students for academic reasons.

### **Summary of main responsibilities of the Clerk under the Articles of Government<sup>7</sup>.**

Under the College's Articles of Government the Clerk shall be responsible for advising the [*Corporation\**] with regard to:

- (a) the operation of its powers;
- (b) procedural matters;
- (c) the conduct of its business; and
- (d) matters of governance practice.

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<sup>6</sup> The position is set out as required by the 2008 Articles. The revised Schedule 4 FHEA 1992 contains no statement of the responsibilities of the Chief Executive, as the Principal may now be known, so a corporation may delegate any responsibility it thinks fit to the Principal, subject to it retaining responsibility for those reserved matters shown with a double asterisk.

<sup>7</sup> The position is set out as required by the 2008 Articles. The revised Schedule 4 FHEA 1992 contains no statement of the responsibilities of the Clerk, however it is suggested that the list in the 2008 Articles remain appropriate. Legal advice should be obtained if any change to the list is being considered.

## **APPENDIX 6**

### **Summary of Main Provisions of the Financial Memorandum with the Skills Funding Agency**

#### **Purpose**

The ESFA has issued a revised version of the financial memorandum for further education colleges, together with a version for sixth form colleges that recruit adult students. The EESFA has issued a funding agreement for further education colleges that provide EESFA funded education for those under 19. These documents came into force on 1 August 2015.

These arrangements ensure that both general FE and sixth form colleges have proper lines of financial accountability to the relevant funding body. Many general FE colleges also receive funding for provision for students aged under 18 from the EESFA. Conversely, some sixth form colleges receive funding from the ESFA for adult provision.

The financial memorandum records the agreement between Secretary of State for Business, Innovation and Skills, acting through the ESFA, and the college concerning the amount of funding that will be paid to the college by the ESFA. As a result of the Deregulation Act 2015 the references to the Chief Executive of Skills Funding have been removed as the statutory powers of the holder of that post have been transferred to the Secretary of State. The ESFA is now an agency within BIS in the same way that the EESFA is an agency within the DfE.

The conditions set out in the Financial Memorandum are intended to enable the Secretary of State to carry out his/her functions under the Apprenticeships, Skills, Children and Learning Act 2009 (ASCLA). The Secretary of State has responsibilities as accounting officer to his/her department for ensuring that the use of funds which he/she receives is consistent with his/her statutory remit and any conditions imposed by the Treasury.

#### **Format**

The form of the documentation varies because of the different legal basis on which the ESFA and EESFA fund provision. The ESFA provides funding under the Apprenticeships, Skills, Children and Learning Act 2009 on the basis of grant – in aid. Such grants are provided subject to conditions set out in the Financial Memorandum. The EESFA provides funding under the Education Act 2002. Such funding is not limited to provision by grant – in aid so the appropriate document is a Funding Agreement which is contractual in nature. The Funding Agreements which EESFA will provide to colleges are broadly similar in nature to those that EESFA has with academy schools.

The Financial Memorandum applies to all ESFA funded FE colleges, with only the financial annexes differing between institutions, unless there is a particular need for special provisions specific to a particular institution.

The EESFA Funding Agreements are structured in two parts. In the version of the EESFA funding agreement for general FE and specialist colleges, this material is omitted, since EESFA will take assurance from the equivalent provisions in these colleges' Financial Memoranda with ESFA. For the same reason, the version of the Financial Memorandum which is now provided by the ESFA to sixth form colleges omits those provisions which are central to the financial accountability arrangements, e.g. those setting out the responsibilities of the governing body and of the accounting officer, the requirement to

provide information, and the requirements in relation to financial reporting and audit. This is because the ESFA will rely on equivalent provisions in the sixth form colleges' Funding Agreements with the EESFA.

In practice, if a general FE college, receiving funding from both ESFA and EESFA, were to get into serious financial or quality difficulties, there would be liaison between the two funding bodies and regulatory action would be co-ordinated by the lead funding body, i.e. the ESFA (for general FE colleges) and the EESFA (for sixth form colleges).

There follows a commentary on the main provisions of the ESFA Financial Memorandum for further education colleges.

## **Definitions**

It should be noted that references to public funds include funds provided by HEFCE as well as those provided by the ESFA.

## **Responsibilities of the Governing Body and the accounting officer**

The Financial Memorandum recognises that a Corporation is an independent body responsible for managing the college and ensuring its financial viability. However, the Corporation must inform the ESFA of any transaction that could jeopardise the college's financial viability and must also be able to demonstrate that all transactions achieve value for money for funds provided under the financial memorandum.

The governing body must appoint an accounting officer (expected to be the chief executive/principal of the college). There must be an accounting officer in place at all the times and the ESFA must be informed of the accounting officer's name and position and who will discharge their various responsibilities if they are absent from the college for an extended period.

The accounting officer takes personal responsibility, which is not delegable, to ensure compliance with the Financial Memorandum and conditions of funding. The accounting officer may be required to appear before the Public Accounts Committee on matters relating to the Corporation's use of funds.

The accounting officer must advise the governing body if at any time in his/her opinion any action under consideration by the governing body is incompatible with the Financial Memorandum. If the governing body resolves to continue with such action the accounting officer must inform the ESFA.

## **Allocation of funds**

The ESFA will allocate funds to the Corporation annually provided that it is satisfied that the Corporation is financially viable and able to deliver education of a reasonable quality meeting the needs of learners and employers and the Corporation has met the previous year's conditions of funding. The Corporation is free to spend its funding as it sees fit provided it fulfils the conditions of funding but funds must not be used to deliver provision in respect of which the Corporation has already received other funding, public or otherwise, unless agreed by the ESFA. The ESFA can require assurance that delivery of provision complies with the Financial Memorandum and can require, at the College's cost, evidence to support payment claims.

## **Capital transactions**

The Corporation must manage its property with regard to good practice guidance in the FE sector. It is no longer necessary to obtain approval of the ESFA to the disposal of

land or buildings which had been acquired or developed with the help of capital grants from the ESFA or previous associated bodies, but the ESFA must be notified in writing of such transactions and reserves the right to require repayment of some or all of the associated grant.

### **Financial reporting**

The ESFA specifies the information to be contained in the Corporation's financial statements. Audited financial statements must be provided to the ESFA within five months of the Corporation's year end. The Corporation must have an effective policy on risk management. The Corporation must notify the ESFA in writing if at any time there is a risk to the college's solvency and viability.

### **Audit**

The Corporation must appoint an audit committee and arrange to provide internal and financial statements audit, including regularity audit, in accordance with the Joint Audit Code of Practice.

The Corporation must investigate and report to the ESFA all significant cases of fraud or suspected fraud.

### **Payment to employees on termination of employment**

The Corporation must demonstrate that any payments made to employees on the termination of their employment are regular, secure value for money and avoid spending funds on settlements where disciplinary action would have been more appropriate. Where employment claims are brought by a senior post holder it should take appropriate professional advice on any proposed settlement and the terms of the final agreement should be agreed by the governing body and brought to the attention of the financial statements auditors.

### **Provision of data on learners and staff and of information**

A college must supply learner data in accordance with ESFA requirements. A new requirement for 2015-16 is the need to provide data about staff teaching GCSE English and Maths.

The ESFA reserves the right to request information from the Corporation in order to exercise its responsibilities. The Corporation must inform the ESFA in writing of the vacating or filling of the positions of Chair of the governing body, Principal and Clerk. The ESFA has the right to share information provided by the college, for example with Parliamentary bodies.

### **Conditions of funding**

The detailed requirements in relation to each learning programme are set out in the ESFA Funding Rules 2015-16. The maximum value of funds for each learning programme re set out in Appendix 1 to the financial memorandum. The ESFA reserves the right to reduce the overall maximum value for each learning programme by giving three months' notice. This can be done without the need to give a reason, although if the ESFA did so it would lay itself open to a legal challenge based on the argument that it had done so unreasonably. A new condition for 2015-16 is that a college must provide evidence that it has worked in partnership with the LEP to ensure its provision takes account of the LEP's priorities. The ESFA reserves the right to impose additional conditions where he/she considers it necessary to secure the delivery of education and training of a reasonable quality or to require the Corporation to address concerns about its financial

viability.

### **Sub-contracted provision**

ESFA considers extensive sub-contracting of provision to be a significant risk factor for colleges. It requires colleges to make a Declaration of Subcontractors bi-annually and comply with requirements set out in the Funding Rules. These include requirements in relation to the form of the legally binding sub-contract which must be put in place. Under the 2015-16 memorandum where a college has sub-contracts in aggregate worth more than £100,000 per year it must obtain an annual report from its external auditors providing assurance on its arrangements for managing the sub-contractors and provide ESFA with an auditor's certificate that a report confirming satisfactory assurance has been received.

### **Repayment of funds**

In the case of a breach of the conditions of funding the ESFA reserves the right to require repayment of all or part of the funds.

### **Raising Standards, Feedback and Complaints**

The college must deliver the funded provision to an acceptable standard of quality and comply with the Performance Management Rules published by the ESFA. There is a set procedure for dealing with inadequate provision which may lead to issue of a Notice of Concern or ultimately a Notice of Withdrawal of Funding. The college must inform the ESFA if it is sanctioned by an awarding body. It must also notify the ESFA of the date of the feedback meeting following an inspection by Ofsted so that ESFA can send a representative to the meeting. If a Notice of Concern is issued the college's ability to start new learners on a programme may be suspended. Under the 2015-16 Financial Memorandum the ESFA may invite a college to discuss with it if considers that there is a significant risk that a college may become financially inadequate over a three year period. If the college's response is inadequate the ESFA may ask the college to undertake a financial or structural review. Such a "request" may be made a condition of funding. If it is made a condition and the condition is not complied with the ESFA may issue a Notice of Concern or of Withdrawal of Funding.

Colleges are expected to have acceptable procedures for gathering and acting upon feedback and complaints from learners and/or their representatives and employers and the wider community. These must be made available to those who may wish to complain. Where a complaint is not resolved satisfactorily the complainant must be informed of their right to complain to the ESFA.

### **Additional matters**

The Financial Memorandum incorporates a number of other clauses on compliance matters such as health and safety, equal opportunities, data protection and freedom of information, and State Aid.

### **Interpretation**

Nothing in the Financial Memorandum shall require the Corporation to act in a manner which would cause the Corporation to cease to be a charity.

Colleges need to familiarise themselves with the detailed content of the new financial memorandum and funding agreement in the versions applicable to their type of college. However, despite the presentational differences in the documentation, colleges will find that the substance of the requirements that they need to meet is largely unchanged.

## **APPENDIX 7**

### **Summary of the Statutory Powers of the *Corporation***

#### **PRINCIPAL POWERS**

Under section 18(1) of the Further and Higher Education Act 1992 a further education corporation may:-

- (a) provide further and higher education;
- (b) provide secondary education suitable to the requirements of persons who have attained the age of 14 years, or provide secondary education or participate in the provision of secondary education at a school (subject to the consultation with the appropriate local education authority); and
- (c) supply goods or services in connection with their provision of education.

These powers are known as the Corporation's "principal powers".

#### **SUPPLEMENTARY POWERS**

Under section 19 of the 1992 Act the Corporation may do anything which appears to it to be necessary or expedient for the purpose of or in connection with the exercise of any of the principal powers conferred by section 18 of the Act, including in particular the following powers:-

- (a) to acquire and dispose of land and other property;
- (b) to enter into contracts, including in particular:
  - (i) contracts for the employment of teachers and other staff for the purposes of or in connection with carrying on any activities undertaken in the exercise of the Corporation's principal powers; and
  - (ii) contracts with respect to the carrying on by the Corporation of any such activities;
- (c) to form, participate in forming or invest in a company or become a member of a charitable incorporated organisation;
- (d) to borrow such sums as the Corporation thinks fit for the purposes of carrying on any activities it has power to carry on or to meet any liability transferred to it under sections 23 to 27 of the 1992 Act (i.e. when the College achieved its corporate independence on 1st April 1993) and, in connection with such borrowing, the power to grant any mortgage, charge or other security in respect of any land or other property of the Corporation;

- (e) to invest any sums not immediately required for the purposes of carrying on any activities the Corporation has power to carry on;
- (f) to accept gifts of money, land or other property and apply it, or hold and administer it on trust for, any of those purposes;
- (g) to do anything incidental to the conduct of an educational institution providing further or higher education, including founding scholarships or exhibitions, making grants and giving prizes and
- (h) to provide advice or assistance to any other person where it appears to the Corporation to be appropriate for them to do so for the purpose of or in connection with the provision of education by the other person

The Corporation may also provide facilities of any description (including boarding accommodation and recreational facilities for students and staff and facilities to meet the needs of students having learning difficulties) which appear to be necessary or desirable for the purposes of or in connection with the carrying on of the principal powers.

The powers conferred by section 19 of the 1992 Act are known as “supplementary powers”.

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## Appendix 8

### Conflicts of Interest Policy

#### Purposes of the policy

It is the policy of *Salford City College Corporation* ("the Corporation") that all members of the Corporation and senior staff attending Corporation and/or corporation committee meetings and corporation committee members who are not members of the Corporation must keep to the absolute minimum all unavoidable conflicts of interest between the interests of the Corporation on the one hand and the personal, professional and business interests of the member or senior staff member concerned, and of persons connected with them<sup>8</sup>, on the other. This includes avoiding as far as possible perceptions of conflicts of interest, as well as potential and actual conflicts of interest.

The purposes of this policy are:

- to ensure that members comply with their legal duties including in particular those under the Corporation's instrument and articles of government and their duty to act only in the best interests of the Corporation;
- to protect the integrity of the Corporation's decision-making process;
- to enable all outside parties dealing with the Corporation to have confidence in the Corporation's integrity; and
- to protect the integrity and reputations of the Corporation's members and senior staff.

#### Disclosure of interests

From the adoption of this policy, or upon being appointed, whichever is later, all members of the Corporation and senior staff will be required to make a full written disclosure of any business or personal relationships held, financial or property interests held, or gifts or hospitality received, that could potentially result in a conflict of interests. A declaration of interests form is provided and must be used for this purpose. Any question about whether a member has an interest which should be disclosed should be referred in the first instance to the Clerk for a determination.

Written disclosures will be kept on a register maintained by the Clerk to the Corporation and all members and senior staff will be required to update their disclosure as and when their circumstances change. All disclosures will be reviewed on an annual basis. The register will be accessible by members and the Corporation's internal and external auditors.

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<sup>8</sup> For the definition of "connected person" see Charities Act 2011, s.188.

## **Organisation of meetings where a member has disclosed an interest**

Where a member has previously disclosed an interest and the Chair or Clerk is satisfied that the interest is relevant to an item on the agenda for a meeting of the Corporation or of a corporation committee the member concerned may not be sent the papers in respect of that item.

## **Decisions made other than at meetings<sup>9</sup>**

A similar approach will be adopted if the Corporation amends the instrument of government to allow the Corporation to take decisions other than by meetings, e.g. by written resolutions. Any member who has disclosed an interest considered by the Chair or the Clerk to be relevant to the matter to be decided by the procedure adopted will not be sent the proposed resolution and will not be allowed to vote on it.

## **Limitation on Membership of the Corporation**

In order to avoid any perception of a conflict of interest or undue influence arising, the Corporation will not normally consider appointing members where there is a familial or personal relationship between them and a member(s) of the College senior management team (Executive level). Where such a situation exists or develops over time, a declaration of that interest must be made in accordance with the other provisions detailed in this policy. The Corporation will then determine whether the nature of the conflict of interest requires further action to comply with the purposes of this policy (see above).

## **Management of conflicts of interests in meetings etc**

This section of the policy should be read in conjunction with Clause 11 of the Corporation's Instrument of Government.

In the course of meetings of the Corporation or a corporation committee and all other activities all members and senior staff will be required to disclose any interests they have in a transaction or decision where they, their family, their employer or their close business or other associates will or may receive a benefit or gain or they have any other interest of a type identified by the Corporation. If there is a failure to declare an interest that is known to the Chair of Corporation and/or the Chair of the committee or of any such meeting/person responsible for organising such activities and/or the Clerk to the Corporation, the Chair of Corporation or other such person or the Clerk will declare that interest. After disclosure of any such interest, in the case of a meeting the member and/or senior staff member concerned will be asked to leave the room (unless expressly invited to remain, possibly in order to provide information on the matter in hand). They

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<sup>9</sup> Only to be used where the Instrument and Articles have been amended to allow such decision making

may be required by a majority vote of members not subject to such a conflicting interest to leave the room whilst the matter is discussed. The member will not be counted in the quorum for that part of the meeting and will not be permitted to vote on the question. In the case of all other activities, the member or staff member concerned will not be permitted to participate in the consideration or discussion of the matter other than to disclose his or her conflict of interest.

All decisions of the Corporation or committee made following the declaration of a conflict of interest will be reported in the minutes of the meeting. The report will record:

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

Where a member or senior staff member benefits from any such decision, this will (if the Corporation's auditors advise this to be necessary) be reported in the annual report and accounts in accordance with relevant accounting requirements.

### **Failure to disclose a relevant interest**

The decision of the Chair as to whether a member has failed to disclose a relevant interest shall be final. Failure to disclose a conflicting interest may lead to a member being in breach of the Corporation's Code of Conduct as well as of this policy. It may also result in the member being subject to legal action and personal liability for breach of trust. Such breaches may lead to the Corporation considering the possibility of suspending or terminating the member's membership of the Corporation. Such breaches by a senior member of staff may lead to disciplinary action being taken under the College's staff disciplinary procedures. See the Corporation's Standing Orders for details of the procedure to be used where it is proposed that a member be suspended or have their membership terminated.

### **Benefits for Corporation members**

It is a basic principle of charity law that charity trustees, such as Corporation 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 Corporation has approved a policy on reimbursing members' expenses and members must comply with this. In addition, clause 11 of the Corporation's Instrument of Government allows the Corporation to insure them against liabilities arising from their office.

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 goods or services provided by them to the charity under a

contract for services. This procedure must be followed if a member wishes to receive such a payment.

Charity trustees are not allowed to receive remuneration simply for undertaking their duties as a trustee without the consent of the Charity Commission. This is only granted in exceptional circumstances.<sup>10</sup> 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 staff governors), or by law, or with the consent of the Charity Commission, which is only granted in exceptional circumstances.

### **Data Protection**

The information provided in disclosures will be processed in accordance with the data protection principles set out in the Data Protection Act 1998. Data will be processed only to ensure that members act in the best interests of the Corporation. The information provided will not be used for any other purpose.

### **Review of this policy**

This conflicts of interest policy will be reviewed on an annual basis or more frequently should circumstances change.

**Approved by the Corporation on 26 June 2017**

**Next TO BE Reviewed by the Corporation on [June 2018]**

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<sup>10</sup> See the Charity Commission's guidance *Payment and expenses of college governors*: <http://www.charitycommission.gov.uk/detailed-guidance/specialist-guidance/schools,-colleges-and-universities/payment-and-expenses-for-college-governors/> Legal advice should be obtained before submitting an application to the Commission.