

## Introduction

1. It is a requirement that all members of Council take proper account of any conflict of interest which may arise from their position as trustees of the University on the one hand, and membership of or connection with other bodies and individuals inside or outside the University on the other.
2. Members' personal and professional connections can bring benefits to the work of the University, and they may form part of the reason why an individual has been appointed to serve on the governing body. However, they can give rise to conflicts of interest, to which members must respond effectively.
3. All members of Council, as trustees of the University as an exempt charity regulated by The Office for Students (OfS), have a legal duty to act only in the best interests of the institution as a whole. To this end they must not:
  - lobby, canvas, represent or carry a mandate for any other organisations of interests - inside or outside the institution – whilst conducting business or taking decisions as trustees of the University of Leicester
  - use information obtained in the course of their membership of Council for personal gain, directly or indirectly
  - use their membership of Council to promote or assist in any of their other activities inside or outside the University
  - act in a way which will bring the Council or the University of Leicester into disrepute.
4. Declaring conflicts of interest is primarily the responsibility of the individual concerned. Each member's legal duty to act only in the best interests of the University means, in practice, that any member who fails to declare any conflicts of interest will also fail to comply with their trustee duties.
5. In this context Council has authorised that there shall be a Register of Members' Interests, maintained by the Governance Office, and that additional specific requirements shall operate in relation to declarations of interest that may need to be made on an *ad hoc* basis. The procedures for the registration and declaration of Council members' interests are set out below. It is a requirement of the University's *Corporate Governance Code of Practice* that this policy and its procedures are adhered to at all times.

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6. The University's Statutes make specific provision for certain designated employees, and students, to be appointed as members of Council and therefore as trustees of the charity. No such members of Council shall, solely by virtue of being in receipt of properly authorised remuneration for services as an employee, or of their status as a student, be deemed for the purposes of this policy to have a declarable conflict of interest. Notwithstanding this exception, such members must declare any clear and substantial conflicts (or perceived conflicts) of interest which may arise in relation to specific items of business presented for discussion at any meeting of Council or one of its committees at which s/he is present. The procedure for doing this is set out in sections 11-14 below.

### **Definitions**

7. A conflict of interest is any situation in which a Council member's personal interests, loyalties or connections could, or could be seen by others (whether fairly and accurately or not), to prevent them from making a decision only in the best interests of the University. It is not possible to provide a comprehensive list of all potential conflicts and members will need to use their own judgement when deciding whether their responsibilities within the University and within other bodies have the potential to conflict. However, clear and substantial conflicts of interest are most likely to arise, for example, from:
  - a. employment (other than that referred to in section 6 above), or the holding of an office, within the University or any of its associated companies, or any other financial relationship between a member and the University, such as in relation to the provision of services as a consultant by a member, or the use of premises by or granting of accommodation to a member;
  - b. directorships of companies or organisations which are doing or are likely to seek to do business, or are competing or likely to compete, with the University or with any of its associated companies;
  - c. employment by companies or organisations which are doing or are likely to seek to do business, or are competing or likely to compete, with the University or with any of its associated companies;
  - d. significant shareholdings in companies or organisations which are doing or are likely to seek to do business, or are competing or likely to compete, with the University or with any of its associated companies ('significant' in this context meaning at least 20% of the issued share capital);
  - e. paid or unpaid positions or connections with other educational institutions, including universities, colleges and schools;
  - f. paid or unpaid public appointments or elections to office;

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- g. where the member's spouse, partner or other close family relative has a direct financial interest, including employment, directorships or significant shareholdings, in a company or organisation which is doing or is likely to seek to do business, or compete, with the University or with any of its associated companies ('significant' in this context meaning at least 20% of the issued share capital);

and

- h. any other obligation, duty or loyalty that the member may have or may feel towards departments/offices within the University; or to family, friends or other people or organisations outside the University.
8. The existence of a conflict of interest does not in any way reflect upon the integrity of the member concerned, so long as it is properly declared and addressed. If a member is uncertain whether he or she is conflicted he or she should err on the side of openness and declare the interest at the earliest opportunity.

### **The Register of Interests**

9. To assist members of Council in fulfilling their legal responsibilities the Governance Office maintains on behalf of Council the Register of Members' Interests, in which any third party financial or non-financial interests must be registered if the member of Council considers that a conflict of interest could arise, or be perceived by others to arise. Members are required to register any such conflicts of interest on first appointment to Council, and subsequently to notify the other members of Council and the Governance Office of any new conflicts of interest or other substantive changes in their registration as soon as they occur. The Governance Office will refer the information held to the registered persons annually for amendment. A 'nil' return should be made in all cases where no conflicts of interest can be identified.
10. The full Register of Council Members' Interests will be published on the Governance website at <https://le.ac.uk/about/governance-and-management/governance/council>

### **Declaration of Interests**

11. A Council member who has a clear and substantial interest in a matter under consideration by Council or one of its committees must declare that interest at any meeting where the matter is to be discussed, whether or not that interest has already been declared and recorded in the Register of Interests. Declarations must make clear the nature of the interest and whether it carries either direct or indirect financial benefits to the individual member or to a partner or close family member. This will be recorded in the minutes of the meeting.
12. Where such an interest does carry a direct or indirect financial benefit, the member involved should not speak, participate in or otherwise seek to influence any decision taken by Council or the committee relating to the matter under discussion and, if requested to do so by the Chair, must withdraw from the meeting. This will be recorded in the minutes of the meeting.
13. Where the nature of a conflict of interest is essentially one of loyalty, rather than one of direct or indirect financial or other personal benefit, but it is still relevant to the business of Council or the committee, that interest must be declared. Where the interest is substantial, the member involved should not speak, participate in or otherwise seek to influence any decision taken by Council or the committee relating to the matter under discussion and, if requested to do so by the Chair, must withdraw from the meeting. This will be recorded in the minutes of the meeting.

14. A member of Council who holds office with or is an employee of another body which receives funds from the University of Leicester or its associated companies may participate in general discussions and decisions regarding such bodies. However, the member involved should not speak, participate in or otherwise seek to influence any decision taken by Council or the committee relating to the matter under discussion and, if requested to do so by the Chair, must withdraw from the meeting. This will be recorded in the minutes of the meeting.
15. In all circumstances, members of Council must ask themselves whether members of the public, in possession of the facts (or *apparent* facts) of the situation, could reasonably conclude that the interest involved might influence the approach taken by them and/or by Council in reaching a decision. If so, the interest must be declared and dealt with as described above. The restriction on members' involvement in matters of direct or indirect financial or other personal interest does not prevent members from considering and voting on proposals to insure the governing body against liabilities which it might incur.
16. In cases where it is apparent that the papers to be circulated to members of Council include sensitive or privileged information relating directly to a matter in which a member has registered an interest, the Chair will decide whether the relevant papers should be withheld from that member. In all cases, the Chair will discuss the matter with the member concerned in advance of a decision. The Secretary to Council will inform the person concerned which papers have been withheld on each occasion that this occurs.
17. Members of Council are also required to adhere to the Nolan Principles of Public Life (Appendix A) whilst undertaking their duties on behalf of the University. In particular, they are required to adhere to the University's policies on the provision and receipt of Gifts and Hospitality (Appendix B) and the Prevention of Bribery and Corruption (Appendix C).
18. Any member of Council who is to be involved in a procurement exercise, for example, drafting the specification requirement, establishing the tender evaluation criteria, evaluating tenders, and/or making the contract award decision, must declare any potential conflict of interest before the exercise commences. A separate Conflict of Interest Declaration Form is provided for this purpose and is available from the Procurement Unit. The Tender Acceptance and Waiver to Procurement Rules forms, which require completion for approval to award a contract, include a Conflict of Interest section to be filled out by any members of Council involved in the procurement exercise and/or contract award decision.
19. Members of Council must take care not to solicit or recommend any person for employment by the University or for admission to it, other than through the proper procedures, and must disclose if a candidate is related to them by family when asked to provide testimonials of a candidate's ability, experience or character.
20. Members of Council must decline to participate in any committees, working parties or other bodies where there is a clear possibility that conflict of interest may arise on a regular basis.
21. Other than the properly authorised remuneration referred to under section 6 above, and reimbursement of reasonable travelling expenses that may be incurred by Council members as part of their duties, no member shall be allowed to receive any financial or other measurable benefit from the University without the prior knowledge and authority of the Council. The Council may be required by law to obtain approval from the Charity Commission before granting authority in certain such cases.

### **Other trusteeships held by members of Council**

22. As an exempt charity, the University is required to provide core information about itself as a charity. This information must be displayed on the University's website and it must be updated by 31 January each year. This information includes a requirement for the University to publish the names of all members of Council and to indicate whether they have any personal interests which constitute a position as a Trustee of another Registered Charity.
23. The Register of Interests form includes space for members of Council to indicate if any of their stated interests constitutes a position as a Trustee of another Registered Charity and to provide the relevant *Charity number*. This is a complex area and the status of a particular position may be unclear. If in doubt, members of Council should seek advice from the relevant body as to whether the position they hold is technically that of a Trustee.

May 2003

Reviewed and updated October 2005, June 2010, June 2013, September 2014, July 2017, Sept 2018, Aug 2019





## THE SEVEN PRINCIPLES OF PUBLIC LIFE

FROM THE REPORT OF THE COMMITTEE FOR  
STANDARDS IN PUBLIC LIFE  
(THE NOLAN REPORT)

### **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 families or their friends.

### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may 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 their decisions and the 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.





## GIFTS AND HOSPITALITY

Extract from the University's Financial Regulations

### 2.5 Gifts and Hospitality

The provision and receipt of gifts and hospitality to individual members of staff is a sensitive area for a publicly funded institution. Members of staff and members of the governing body may, on occasion, be offered gifts or hospitality simply as a mark of courtesy or gratitude. Such offers can place staff in a difficult position, since to refuse may cause offence but to accept may, in certain circumstances, be open to misinterpretation. The University has therefore drawn up the following regulations to avoid misunderstanding and to provide staff with a framework for dealing with difficult situations.

#### 2.5.1 Receipt of Gifts

All offers of gifts, in any way connected to the University activities of a member of staff or member of the governing body, other than those of a small intrinsic value, **MUST** be declined. In this context, small intrinsic value can be taken to include gifts up to the value of £50 in any year, such as for example diaries, mouse mats or bottles of wine at Christmas.

Gifts of money or vouchers, such as book tokens (as they can be translated into cash) **MUST** always be refused, even where they have a value below £50.

Offers of gifts that have been declined **MUST** be reported by email to the Director of Finance. This information will be used to identify individuals or companies who persistently offer inappropriate gifts.

Should a gift with a value of greater than £50 be sent or left for a member of staff or member of the governing body without their knowledge, then such gifts should be returned to the sender with an explanation to indicate that acceptance is not permitted under the University's Financial Regulations. Members of staff are encouraged to contact corporate organisations who are in the habit of sending regular gifts to seek removal from their distribution lists. Where the return of a gift would be likely to cause offense, the gift may be retained centrally by the University. In such instances departments should contact the Director of Finance for instructions.

Gifts offered by students to members of staff of the University **MUST** be declined where there is **ANY** potential for conflict of interest or the appearance of conflict of interest. If students indicate that they, or their family, wish to show their appreciation to the University through philanthropic donations or gifts, they **MUST** be directed to the Philanthropy, Alumni and Community Engagement Office who will progress matters appropriately in accordance with the University's Acceptance and Refusal of Donations Policy. Small gifts given by students who have completed their studies may be accepted and retained by the University where refusal would give offence. Heads of department are authorised, on behalf of the University, to decide whether such gifts should be distributed by a raffle, retained centrally by the University or retained by the recipient. Heads of departments should maintain a record of such decisions.

#### 2.5.2 Provision of Gifts

The provision of gifts from the University to third parties must be limited to branded University merchandise, or where circumstances are appropriate, to the presentation of flowers, chocolate, biscuits, etc. Alcohol or Tobacco are expressly prohibited as acceptable gifts from the University to third parties.

No gifts are permitted to be made to University staff or students paid for by University funds other than in the case of the University's long service awards scheme.

### 2.5.3 Receipt of Hospitality

Members of staff and members of the governing body and its committees may accept meals or equivalent hospitality, only in the course of conducting University business. Offers of hospitality, outside of a working context, such as corporate hospitality events, or offers which are on a scale significantly greater than the University would be likely to provide in return, **MUST** be refused.

Any offers of hospitality that are outside that permitted under this Financial Regulation must be reported by email to the Director of Finance. This information will be used to identify individuals or companies who persistently offer inappropriate hospitality.

Any member of staff who is unclear as to whether particular circumstances are appropriate should contact their line manager, who may, if necessary, contact the Director of Finance for guidance.

### 2.5.4 Provision of Hospitality

Where the provision of hospitality is offered to visitors to the University, one of the following **MUST** be offered the business:

- College Court Conference Centre
- the catering services offered by the Leicester Services Partnerships (LSP); or
- the catering services offered on NHS premises.

In the rare event that none of the above suppliers are able to provide the required service, a third party supplier such as a local restaurant may then be used. Expense claims requesting reimbursement of costs for non-University provided hospitality services will only be processed when accompanied by evidence that none of the above University services had been able to provide the required service.

In the rare event that a third party service is to be provided on University premises and food and drink brought in, the provider of the service **MUST** have been approved in advance by the Campus Services Division and in agreement with the Chief Operating Officer of LSP.

With the exception of formal executive University events, the cost of hospitality provided should not normally exceed £40 per head on any one occasion. There is an expectation that the number of University staff should not normally exceed the number of visitors.

The following information must be collected and retained for all hospitality events.

- a) The name(s) of all attendee(s);
- b) The organisation(s) which they represent; and
- c) The reason of the hospitality (for example, "lunch following negotiation of contract").

Wherever possible the internal ordering and recharging system should be used and the above information **MUST** be included on the internal invoice. Where it is not possible to use these arrangements the expense claim form (EC1) **MUST** include the above information.

### 2.5.5 Provision of Hospitality to Students

With the exception of light refreshments at meetings and other events in which students participate as partners in their learning and career development, it is the general expectation that the provision of hospitality to students should be limited to refreshments at a welcome or post-graduation event. It is permitted to make a contribution from departmental funds to a course social event at a weekend school. All refreshments **MUST** be sourced from Leicester Partnership Services.



## PREVENTION OF BRIBERY AND CORRUPTION

Extract from the University's Financial Regulations

### 2.6 Prevention of Bribery and Corruption

On 1st July 2011, the Bribery Act came into being. The Act has created a number of new bribery and corruption offences and makes it an offence either directly or through a third party to:

- offer, promise or give a bribe;
- request, agree to receive or accept a bribe;
- offer, promise or give a bribe to a foreign public official in order to obtain, or retain, business, or an advantage in the conduct of business.

In addition there is also a new corporate offence of failing to prevent bribery.

Bribery and corruption are serious criminal offences. Under the Act, offences committed by individuals can carry a maximum of 10 years imprisonment and an unlimited fine. In addition, if the University is found to have engaged in corruption then it could face an unlimited fine, face significant reputational damage and could impact of the University's future ability to conduct business.

The University recognises that such events are likely to be rare. Nevertheless it commits itself to the robust implementation of the Act to ensure that it has adequate and proportionate procedures in place for the governance of the University's business affairs.

The University requires its employees:

- to act in the best interests of the University at all times; and
- to act with care and impartiality in all dealings with other parties; and
- to follow The Seven Nolan Principles of Public Life

As such, the University of Leicester:

- is committed to carrying out its academic and business activities in an honest, open and ethical manner; and
- is committed to observing the provisions of the Bribery Act 2010, in respect of its conduct both in the UK and internationally.
- will have zero tolerance to any aspect of bribery and corruption both within the University and in respect of any third parties with whom we have dealings.

**2.6.1** The Policy applies to all individuals working at all levels and grades, including senior managers, officers, members of the University's Council, University employees (all staff whether on permanent, fixed term or temporary employment contracts), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, sponsors or any other person associated with the University wherever located (collectively referred to as "**Workers**" within this policy).

## **2.6.2 Aim of Policy**

The aim of this Policy is to detail how the University will implement and enforce effective systems to prevent bribery and corruption. As such the policy:-

- Sets out the University's responsibilities, together with those of its Workers in observing and upholding the University's position on bribery and corruption.
- Provides information and guidance for its Workers on how to recognise and deal with bribery and corruption issues.

## **2.6.3** The University's responsibilities, together with those of its employees and contractors, in observing and upholding the University's position on bribery and corruption.

- The University has a responsibility to promote its overarching view on avoiding bribery and corruption. The University has made clear that it has a zero-tolerance to bribery and corruption and that any employee of the University who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.
- In relation to non-employees and contractors engaged with the University under any other form of contractual relationship, we reserve our right to terminate such contracts in the event of breach of this policy.
- The University recognises that all its Workers have a role in the prevention and detection of bribery and corruption.
- The University's Colleges and its Divisions of Corporate Services should undertake a periodic risk assessment of the vulnerability of their operations in this area and the potential for bribery.
- The University has a responsibility to ensure that its terms of business with agents and contractors carry an avoidance of bribery provision which, if breached, will lead to termination of the contract and possible further legal action.
- Colleges and Corporate Services should keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- All Workers must ensure that all hospitality or gifts, either received or given, fall within the University's Gifts and Hospitality regulations as set out in section 2.7 of the Financial
- Regulations. Where there is an element of doubt then authority should be sought from the Chief Financial Officer
- All Workers have a duty to declare any instances where there may be a conflict of interest in the operation or establishment of business relations with the University.
- All Workers have a duty to share any concerns they may have with the University. For employees this will initially be with their line manager. Other third parties such as contractors should raise concerns directly with the Chief Financial Officer. The line manager may require further guidance which can be obtained from the Chief Financial Officer.

## **2.6.4** Information and guidance for employees, and third parties on how to recognise and deal with bribery and corruption issues.

## Recognition and definition of bribery.

A bribe is defined as an inducement or advantage offered, promised or provided in order to influence someone to act improperly. Under the Act, improper performance entails breach of an obligation of good faith, impartiality or abuse of a position of trust. The bribe is normally to gain some form of commercial, contractual, regulatory or personal advantage. Key aspects of the act are that:

- The bribe can take the form of a financial or other advantage. In this context an advantage has its ordinary literal meaning.
- The act of offering or requesting a bribe is enough to commit an offence. It does not have to be paid or received.
- The bribe does not have to go to the person being influenced. A donation to a third party even a charity can be held to be a bribe.
- The bribe does not have to be substantial. There is no materiality threshold in the Act.
- It is no defence to say that the payment was customary in that area of the world for that activity (see facilitation payments below).
- The definition of “foreign public official” includes not just members of foreign governments but such people as state sector education employees such as teachers, police and customs officials and providers of visas

Examples of bribery or corruption in higher education are extremely rare but there follows three hypothetical scenarios:

### *Offering a bribe*

*An employee is undertaking applied research and offers to pay multiple times the normal cost to a small local testing company to play down some defects in a product for which future sales benefiting the member of staff and the University have been agreed.*

*This would be an offence as the employee is making the offer to induce the testing company to act improperly leading to an advantage (Financial remuneration and commercial benefit). The University could also be found to have committed an offence of failing to prevent bribery as the offer has been made by an associated person to obtain business for the University in addition to any personal benefit derived by the staff member.*

### *Receiving a bribe*

*A contractor/supplier gives a family member of an employee a job, but makes it clear that in return they expect the employee to use his/her position to influence the chances of obtaining University business or another advantage to them in return.*

*It is an offence for a supplier to make such an offer. It would be an offence for the member of staff to accept the offer as it results in an advantage albeit for the benefit of a third party (the family member).*

### *Bribing a foreign public official*

*An employee is recruiting overseas students and through an overseas agent makes arrangements to pay a goodwill payment to a government official so that the University can have preferential access to schools where there are high quality students who wish to undertake study in the UK.*

*The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for the Worker and the University.*

## **2.6.5 Facilitation Payments**

In some countries it is sometimes a requirement to have to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process. Such payments are unlawful under the Act and as such must not be made. The University does not permit the offer, promise or the making of a facilitation payment by any Worker carrying out business on the University's behalf. In addition all Workers should avoid any activity that may lead to, or suggest that a facilitation payment will be made by the University.

However, if a payment is being extorted or a Worker is asked to make such a payment in circumstances where there is no alternative (such as where safety or liberty are under threat) then the payment should be made. Where this happens a clear record should be made of the reason for the payment and reported to your line manager on return (for employees), who may wish to then report it to the Chief Financial Officer. Non-employees should report this to the Chief Financial Officer directly.

## **2.6.6 Dealing with Possible Bribery Events**

The University commits itself to deal with any issues of bribery and corruption through two key principles:

- All Workers are **ENCOURAGED** to raise concerns about any issue or suspicion of malpractice at the earliest possible stage.
- The Chief Financial Officer is the University's Compliance Officer for Prevention of Bribery Act. In addition, the Chief Financial Officer also has a key role in the University's Policy on Whistle-blowing. In the event that an employee has concerns that acts of bribery or corruption are being committed they may wish to bring forward their concerns under the protection offered through that policy.
- Where an employee has concerns, these should be raised, in the first instance, with the employee's line manager. If those concerns involve the employee's line manager, then the Chief Financial Officer should be contacted directly. Non-employees should approach the Chief Financial Officer directly.
- The University is committed to ensuring that **NO ONE SUFFERS DETRIMENTAL TREATMENT** as a result of reporting, in good faith, their suspicion that an actual or potential offence of bribery has taken place. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If an employee believes that he/she has suffered any such treatment, he/she should inform their line manager who will in turn inform the Chief Financial Officer. If the matter is not remedied, the employee may then raise it formally using the University's Grievance Procedures. Non-employees should approach the Chief Financial Officer directly.

### **2.6.7 Further Information**

- All Workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments and suggestions and queries should be made to the Chief Financial Officer.
- This policy does not form part of any employee's contract of employment, and it may be amended from time to time.

**Extract taken from Financial Regulations March 2020**

