

UNIVERSITY OF NEWCASTLE UPON TYNE

Declarations of Interest and Conflicts of Interest Policy

Introduction

The current University Policy on this topic was approved by Council in July 2003. This has been reviewed and updated with a view to simplification, and also to reflect changes in the University's Financial Regulations.

The University Policy provides for a three-fold approach to:

- Always disclose any conflicts of interest.
- Manage the conflict to the benefit of the University.
- Prohibit the activity when necessary to protect the public interest or the interest of the University.

University employees have a responsibility to respect and promote the financial and other interests of the University, with due regard to academic freedom.

The definition of a conflict of interest is "A conflict between the private interests (including those interests of relatives, friends and close associates) and the institutional responsibilities of a University employee".

The term "conflicts of interest" as used in this document includes conflicts of duty, commitment, rights, obligations, time, interests and similar conflicts, whether as an individual or as a representative of the University and whether outside or inside the University.

By way of examples conflicts of interest can include:

- a) Where a member of staff has interests in a spin-out company related to their University activities;
- b) A financial interest held by an individual in an external enterprise engaged in activities closely related to that individual's line of research in the University;
- c) A personal involvement in any company which has a contractual relationship to the University, or is in the process of negotiating a contract with the University;
- d) Over-dependence on a particular company for research funding – which may result in that company either formally or informally influencing the direction of the research or dissemination of results;
- e) Payment of fees to members of staff from University accounts arising from contracts with sponsors of research or other clients;
- f) Involvement or financial interest in research or an enterprise which will benefit a close friend, relative or partner.
- g) Time spent on activities for another party during normal working hours.

These categories are intended to be illustrative and are not exhaustive.

To assist members of staff the following activities are not, normally allowable:

1. The University employee acting as sole academic supervisor for an industry-funded student where the employee concerned has a financial interest in the sponsoring company.
2. The University employee taking any financial stake, or holding a formal position in a student-run, owned or controlled company while the student is enrolled at the University and the University employee is in a position to judge the quality of that student's work or to evaluate the student in any way.
3. The University employee taking any part in the negotiation of a contract between the University and a company, where the employee has a financial interest, consultancy or decision making position in the company.
4. The University employee publishing or formally presenting research results or providing expert commentary on a subject, without disclosing any financial interest in a company that may benefit from the results being reported or opinions expressed.

Where a financial interest consists of shares, it will be treated as excluded from the definition of financial interests where the following conditions are met:

- The shares are held in a company that is listed on a recognised stock exchange; or
- For unlisted companies there is no relationship or connection, explicit or implicit, between the acquisition of the shares and any research or other activity to be conducted for that company which could be considered to be in the normal business interests of the University.

THE UNIVERSITY'S POLICY REGARDING DECLARATIONS OF INTERESTS AND CONFLICTS OF INTEREST POLICY, AND THE PROCEDURE FOR THE ACCEPTANCE OF EXTERNAL APPOINTMENTS HELD BY UNIVERSITY STAFF

- 1) **This policy forms part of the University's Financial Regulations and accordingly, it is a condition of employment that University employees comply with its requirements**
 - a) If an employee is uncertain as to how this Conflicts of Interest Policy may affect their activities, he/she should contact the Director of Research and Enterprise Services for advice.
 - b) This policy applies to all employees.
 - c) Throughout this Policy, references to an employee's interests shall be understood as including, where the context requires, those individuals with whom the employee has close personal or business relationships.
 - d) References to Designated Senior Officer means in respect of:
 - Academic and school staff - the Head of the relevant Academic Unit.
 - Staff in the professional support services – the Registrar or Head of relevant Unit.
 - Heads of Academic Units - the relevant Faculty PVC.
 - PVCs, the DVC, The Registrar - the Vice-Chancellor.
 - The Vice-Chancellor - the Chair of Council.
 - e) Employees are expected to act with integrity at all times and not to take inappropriate advantage of their position.

- 2)
 - a) **The primary obligation rests with the employee to recognise situations in which he or she has a potential conflict of interest and to disclose, and then discuss that potential conflict with their Designated Senior Officer.**
 - b) All staff should also declare any interests that they believe may give rise to a potential conflict as part of their annual Performance and Development Review (PDR).
 - c) The single most important principle of the Policy is that an employee must always disclose an activity where it may present a potential conflict of interest, or conflict of commitment, or may be relevant to a University decision (for example, during a committee meeting). Such disclosure should be at the earliest possible time.
 - d) Where there is any additional personal remuneration (actual or anticipated) or benefit to an employee other than University salary from any activity or project this will always be considered to give rise to a conflict of interest. In such cases the employee will not be entitled to determine the acceptance or otherwise of the arrangements for such project or activity. The decision in such cases shall rest with the relevant line manager in line with the relevant University Policy.

- e) **Before any contractual arrangement is agreed**, the project lead is required to disclose any potential conflict of interest to their Designated Senior Officer.

3) **Completion of a Register of Interests by members of staff**

The following employees are required to complete an on-line Register of Interests form (<https://myimpact.ncl.ac.uk> – see the personal information tab).

- Members of Council, Senate and their formal committees including Executive Board.
- All Heads of Academic and Service Units.
- All staff who hold directorships, trusteeships or senior management positions with third parties.
- Any member of staff when instructed to do so by their Head of Unit.

The register should be completed:

- On appointment (to an eligible post at Newcastle).
 - On acceptance of an external appointment or of an external interest becoming apparent. The register should be completed within 21 days from commencement of the external activity (but ideally as soon as possible).
 - At least annually.
- a) All Heads of Unit are required to consider who within their teams will be required to complete the register of interest on an annual basis as part of the PDR process. Employees should be notified of any requirement as part of their PDR.
- b) The primary mechanism which will be used to manage a potential conflict is for the Head of Unit to identify an alternative member of academic staff or senior administrative staff (Grade G and above), reporting to the Head of Unit, with no financial interest or other conflict, to oversee the arrangements with the contracting party.
- a) In certain circumstances where the commitment in time is substantial it may be necessary for the University to be financially compensated. Such agreements shall be approved under the University's Delegation of Authority. Financial compensation is usually determined to be the full commercial rate for the member of staff involved.

4) **Definition of an external appointment covered by this policy.**

For the purposes of this policy an external appointment:

- (i) **relates to any official position in an organization which carries legal, decision-making and/or financial responsibilities; AND**
- (ii) **undertakes activities which may potentially have, or be perceived to have, a relationship with the University; AND/OR**
- (iii) **undertakes activities in research and teaching.**

External appointments include;

- a. a Trustee of a charity;
- b. a Director of a company;
- c. member of a decision-making body of NHS Trust, research funder, Government Agency or similar body;
- d. a Governor of a school or Further Education College;

(the Director of Research and Enterprise Services will advise an individual if they are in any doubt);

OR

- (iv) will be undertaken during normal working hours.

External appointments exclude voluntary organizations and similar where there is no time commitment during normal working hours, or any realistic possibility of a potential relationship between the organization and the University. For example, convening a book reading club would not fall within the policy on external appointments.

For the purpose of this policy external appointments also excludes appointments covered by the University's Public Duty Policy. Examples of positions covered by that policy include Justice of the Peace; Member of a Local Authority; Member of a Statutory Tribunal; Governor of a Local Educational Authority.

<http://www.ncl.ac.uk/hr/leave/special.php>

5) Procedure for acceptance of external appointments (including directorships) other than consultancy

- a) Founding academic staff are permitted to hold directorships in spin-out companies and consent to hold such directorships shall reside with the PVC Research and Innovation on behalf of Executive Board.
- b) An employee must declare any external appointment with their Designated Senior Officer and, where the Designated Senior Officer determines, agree in writing the basis (including number of working days involved and scheduling) for the acceptance or otherwise of such appointment prior to the commencement of such commitment; and also when circumstances change.
 - (i) Where the appointment is by a "for profit" organisation, the Designated Senior Officer should consult with the Director of Research and Enterprise Services prior to approval.
 - (ii) Where the external appointment is with a body with which the University has, or may have, a financial relationship (e.g. a research grant-giving body) then the Pro-Vice Chancellor for the relevant Faculty should be involved as well as the Designated Senior Officer; the advice of the Director of Research and Enterprise Services must be sought. Where consent is given this will be subject to ensuring additional arrangements have been agreed with the Pro-Vice Chancellor for the oversight of any project activity supported by the external body involving the member of staff (e.g. as a Principal Investigator on a research grant).

- (iii) Where the external appointment relates to organisations which are wholly unconnected with University activity the grounds for declining shall be restricted to the impact on the member of staff's University workload or on normal working hours.
- c) The University actively encourages its staff to support voluntary and community activities as part its commitment to civil society, subject to compliance with this policy.
- d) The scheduling of commitments to external bodies should be such that they do not result in significant rescheduling of lectures, tutorials or other University supervisory or management duties.
- e) All business transacted with that organisation on behalf of the University must be overseen by someone other than the conflicted member of staff.
- f) In certain circumstances where the commitment in time is substantial it may be necessary for the University to be financially compensated, or for the employee to agree to reduce the hours worked for the University pro rata. Such agreements shall be approved under the University's Delegation of Authority. Financial compensation to the University is usually determined to be the full commercial rate for the member of staff involved.

6) Procedures at University meetings or during University decision-making processes

- a) Members of staff are required to declare any relevant interest at University meetings or when taking part in any University decision-making processes. The Chair of the meeting (or if the Chair makes such a declaration the other members of the meeting), or the 'owner' of the University decision-making process, shall then determine whether the individual should continue to be involved in the meeting or University decision-making process. It is expected that, in most cases, having made the declaration that the member of staff will continue to be involved in the meeting or process. Care must also be exercised in line-management decisions, for example, where an individual occupies different roles (e.g. as Chair of a Committee and as member of an Academic Unit) within the University.

7) Right of appeal

- a) In certain circumstances the conflict of interest or commitment may not be acceptable in the judgement of the Designated Senior Officer. In which cases the Designated Senior Officer shall communicate their decision and concern to the relevant member of staff. If the member of staff wishes to appeal against such decision then they should raise the matter through the University's Grievance Procedure.

Dr James Callaghan
Director of Research & Enterprise Services
10 October 2014

Approved by Executive Board 14th October 2014