

Registration of Interest Policy

Purpose

1. The main aims of this policy are to:
 - a. Highlight the importance of any interest which could be a conflict being promptly declared and properly managed throughout the SFC, as outlined in the Board Code of Conduct¹.
 - b. Set out what is likely to amount to a conflict of interest.
 - c. Explain why the policy is important and the main negative consequences of interests which could be a conflict not being declared and managed.
 - d. Explain how declarations of interest should be made.
 - e. Indicate the main ways in which conflicts of interest may be managed.

Scope

2. This policy applies to:
 - a. Members of the SFC Board.
 - b. Members of Committees.
 - c. Members of advisory groups or panels which are not constituted as Committees.
 - d. SFC Directors; and
 - e. Any members of SFC staff² who perform roles that involve making any type of decision.

What may amount to a conflict of interest?

3. The following (objective) test as set out in the Scottish Government's guidance 'On Board: a guide for members of statutory Boards'³ and included in the SFC's Board Code of Conduct determines whether a conflict of interest may exist. This means that an interest will be treated as a conflict existing in circumstances where 'a member of the public with knowledge of the relevant facts reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to influence the discussion or decision-making'.
4. When considering the need to declare an interest the first consideration is whether the Board, committee, panel, advisory group members, SFC Directors and members of staff have a connection to the matter that they are involved in. A connection is:
 - any link between the matter being considered and the Board, committee, panel, advisory group members, SFC Directors and members of staff, or a person or

¹ [Our governance - Scottish Funding Council \(sfc.ac.uk\)](https://www.sfc.ac.uk/our-governance)

² Including temporary and seconded staff

³ [On Board - A Guide for Members of Statutory Boards \(www.gov.scot\)](https://www.gov.scot/publications/on-board-a-guide-for-members-of-statutory-boards/pages/1-introduction/)

body they are associated with. This could be a family relationship or a social or professional contact.

- Includes anything those individuals have registered as an interest.
 - Does not include being a member of a body to which those individuals have been appointed or nominated by their public body as a representative of their public body unless:
 - The matter being considered by their public body is quasi-judicial or regulatory; or
 - They have a personal conflict by reason of their actions, my connections or my legal obligations.
5. Once a connection is established, Board, committee, panel, advisory group members, SFC Directors and members of staff must determine whether the connection is an interest that requires to be declared where the objective test is met (see above).
 6. It should be noted that there may be instances where, having applied the objective test, it is considered the connection is so remote and insignificant that the individual does not think it amounts to an interest.
 7. If the objective test is met The Ethical Standards Commission's guidance on the Code of Conduct for Board members provides further guidance for Board, committee, panel, advisory group members, SFC Directors and members of staff about what to include in the Register of Interest form. The Register is intended to be a public record of the interests that might, by their nature, be likely to conflict with individuals' role as a member.
 8. Declaring an interest is not a judgement about the intentions of individuals, it is about being open and transparent to ensure that appropriate arrangements to manage the conflict are put in place. Board, committee, panel, advisory group members, SFC Directors and members of staff must ensure that no conflict arises, or could reasonably be perceived to arise between their public duties and private duties, financial or otherwise.
 9. The Ethical Standards Commission provides guidance about declaring and registering interests which Board and Committee members and staff members should consult.⁴
 10. Table 1 below sets out two illustrative and non-exhaustive examples of circumstances where an interest may be treated as a conflict existing:

Table 1: illustrative and non-exhaustive examples

⁴ [Guidance on the Codes | The Standards Commission for Scotland \(standardscommissionscotland.org.uk\)](https://standardscommissionscotland.org.uk)

Circumstances / nature of interest	Example of conflict
A person has any type of ongoing and/or planned future financial, personal, or professional relationship or connection with a Scottish university or college (including any of its staff or students) or a body representing the interests of such institutions (including its staff).	Any type of SFC discussion or decision that is likely to have a positive or negative impact on any Scottish university or college.
Any type of ongoing and/or planned future financial, personal, or professional relationship or connection with an organisation (including any of its staff) which has aims or objectives relating to a Scottish university or college.	Any type of SFC discussion or decision that is likely to have a positive or negative impact on any Scottish university or college.

11. The Board members code of conduct has two sections relevant to this policy: Section 4 'Registration of Interests' and Section 5: 'Declaration of Interests. Section 4 sets out what needs to be registered when a member is appointed and whenever circumstances change. This is also set out in the Register of Interests form (attached at Annex A). Section 5 sets out what connections a Board member needs to consider when declaring an interest and when that interest should be declared.
12. The Board notes Section 5 of the Board Code of Conduct, that Board members must not remain in the meeting nor participate in any way in those parts of meetings where an interest has been declared. However, the Board recognises that there are times when it may benefit from members being present to provide their insight, but must not participate in decisions. Therefore, the following wording has been included in the Board's Standing Orders and which is replicated in this policy for completeness: *'However, it is recognised that in some cases the Board may benefit from members' insight in such discussions. In such circumstances, the Chair, in consultation with the Chief Executive and the Board member (and if required, seek legal advice) will determine whether a member remains present for the discussion. Members who have declared an interest in a matter being considered must not participate in decisions.'*

Why is compliance with this policy important?

13. If interests are not declared and conflicts not properly managed, there is a credible risk that any decisions tainted by the conflict of interest could be successfully challenged before the courts on public law or common law fairness grounds, or complaints against the SFC are upheld by the Scottish Public Services Ombudsman (SPSO). This could therefore lead to SFC decisions being overturned (and therefore needing to be retaken),

the SFC having to pay legal costs or compensation, and damage to the public trust in the SFC.

Who is responsible for declaring conflicts of interest?

14. The SFC generally expects individuals within the scope of this policy to proactively consider whether matters relating to their circumstances could potentially amount to a conflict of interest and, if so, reach their own judgement about when it may be appropriate to declare that interest in accordance with the practical arrangements set out below and set out in the Board Code of Conduct.
15. However, members of the SFC Board, panel, advisory group members, Directors, and SFC staff may also proactively ask individuals about whether any matters relating to their circumstances could potentially amount to a conflict of interest at any time. For example, where an individual has any ongoing employment or personal relationship with a university or college or its staff, the SFC would generally expect the individual to adopt an increased level of transparency with the SFC to facilitate consideration of potential conflicts of interest, and the SFC may also proactively ask that individual about such potential conflicts of interest.

What are the practical arrangements for declaring an interest?

16. Board members, Directors and members of committees, Panels and advisory groups are required to declare any matter which could potentially amount to a conflict of interest on appointment. This is done by completing the Register of Interests form. Following this, they will be asked to update their register of interests annually.
17. In addition, Board members, Directors and members of Committees, Panels and advisory groups should normally declare any matter which could potentially amount to a conflict to the Deputy Director, Governance and Planning, the Senior Governance Officer or the relevant Committee secretariat as soon as possible.
18. For any members of staff at the SFC who come under the definition in paragraph 2e, interests should be declared to the relevant Director and the Deputy Director, Governance and Planning.
19. Where any individual identifies that any new or existing matter which could potentially amount to a conflict is relevant to the business of a particular meeting, the SFC would expect that individual to proactively raise the potential conflict as soon as possible to the person chairing or leading the meeting.
20. Where it is decided that a reported matter does constitute an interest that requires managing, that interest for Board Members, Directors and Committee members will be published on the SFC website.

21. If an individual is in doubt about whether to report an interest they should seek advice from the Deputy Director, Governance and Planning or the Senior Governance Officer.

How might conflicts of interest be managed?

22. How conflicts of interests are managed are set out in the Board Code of Conduct and Board Standing Orders⁵.

23. The action taken will need to be appropriate for the particular circumstances and dependent on the position the relevant person holds and their degree of influence over the discussion and decision-making process.

Who determines the actions that are taken to manage any conflict of interest?

Relevant person with a conflict	Envisaged arrangements for final judgement about any actions
Chair of SFC	A decision of the Deputy Chair (where appropriate, taking advice from the Chief Executive and Permanent Secretary)
SFC Board member (other than the Chair and Chief Executive)	A decision of the SFC Chair (where appropriate, taking advice from the Chief Executive)
SFC committee, panel or advisory member	Chair of Committee, panel or advisory group
SFC Chief Executive	A decision of the SFC Chair
SFC Director	Chief Executive
SFC staff	Chief Executive or Director responsible for the member of staff

Further advice and guidance

24. Further advice is available in the Board Code of Conduct and 'On-Board: A guide for members of statutory Boards'⁶.

⁵ [Our governance - Scottish Funding Council \(sfc.ac.uk\)](http://sfc.ac.uk)

⁶ [On Board - A Guide for Members of Statutory Boards \(www.gov.scot\)](http://www.gov.scot)

25. In addition, the Ethical Standards Commission for Scotland also provides guidance on the Code of Conduct⁷ and produces Advice Notes⁸, setting out when an interest should be declared.

26. SFC staff should speak to the relevant Director in the first instance. A Director should seek advice from the Chief Executive, Deputy Director, Governance and Planning and the Senior Governance Officer as appropriate.

Monitoring and review

27. This policy will be available on the SFC intranet and reviewed at least every 3 years. It will be made available to new Board and Committee members upon appointment.

Document history

Owner:	Deputy Director, Governance and Planning
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Approved by:	SFC Board
Next review date:	Maximum of 3 years

⁷ [Guidance on the Codes | The Standards Commission for Scotland \(standardscommissionscotland.org.uk\)](https://standardscommissionscotland.org.uk/guidance-on-the-codes/)

⁸ [Advice Notes | The Standards Commission for Scotland \(standardscommissionscotland.org.uk\)](https://standardscommissionscotland.org.uk/advice-notes/)

Annex A: Register of interests form

Scottish Funding Council Register of Interests form

Please indicate the nature of your interest for each of the following categories, indicating a nil response if applicable (see guidance notes below).

1. Remuneration (see section 4.4 – 4.12 of the guidance notes)
2. Other roles (see section 4.13 – 4.14 of the guidance notes)
3. Contracts (see section 4.15 – 4.16 of the guidance notes)
4. Houses, Land and Buildings (see section 4.18 – 4.19 of the guidance notes)
5. Interest in shares and securities (see section 4.20 of the guidance notes)
6. Gifts and Hospitality (see section 4.21 of the guidance notes)
7. Non-financial interests (see section 4.22 of the guidance notes)
8. Close family members (see section 4.23 of the guidance notes)

Name:

Signature:

Date:

Please return this form via email in Word or PDF format to: sfcgovernance@sfc.ac.uk.

Guidance notes

The Board Code of Conduct⁹ provides guidance about the registration (Section 4) and declaration of interests (Section 5). These sections are replicated below, for ease of reference. In addition, members should note the Scottish Government wrote to Devolved Public Bodies in 2022¹⁰ and provide a qualification in relation to category six and this is included below.

In addition, in relation to Section 5 of the Board Code of Conduct, that Board members must not remain in the meeting nor participate in any way in those parts of meetings where an interest has been declared, the Board recognises that there are times when it may benefit from members being present to provide their insight, but must not participate in decisions. Therefore, the following wording has been included in the Board's Standing Orders and which is replicated here for completeness: *'However, it is recognised that in some cases the Board may benefit from members' insight in such discussions. In such circumstances, the Chair, in consultation with the Chief Executive and the Board member (and if required, seek legal advice) will determine whether a member remains present for the discussion. Members who have declared an interest in a matter being considered must not participate in decisions.'*

Section 4: Registration of interests

4.1 The following paragraphs set out what I have to register when I am appointed and whenever my circumstances change. The register covers my current term of appointment.

4.2 I understand that regulations made by the Scottish Ministers describe the detail and timescale for registering interests; including a requirement that a Board member must register their registrable interests within one month of becoming a Board member, and register any changes to those interests within one month of those changes having occurred.

4.3 The interests which I am required to register are those set out in the following paragraphs. Other than as required by paragraph 4.23, I understand it is not necessary to register the interests of my spouse or cohabitee.

Category One: Remuneration

4.4 I will register any work for which I receive, or expect to receive, payment. I have a registrable interest where I receive remuneration by virtue of being:

- a) employed;
- b) self-employed;
- c) the holder of an office;
- d) a director of an undertaking;
- e) a partner in a firm;
- f) appointed or nominated by my public body to another body; or
- g) engaged in a trade, profession or vocation or any other work.

⁹ [Our governance - Scottish Funding Council \(sfc.ac.uk\)](https://www.scottishfundingcouncil.ac.uk/our-governance)

¹⁰ <https://www.standardscommissionscotland.org.uk/codes-of-conduct/members-model-code-of-conduct>

4.5 I understand that in relation to 4.4 above, the amount of remuneration does not require to be registered. I understand that any remuneration received as a board member of this specific public body does not have to be registered.

4.6 I understand that if a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under Category Two, "Other Roles".

4.7 I must register any allowances I receive in relation to membership of any organisation under Category One.

4.8 When registering employment as an employee, I must give the full name of the employer, the nature of its business, and the nature of the post I hold in the organisation.

4.9 When registering remuneration from the categories listed in paragraph 4.4 (b) to (g) above, I must provide the full name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate. I recognise that some other employments may be incompatible with my role as board member of my public body in terms of paragraph 6.8 of this Code.

4.10 Where I otherwise undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and how often it is undertaken.

4.11 When registering a directorship, it is necessary to provide the registered name and registered number of the undertaking in which the directorship is held and provide information about the nature of its business.

4.12 I understand that registration of a pension is not required as this falls outside the scope of the category.

Category Two: Other Roles

4.13 I will register any unremunerated directorships where the body in question is a subsidiary or parent company of an undertaking in which I hold a remunerated directorship.

4.14 I will register the registered name and registered number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and from which I receive remuneration.

Category Three: Contracts

4.15 I have a registerable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.20 below) have made a contract with my public body:

a) under which goods or services are to be provided, or works are to be executed;
and

b) which has not been fully discharged.

4.16 I will register a description of the contract, including its duration, but excluding the value.

Category Four: Election Expenses (*note this is not applicable for SFC Board members*)

4.17 If I have been elected to my public body, then I will register a description of, and statement of, any assistance towards election expenses relating to election to my public body.

Category Five: Houses, Land and Buildings

4.18 I have a registrable interest where I own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of my public body.

4.19 I accept that, when deciding whether or not I need to register any interest I have in houses, land or buildings, the test to be applied is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as being so significant that it could potentially affect my responsibilities to my public body and to the public, or could influence my actions, speeches or decision-making.

Category Six: Interest in Shares and Securities

4.20 I have a registerable interest where:

a) I own or have an interest in more than 1% of the issued share capital of the company or other body; or

b) Where, at the relevant date, the market value of any shares and securities (in any one specific company or body) that I own or have an interest in is greater than £25,000.

Board members should note the following qualification from the Scottish Government:

Interests in shares and securities should only be registered if it could be significant to, of relevance to, or bear upon, the work and operation of the public body.

An interest under shares and securities will include investments made under self-invested pension plans only if, at the relevant date, they are either more than 1% of the issued share capital of a specific company or body or are greater than £25,000. This is provided the shares and securities in question are significant to, relevant to, or bear upon the work or operation of the public body of which you are a member.

The 'relevant date' is the date you were appointed as a member and on 5 April each year following your appointment.

Category Seven: Gifts and Hospitality

4.21 I understand the requirements of paragraphs 3.13 to 3.21 regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.

Category Eight: Non-Financial Interests

4.22 I may also have other interests and I understand it is equally important that relevant interests such as membership or holding office in other public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, I understand non-financial interests are those which members of the public with knowledge of the relevant facts might reasonably think could influence my actions, speeches, votes or decision-making in my public body (this includes its Committees and memberships of other organisations to which I have been appointed or nominated by my public body).

Category Nine: Close Family Members

4.23 I will register the interests of any close family member who has transactions with my public body or is likely to have transactions or do business with it.

Section 5: Declaration of interests

Stage 1: Connection

5.1 For each particular matter I am involved in as a board member, I will first consider whether I have a connection to that matter.

5.2 I understand that a connection is any link between the matter being considered and me, or a person or body I am associated with. This could be a family relationship or a social or professional contact.

5.3 A connection includes anything that I have registered as an interest.

5.4 A connection does not include being a member of a body to which I have been appointed or nominated by my public body as a representative of my public body, unless:

- a) The matter being considered by my public body is quasi-judicial or regulatory; or
- b) I have a personal conflict by reason of my actions, my connections or my legal obligations.

Stage 2: Interest

5.5 I understand my connection is an interest that requires to be declared where the objective test is met – that is where a member of the public with knowledge of the relevant facts would reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to influence the discussion or decision-making.

Stage 3: Participation

5.6 I will declare my interest as early as possible in meetings. I will not remain in the meeting nor participate in any way in those parts of meetings where I have declared an interest.

5.7 I will consider whether it is appropriate for transparency reasons to state publicly where I have a connection, which I do not consider amounts to an interest.

5.8 I note that I can apply to the Standards Commission and ask it to grant a dispensation to allow me to take part in the discussion and decision-making on a matter where I would

otherwise have to declare an interest and withdraw (as a result of having a connection to the matter that would fall within the objective test). I note that such an application must be made in advance of any meetings where the dispensation is sought and that I cannot take part in any discussion or decision making on the matter in question unless, and until, the application is granted.

5.9 I note that public confidence in a public body is damaged by the perception that decisions taken by that body are substantially influenced by factors other than the public interest. I will not accept a role or appointment if doing so means I will have to declare interests frequently at meetings in respect of my role as a board member. Similarly, if any appointment or nomination to another body would give rise to objective concern because of my existing personal involvement or affiliations, I will not accept the appointment or nomination.