



CONFLICTS OF INTEREST POLICY

FREQUENCY OF REVIEW:	Every two years
COMMITTEE:	Audit & Risk Committee
APPROVED:	March 2021
AUTHOR:	Director of Business and Finance
DATE OF NEXT REVIEW:	Spring Term 2023 Unless there is a material change

Signed: Date:
Chair of Audit & Risk Committee

Signed: Date:
Chief Education Officer (CEO)

Purpose

The purpose of the policy is to set out the process that needs to be followed by members, trustees and staff to avoid any real or potential conflicts of interest. The Trust is committed to undertaking, and being seen to undertake, all of its activities to the highest possible standards of propriety and integrity expected of a publicly funded organisation. The policy is intended to ensure full compliance with the Trust's statutory accountability as set out in the latest version of the Academies Financial Handbook.

Trust staff, members and trustees will act fairly, honestly and with integrity in all aspects of what they do. They will uphold the highest standards of public conduct and, at all times, act in the best interests of the Trust.

All are expected to apply the *Seven Principles of Public Life* established by the *Nolan Committee*. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

The Seven Principles are supplemented by the requirement to report and record potential/real conflicts of interest as described in the Academies Financial Handbook 2020 and Governor's Handbook 2019. Conflicts of interest cannot always be eliminated but they need to be identified so that they can be avoided or managed appropriately in accordance with this policy.

Application of the Policy

The policy applies to Trust members, trustees and staff. It sets out the minimum requirements that must be met. On any occasion where an individual is concerned that a particular circumstance or event, whilst complying with this policy, may still lead to a potential or actual conflict of interest (whether real or perceived), they should consult with the Director of Finance and Business to seek further advice.

What is a Conflict of Interest

A *conflict of interest* exists where an individual's personal interests or loyalties could, or could be seen to, prevent them from making a decision which is in the best interest of the Trust.

A *conflict of interest* will occur when there is a divergence between an individual's private interests or loyalties (or those of any connected parties) and the interests of the Trust and its schools such that an independent observer might reasonably question whether the individual's actions or decisions are determined by considerations of personal gain. These may be financial or otherwise.

A *conflict of interest* is a set of circumstances that may create a risk that an individual's ability to discharge their duty to act in the best interests of the Trust is compromised because their judgement could be impaired or influenced by a secondary interest.

Such conflicts might occur due to the possibility of an individual or connected party having:

- direct or indirect financial/commercial interests
- non-financial or personal interests
- conflicts of loyalty where decision makers may have competing loyalties between the Trust and the other person or entity

Declaring an Interest

Individuals are required to make an annual *Declaration of Interest*. Any changes during the year must be notified in a new *Declaration of Interest* within 28 days of the interest being known.

For members, the annual declaration should be completed at the Trust's Annual General Meeting. For trustees and staff the annual declaration should be made at the beginning of the academic year.

Annual and updated declarations should be made using the *Declaration of Interest* form - See Appendix 1 of this policy.

Other declarations can be made during the day to day business of the Trust. For example, during Board meetings and meetings of its sub-committees or as part of a procurement process.

All declarations will be collated to form a *Trust Register of Interests*. The Register will be managed by the Trust Clerk. Schools will maintain a register at school level for their staff.

The Register will be used to identify any potential, actual or perceived conflicts of interest. This will enable the Trust to avoid or appropriately manage them. For example, it will be used to ensure that the Trust's procurement and trading activity is fair to all parties involved and to help the Trust ensure that the highest standards of propriety and conduct are met, especially in respect of any connected party transactions. This will ensure full compliance with the Academies Financial Handbook 2020.

If an individual believes, for personal reasons, there is a potential conflict of interest which is inappropriate to be shown on the Register, he/she must set out a case to the Trust Chief Education Officer (CEO) who will decide, in conjunction with the Chair of Trustees. There will be a presumption that all declarations are shared unless there are circumstances that apply which would make this inappropriate. Consideration will also be given to whether redaction from the Register would increase the risk a potential conflict of interest occurring or would prevent it from being managed appropriately. It should be noted that it is a disciplinary offence for anyone who legitimately has access to the Register to disclose the contents of it except where this is necessary for them to properly discharge their duties.

Members and trustees have a standard agenda item at the beginning of each meeting to declare any actual, new or potential conflict of interest. Individuals should declare any interest they may have in agenda items to be discussed at the meeting. If an individual is uncertain if he/she is conflicted, then he/she should declare the issue.

If an individual is aware of an undeclared conflict of interest affecting another member or trustee or a connected party issue this should be declared.

Where there is a declared conflict of interest, the individual concerned should withdraw from the meeting, discussion, decision making or voting that may take place concerning that particular conflict of interest or connected party issue.

Pecuniary and Non-Pecuniary Interest

There are a variety of potential interests that could potentially conflict with an individual's duty to always act in the best interests of the Trust and its schools. These may be pecuniary or non-pecuniary in nature. Examples are:

Pecuniary interests are monetary, finance and/or business related. They include but are not restricted to:

- a financial interest in a company or organisation.
- employment in any business that provides goods, services or consultancy to the Trust or its schools.

Non-pecuniary interests are not financial and are non-monetary. They include but are not restricted to:

- individuals being the partner or related to other members of staff, member or trustee.
- pursuit of a business interest/opportunity which is in potential conflict with the best interests of the Trust.
- where an individual's partner or relative may have a pecuniary interest.
- pursuit of a business interest/opportunity which is in potential conflict with the best interests of the Trust.
- an individual's professional or legal responsibility to someone else or some other body which is in potential conflict with the best interests of the Trust or its schools.
- having a beneficial interest in another Trust which is in potential conflict with the best interests of TrustEd Schools' Partnership.
- having received/or about to receive a gift, hospitality or other benefit from an organisation that has or is likely to do business with the Trust.
- membership of a society or other organisation which is in potential conflict with the best interests of the Trust. This includes holding trustee or governor positions at other educational institutions or charities (irrespective of whether there is a trading relationship with the Trust or its schools).
- holding another public office.
- close personal relationships with people or organisations that may, or do, undertake business with the Trust or its schools.
- a potential benefit in the future, such as the offer of employment or other benefits, from an organisation that undertakes or could undertake work on behalf of the Trust or its schools.

All pecuniary and business interests of members and trustees will be published on the Trust's website as required by the Academies Financial Handbook and Education and Skills Funding Agency (ESFA).

Connected Parties

In line with the Academies Financial Handbook, a *connected party* is defined as any individual or organisation connected to a member, trustee or staff member who may engage in work for the Trust. In the case of connected parties, the interests of a connected party are deemed also to be the interest of the member or trustee. Declarations of interest must include those related to the connected party where the interest may cause the member or trustee to have a conflict of interest.

The following are considered as connected parties:

- a relative of a member, trustee or staff member. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but may not be limited to, a child, step-child, parent, step-parent, spouse or civil partner.
- an individual or organisation carrying out business in partnership with the member, trustee or staff member or a relative of the member, trustee or staff member.
- a company in which an individual or the relative of an individual (taken separately or together) holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company.
- an organisation which is controlled by a member or trustee. For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes.
- any individual or organisation that is given the right under the Trust's Articles of Association to appoint a member, trustee or anybody related to such an individual or organisation.
- any individual or organisation recognised by the Secretary of State as a sponsor of the Trust; or anybody related to such individual or organisation.

- Personal relationships and family members

Individuals should declare if they are related to or have a partner who is staff member, member or trustee.

Individuals who have declared a partner or family member as a staff member must not be involved in the recruitment, selection, appraisal, promotion or other processes involving that member of staff or where conflict of interest may exist.

Applicants for jobs within the Trust and its schools will be asked to declare whether they are related to, or are closely acquainted with any members, trustees or staff within the Trust or its schools.

How Personal Information will be Stored and Processed

All information supplied by individuals will be held centrally and the details collated and recorded on a Register of Interests. This will remain confidential subject to the provisions of the Data Protection Act, the Freedom of Information Act, GDPR and the requirements of the Academies Financial Handbook and ESFA.

In line with the Academies Financial Handbook, the Trust will publish on its website details of relevant business and pecuniary interests of members and trustees. The Trust has discretion over the publication of the interests of other individuals in accordance with ESFA requirements.

As a public authority, the Trust may be subject to requests made under the Freedom of Information Act 2000 either to provide this policy or for information from the Register of Interests. Wherever possible, the Trust will answer any such requests without revealing the names of any individual who has made a declaration unless this information is part of the extract of the Register of Interests published on the Trust's website. If personal details of those who have made declarations are requested that are not already in the public domain, the Trust will, where appropriate, consult with those individuals before disclosing any additional personal information that may be in the public interest to disclose in accordance with the Act.

Individuals are assured that any Declaration of Interest will be processed in compliance with the data protection principles as set out in the Data Protection Act 1998 and GDPR requirements. The data will be processed to identify any potential, actual or perceived conflicts of interest to enable the Trust to avoid or appropriately manage them and to help protect the Trust's interests and also to protect the individuals concerned against allegations of acting in their own interests, rather than those of the Trust.

In general terms, if in any doubt, individuals are advised to declare an interest or potential interest for their protection.

Individuals should be aware that, in accordance with the Data Protection Act 1998, personal data may be disclosed to external parties without needing specific consent during the normal course of the Trust's business activities, including where such purposes have been registered with the Information Commissioner's Office. This may be for accounting, analysis and audit purposes and also to prevent or detect crime.

A person making a Declaration of Interest may at any time request a copy of their current declarations on application to the Director of Privacy and Data Protection. The data contained within Declarations of will be maintained securely in electronic format. Relevant extracts published on the Trust's website will be made accessible to the general public as required by the ESFA.

Decision Making

Where there is a clear conflict of interest e.g., a proposed transaction between an individual and the Trust, the individual must follow the procedure set out in the Trust's *Articles of Association* for absenting themselves from the decision-making process.

However, there will be a presumption against recommending any proposed related transaction.

Recommendations to enter such a transaction will be made to the Trust Board by the CEO in only two circumstances:

- if the arrangements not to enter the transaction would contravene Public Contracts Regulations or EU Procurement law
- in the unlikely event that the goods and/or service are so unique that they cannot be secured from another source and there is no other solution that offers the same value for money.

In the event of a decision being made to award a contract to a member, trustee or connected party the Trust will only enter the contract if it has been properly procured in a fair and open process and if the member, trustee, or connected party can provide:

- a *statement of assurance* confirming that their charges do not exceed the cost of the goods or services (*principle of at cost*).
- an *open book agreement* which includes a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

For these purposes, the cost will be the *full cost* of all the resources used in supplying the goods or services. The *full cost* includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services).
- all indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads).

Full cost must not include an element of profit.

In the event of the above requirements being met in full before a decision to enter a transaction with an individual or connected party is made the Trust Board must consider whether the transaction could be seen to be *novel or contentious*. If so, it must be referred to the ESFA for explicit prior approval.

Failure to follow this Policy

Individuals who do not follow this important policy may be in breach of their duties and may be subject to internal action within the Trust. In certain circumstances individuals may also be subject to external sanction, including being barred from undertaking the role of a company director or trustee and in exceptional cases being subject to criminal prosecution.

The ESFA may also issue a Financial Notice to Improve (FNtI) to the Trust when there is deemed to be irregular use of public funds or inadequate financial governance and management. This includes breaches of the duties, principles and requirements governing connected party relationships and transactions. Failure to comply with a Financial Notice to Improve can, in exceptional circumstances, also result in the termination of a Trust's Funding Agreement.

For note:

If an individual believes any member, trustee or staff member is undertaking activity resulting in personal gain, they can report such concerns using the Trust's *Whistle Blowing Policy*.

***Please note that should there be any changes/further national guidance issued relevant to this policy, it will be updated accordingly prior to the review date shown above and referred to the next Trust Board meeting.**



Declaration of interests

Academy Year 1 Septemberuntil 31 August

Dear [Name],

Our Trust is committed to acting with integrity and impartiality. To this end, we must keep a register of the relevant business and pecuniary interests of members, trustees, local governors and senior employees.

We're also required to publish these interests with respect to members, trustees, local governors and the accounting officer.

These interests are anything that might sway your decision making or affect your ability to act in an impartial way. For example, if you:

- Are a trustee or governor at another school or charity
- Work for a company that the school might engage the services of (e.g. a catering or payroll provider, etc.)
- Have a personal relationship with any members, trustees, local governors or employees of the Trust (e.g. spouse, partner, relative, etc.)
- Have a partner who supplies services to the school

If you're not sure an interest counts, err on the side of caution and declare it.

We ask that you update us whenever your circumstances change so we can ensure our register of interests is accurate.

Please fill in and return the form overleaf to me **by no later than**

Kind regards,

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Name: _____

Trust Ed School: _____

Directorships, partnerships or employment

NAME OF BUSINESS/ORGANISATION	NATURE OF INTEREST	Date when Interest Began

Governor or trustee roles at other educational institutions or charities

NAME OF SCHOOL/ESTABLISHMENT/CHARITY	NATURE OF LINK	Date when Interest Began

Personal relationships (including spouse/partner and close relatives)

NAME OF TRUSTEE, LOCAL GOVERNOR, MEMBER OR TRUST EMPLOYEE	NATURE OF THE RELATIONSHIP	NATURE OF THE INTEREST ARISING FROM THIS RELATIONSHIP

Relevant business or personal interests of spouse/partner and close relatives

NAME	RELATIONSHIP TO YOU	RELEVANT INTEREST

Signature: _____

Date: _____