

# North Norfolk Academy Trust

## **Conflicts of Interests Policy (incorporating Pecuniary and Other Interests)**

### Change Log

Date	Change	Author	Version
05/03/2020	Updated to approved policy template	CFO	V 1.1

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## Scope

This policy sets out the framework for ensuring that the decisions and decision-making – at North Norfolk Academy Trust and its member schools are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the school.

Members of the Board or local governing bodies have an obligation to act in the best interests of the Trust's member schools' communities and in accordance with its Articles of Association, in order to avoid situations where there may be a potential conflict of interest.

Situations may arise where family interests or loyalties conflict with those of the Trust or its schools. Such interests may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of the Trust or its schools, and risk the impression that the Trust has acted improperly.

North Norfolk Academy Trust has created this policy in order to:

- Ensure that every Trustee/local governor understands what constitutes a conflict of interest, and that they have a responsibility to identify and declare any conflicts that might arise.
- Ensure that every employee understands what constitutes a pecuniary interest and that they have a duty to identify and declare any pecuniary or other interests if they participate in decisions relating to how the Trust or any of its schools spend their money.
- Record the conflict and the actions taken to ensure that the conflict does not affect the decision-making of the Trust or school.

Signed by:

Executive Headteacher \_\_\_\_\_ Date: \_\_\_\_\_

Chair of Trustees \_\_\_\_\_ Date: \_\_\_\_\_

## Policy

### Legal framework

This policy has due regard to statutory legislation, including but not limited to, the following:

- Companies Act 2006
- Equality & Diversity Policy
- Data Protection Act 1998

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This policy also has due regard to guidance, including but not limited to, the following:

- Charity Commission 'Conflicts of Interest: a guide for charity trustees' 2014
- DfE 'Governance handbook' 2019

### What are conflicts of interest?

For the purpose of this policy, "conflicts of interest" are any situation where a member of the board or a local governing body has a personal interest or loyalty which could, or could be seen to, prevent the individual from making a decision in the best interests of the school or Trust.

### Identifying conflicts of interest

The Trust expects members of the board or local governing bodies to be able to identify any conflicts of interest at an early stage.

Individual members of the board or a local governing body who fail to identify and declare any conflicts of interest, will also fail to comply with their personal legal responsibility to avoid conflicts of interest and act only in the best interest of the Trust, the school and its students and children.

The board and local governing body will ensure that any conflicts of interest do not prevent them from making a decision that would be in the best interests of the Trust, its school and its students and children.

### Interests that will be declared

Members of the board or a local governing body will declare the following interests:

- Holding another public office
- Being an employee, trustee, director, advisor or partner of another business or organisation
- Pursuing a business opportunity
- Being a member of a club, society or association
- Having a professional or legal obligation to someone else
- Having a beneficial interest in a Trust
- Owning or occupying a piece of land
- Owning shares or some other investment or asset
- Having received a gift, hospitality, or other benefit from someone/an organisation. This should be dealt with in accordance with the Trust's Gifts and Hospitality Policy.
- Owing a debt to someone/an organisation
- Holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue
- Being a spouse, partner, relative or close friend of someone who has one of these interests

## Pecuniary Interests of Members, Trustees, Local Governors and employees (Teaching and Non-teaching staff).

It is the Trust's policy that all Members, Trustees and Local Governors plus all "relevant" teaching and non-teaching staff will be asked to complete a declaration of pecuniary interest (or other interest) in the format attached at Appendix A, and that this will be done at least annually. These declarations will be held in a general register, in alphabetic order, in the Trust Business Manager's Office and will be made available to the Local Governing Bodies and Board for scrutiny on request.

"Relevant" means any person having power to spend or participate in decisions to spend monies on behalf of their school or the Trust or on behalf of any of the Trust's students or children.

Some individual's will have the power to spend or participate in decisions to spend monies on behalf of the overall Trust, or for more than one academy school. Where this is the case, this should be reflected on the form.

Pecuniary interest means a directorship of a company or business, direct ownership or partnership of a business, a significant shareholding in a company or a position of authority in a charity or organisation. This interest applies not only to the individual employee but also to their spouse and immediate family.

All pecuniary interest forms that are not "nil returns" will be presented to the Trust Audit Committee for scrutiny at the first available meeting. The Board Audit Committee will then decide on the best way to deal with any potential conflict of interest.

## Governing body benefits

Conflicts of interest can arise where there is a potential or measurable financial benefit to a Trustee of the Trust or member of the local governing body, or to a person connected to a member or Trustee.

Trustee or Governing body benefits include any payments or benefits to members, or a connected person, apart from their reasonable out-of-pocket expenses. This includes payment under any contracts or purchases that the Trust or any of its schools may enter into.

The payment of reasonable expenses to a Trustee or member of the local governing body is not a benefit, and therefore, does not create a conflict of interest or require authorisation.

Benefits also include situations where a member of the board or the local governing body could receive property, loans, good or services from the school or Trust.

Where there is a proposed sale or lease of land to a member of the governing body, or to a person or company closely connected with a member, this will require authorisation from the DfE before it is granted, even if the disposal is at full market value.

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### Conflicts of loyalty

Conflicts of interest can also arise, even if the individual does not gain any financial benefit, when their decision-making as a Trustee or member of the governing body could be influenced by their other interests.

Trustees of the Trust and members of the local governing bodies will be required to declare any interest which may conflict with their loyalty to:

- Another organisation, such as their employer.
- A member of their family.
- Another connected person or organisation.
- Another Board, local governing body or committee of which they are a member.
- The individual that appointed them to the Board or local governing body.

Trustees of the Trust and members of the local governing bodies will also be required to declare any conflicts of interest where their religious, political or personal views could interfere with their ability to make decisions in the best interests of the school(s) or Trust.

### Declaring interests

The Board and the local governing bodies will be provided with a standard agenda item at the beginning of each meeting, in order to declare any actual or potential conflicts of interest.

All members of the Board or the Local Governing bodies will be required to declare any interest which has been outlined as an item to be discussed, at the earliest possible opportunity and before any discussion of the item itself.

If a Trustee or member is unsure whether or not they are conflicted, they are required to declare the issue and discuss it with the rest of the Board or local governing body.

If a board member or local governor is aware of an undeclared conflict of interest affecting another member, they are required to notify the rest of the Board or local governing body for appropriate action.

All members of the governing body are required to declare any potential areas where conflicts of interests may arise, using the Register of Interests form (Appendix B), which are also held by the clerk to the Trustees or the Trust Business Manager.

### Removing conflicts of interest

The Board or local governing body will consider any conflict of interest declared, ensuring that any potential effect on decision-making is eliminated.

The Board or local governing body will follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, decide that

removing a conflict of interest itself is the most effective way of preventing it from affecting their decision-making.

- Serious conflicts of interest include, but are not limited to, those which:
- Are so acute and extensive that the member is unable to make their decision in the best interest of the Trust, its schools and its students/children.
- Are present in significant high-risk decisions of the Trustees and local governors.
- Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
- Are associated with an inappropriate board or governing body benefit.

In order to remove a conflict of interest, the governing body will undertake appropriate action, including:

- Not pursuing the course of action.
- Proceeding with the issue in a different way so that a conflict of interest does not arise.
- Securing the resignation of the member affected by a conflict of interest.
- Not making member appointments, which would knowingly introduce a conflict of interest.

#### [Withdrawing from decision-making](#)

Where there is a proposed financial transaction between a member of the board, local governing body and the Trust or any of its the schools, or any transaction of arrangement involving a member's benefit:

- The benefit will be authorised in advance. The payment must comply with the Academies Financial Handbook's "At cost requirements" in relation to Trading with Connected parties.
- The board or local governing body will ensure that the member is absent from any part of any meeting where the issue is discussed or decided upon.
- The affected member will not be able to vote or be counted in deciding whether a meeting is quorate.

Where there is a conflict of loyalty and the affected member does not stand to gain any benefit, the member will be required to declare the interest.

The rest of the board or local governing body will then decide on what level of participation, if any, is acceptable on the part of the conflicted member.

The board or local governing body will decide whether the affected member:

- Can participate in the decision, after having registered and fully declared their interest.

- Can stay in the meetings where the decision is discussed and made, but not participate.
- Must be withdrawn from the decision-making process.

When deciding which course of action to take, the board or local governing body will:

- Always make their decisions only in the best interest of the Trust, the schools and its students/children.
- Always protect the Trust's reputation and be aware of the impression that their actions and decisions may have on others.
- Always be able to demonstrate that they have made decisions in the best interests of the Trust, its schools and its students/children, and independently of any competing interest.
- Require the withdrawal of the affected member from any decisions where their other interest is relevant to a high-risk or controversial decision, or could significantly affect the member's decision-making.
- Allow a member to participate where the existence of their other interest poses a low risk to decision-making in the Trust's or school's interest, or is likely to have only an insignificant bearing on their approach to an issue.
- Be aware that the presence of a conflicted member can affect trust between other members of the board or local governing body, could inhibit free discussion, and might influence decision-making in some way.

The board or local governing body may request any information necessary from the affected member, in order to help make the decision in the best interests of the Trust, the schools and its students/children.

### Records of proceedings

Following a decision, the board or local governing body will keep a written record of the following:

- The nature of the conflict
- Which members were affected
- Whether any conflicts of interest were declared in advance
- An outline of the discussion
- Whether anyone withdrew from the discussion
- How the board members or local governors reacted to the decision made

The board or local governing body will also keep a written record of any payments or benefits that have been made, including under what authority these were made and the reasoning for them.



The board or local governing body will not use information obtained at the Trust or its schools for their individual benefit, or that of another organisation, if it has been obtained in confidence or has special value, such as commercial sensitivity.

#### Monitoring conflicts of interest

The board and the local governing bodies will carry out continuous monitoring of their activities and Trustees/governors to ensure that any conflicts of interests are identified and mitigated as soon as possible.

Any member of the board or local governing body who fails to declare an interest and is found to be in conflict with their decision-making will be required to explain the reasons for their omission to the local governing body or the board.

The board may decide to terminate the membership of an affected member, if they are found to have knowingly and deliberately failed to declare an interest and have brought the Trust or any of its schools into disrepute.

#### Policy monitoring and review

The Board (or its Audit Committee) will review this policy on an annual basis, taking into account any conflicts that have arisen and how they have been responded to, and will communicate all changes to the rest of the Board and to the Local Governing Bodies as appropriate.

All members of the board and local governing bodies are required to read and make themselves familiar with this policy upon their appointment.

## Appendices

### Appendix A - NIL RETURNS REQUIRED

TRUST OR NAMES OF ACADEMY SCHOOLS RELEVANT TO THIS DECLARATION

NAME OF SCHOOL(S)/TRUST.....

#### DECLARATION OF PECUNIARY INTERESTS

NAME..... Position GOVERNOR/TRUSTEE  
HEADTEACHER  
OTHER  
EMPLOYEE

ADDRESS.....

.....

.....

NAME OF BUSINESS OR COMPANY	ADDRESS OF BUSINESS OR COMPANY	NATURE OF THE COMPANY'S BUSINESS	CONNECTION OR INTEREST (Trustee/Shareholder etc.)

## **(BACK OF FORM)**

### INTRODUCTION

Guidance received from the Department for Education requires governors of, or persons employed at an Academy, to disclose any pecuniary interest, direct or indirect, in any contract entered into or proposed. Clearly, the purpose is to ensure that decisions made in terms of spending the Academy's money, are in no way influenced by personal interests, and also to help disprove any unfounded claims that this might have happened. By registering an interest, individuals are ensuring that other people involved in decision making know from the outset that there could be a conflict of interests, and for example, could request that the individual concerned takes no part in the process.

The guidance published jointly by OFSTED and the Audit Commission (Keeping Your Balance) states "The governing body should establish a register of pecuniary interests for the staff which should be open to inspection. For example, staff should declare any links they have with local firms from which the Academy may wish to buy goods or services. It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from decisions that they make". Without such a framework of accountability the actions of staff and governors could be open to question.

It is the Trust's policy that all relevant persons (as defined below) should be reminded from time to time (and no less than annually) of their obligation to make a declaration of any pecuniary or other interest (as defined below) in any proposed transaction to be carried out by the academy.

### TRUST/ACADEMY POLICY

It is the Trust's policy that all relevant persons (as defined below) will be asked to complete a declaration of pecuniary or other interest in this format, at least annually. These declarations will be held in a general register in alphabetical order and will be made available to the Local Governing Bodies or Board for scrutiny when requested.

"Relevant persons" means teaching and non-teaching staff and employees and any other person having power to spend or participate in decisions to spend monies on behalf of the Trust, the Academy or any of its students or children. Some individuals will have power to spend or participate in decisions to spend monies on behalf of the overall trust, or for more than one Academy school. Where this is the case, this should be reflected on the form

"Pecuniary or other Interest" means a directorship of a company or business, direct ownership or partnership of a business, a significant shareholding in a company or a position of authority in a charity or organisation. This interest applies not only to the individual employee but also to their spouses and immediate family.



Appendix B - Register of Interests Form

Name: John Smith Position: Headteacher

Boards and Local Governing bodies of academies are require to maintain a register which lists for each member, including the headteacher, and interests that they, their partner or member of their immediate family have, that might affect their relationship with the school and the Trust and/or their decision making i.e. employment and election to political bodies or corporate boards.

Table with 5 columns: Name of business or organisation, Nature of business or organisation, Nature of interest, Date of appointment of acquisition, Date of cessation of interest. Contains entries for John Smith Stationers and Sleaford Town Council.



## **Declaration**

I hereby certify I understand that it is my responsibility to declare the nature of all business or personal interests, whether direct or indirect, of myself, my partner and/or members of my immediate family that could unfairly benefit from my relationship and connection with the Trust or its schools.

I also understand that it is a criminal offence to:

- Withhold information relating to conflicts of interest.
- Provide falsified information.
- Fail to notify the board or local governing body of any changes which might invalidate this declaration.

I will also endeavour to inform the Board or local governing body of any changes to the above-mentioned interests at the earliest possible opportunity.

<b>Name:</b>	
<b>Signed:</b>	
<b>Date:</b>	