



## Conflicts of interest policy

April 2021

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<b>Associated documents:</b>	
<b>Links to:</b>	
<ul style="list-style-type: none"><li>• Anti corruption and Anti Bribery policy</li><li>• Whistleblowing policy</li></ul>	

Approved by the Audit and Risk Committee of the Trust Board, 10 March 2021

## **Our Vision**

### **We have one core purpose:**

To have the biggest positive impact in the varied communities we serve through ensuring top drawer education for our learners. #TransformingLives

### **How do we ensure this across our trust?**

In all we do we are:

1. Ethical to the core, ensuring that education is always front and centre
2. Futures focused system leaders – never simply followers
3. Collaborative in every endeavour
4. Resolutely learner centred.

### **What does this look like across our trust?**

#### Education

We are:

1. Ruthlessly ambitious for all who learn and work with us
2. Unwaveringly inclusive – determined on eradicating barriers to educational success
3. Committed to excellent teaching
4. Determined upon academic excellence for all in our communities
5. Compassionate, ethical and caring advocates for all in our communities
6. Outwardly facing and globally conscious

#### Operations

We are:

1. Committed to the very best people development and empowerment
2. Determined to shout loudly and share proudly our successes
3. The best professional and technical experts (supporting education) in the sector
4. Committed to the very best understanding and management of risk

#### Financial

We are:

1. Providing the best possible public service for the best possible value
2. Determined to supplement our public income with shrewd income generation
3. Building financially sustainable models of educational improvement in our communities
4. Demonstrably efficient in all we do

## **Our values**

- We will work inclusively within our communities, embracing the varied localities we serve while sharing our common vision and values.
- We will develop the very best leaders of the future, working to improve education and transform lives.
- We will adhere unwaveringly to the 'Nolan Principles' of Public Service, which is made clear in our commitment to Ethical Leadership.

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## **1 Introduction**

This policy sets out the responsibilities of all those involved in our governance for identifying and managing actual and potential conflicts of interest when acting on behalf of Academy Transformation Trust.

You can also ask the Director of Corporate Affairs for further guidance.

A conflict of interest is any situation in which your personal interests or loyalties could, or could be seen, to prevent you from making a decision only in the best interests of our trust. Conflicts of interest will usually fall into one of the following categories:

- financial interests
- non-financial interests
- loyalties.

See section 4 below for further guidance on identifying conflicts.

## **2 Who this policy applies to**

This policy applies to

- all Members
- all Trustees
- all governors on Local Academy Committees
- anybody else supporting our governance in a voluntary capacity.

## **3 Fundamental principles**

It is important that confidence in the good governance and probity of our Trust is maintained. In order to achieve this you must ensure all decisions you make on behalf of our Trust are free from any undue influence. You are expected to act with integrity, honesty, selflessness and objectivity when making decisions on behalf of our trust (or when advising our trust) and to act in a way that promotes the best interests of our trust.

In order to maintain high standards of conduct, probity and ethics it is also important that you are accountable and open about the decisions or action taken including in relation to the management of conflicts of interest. Our trust has adopted an open culture to managing conflicts to

- allow you to feel comfortable with declaring your interests and any conflicts that arise safe in the knowledge that they will be dealt with in accordance with this policy; and
- enable you to say if one of your fellow Trustees appears to have a conflict of interest. By doing so you are not calling their integrity into question.

The basic rule is that you have an overriding obligation not to put yourself in a position where your duty as a Trustee conflicts with any personal interest you may have. However, it is

recognised and understandable that conflicts will arise from time to time because having outside interests and expertise may bring significant benefits to the role you play and the work of our trust.

Where conflicts are unavoidable, they must be effectively managed in the best interests of our trust. This means it is your responsibility to identify and manage conflicts of interest by:

- **disclosing** outside interests that could give rise to potential conflicts so that relevant people are aware of these in advance
- **determining** whether you have an actual or perceived conflict before being involved in any decision on behalf of our trust
- **managing** any conflicts as they arise, in a manner that protects the integrity of our trust's decision making while allowing you to give the right level of input to enable the best decisions. Whilst the Board will ultimately decide how to manage a conflict, you also need to make your own personal judgement about it.

#### 4 Identifying conflicts of interest

4.1 The obligations set out in this policy derive from the general fiduciary duties owed by all those involved in our governance under charity law and the Companies Act 2006, which sets out specific requirements in relation to conflicts of interest. We also have obligations in respect of the effective management of conflicts of interest under the terms of our Funding Agreement with the Secretary of State for Education (and the Academies Financial Handbook). Conflicts of interest can inhibit open discussions and may result in your taking irrelevant considerations into account or making decisions that are not in our trust's best interests. They can also damage the reputation of our trust if it appears that you are influenced by personal interests or loyalties or have acted improperly. You must therefore be alert to the possibility that you could be affected by a conflict of interests.

4.3 Our *Articles* (see articles 97-98) set out certain procedures in relation to conflicts of interest. This policy should be read in conjunction with the *Articles*, and in the case of conflict the *Articles* take precedence over this policy.

4.4 When considering if you have a conflict of interest, you must be aware of the following principles:

4.4.1 a conflict of interest exists if there is a possibility that your personal interest could influence your decision-making, even if your decision-making is not in fact adversely affected by the conflict. A reasonable perception that a conflict of interest exists can be enough for you to be in breach of your duties; and

4.4.2 the interest that gives rise to a conflict may be direct or indirect and, in particular, a conflict may relate to the interests of someone who is connected to you (e.g. a partner or child) as well as to your own personal interests.

4.5 It is not practicable to set out every situation which may result in a conflict of interest, but common situations include:

*Direct financial gain or benefit*

- 4.5.1 selling, loaning or leasing trust assets to you;
- 4.5.2 The Trust acquiring, borrowing or leasing assets from you;  
paying you (or a company at which you are a director) to provide goods or services to our trust or a company or organisation in which our trust has an interest or is connected with;
- 4.5.3 paying you for carrying out:
  - (a) your role within our governance;
  - (b) a separate paid post with our trust; or
  - (c) a post at a trading subsidiary or any other company or organisation that our trust is interested or connected with;

*Indirect financial gain or benefit*

- 4.5.4 where the financial gain or benefit accrues to a family member, business or employer of yours;

*Non-financial gain or benefit*

- 4.5.5 where you can exploit any information or opportunities as a result of your role;

*Conflict of loyalty*

- 4.5.6 where you owe a duty to any other body (regardless of what capacity that duty is owed) that may conflict with their duty to our trust. This can arise even where you do not have a monetary interest or do not stand to personally benefit.

## **5 Declaration of interests**

- 5.1 You have a personal responsibility to declare any interest that might reasonably be regarded as potentially giving rise to a conflict.
- 5.2 On appointment or on the adoption of this policy, whichever is later, you must complete a declaration of interests form:
  - 5.1.1 listing any personal interests, business interests or other direct or indirect interests that might potentially give rise to a conflict of interests;
  - 5.1.2 listing any interests of persons connected to you that may give rise to a conflict of interest;
  - 5.1.3 declaring any gifts or hospitality received or offered to you in your capacity within our governance;

- 5.1.4 confirming that you are not aware of any conflict, other than those already disclosed, that exists between your role and your personal circumstances or other interests;
  - 5.1.5 confirming the directorships, partnerships and employment that you are involved with or hold;
  - 5.1.6 listing any other trusteeships or governorships at other educational institutions or charities;
  - 5.1.7 confirming that you will update the form annually, or sooner if any changes occur; and
  - 5.1.8 confirming that you will declare any conflict that arises in the future.
- 5.2 The Director of Corporate Affairs will be responsible for maintaining a register of interests that will be accessible to all Trustees, members and the auditors.
- 5.3 The register of interests must include the information prescribed by the *Academy Trust Handbook*, including:
- 5.3.1 capturing relevant business and pecuniary interests of the Trustees. The name and nature of the business or interest must be recorded, along with the date that the interest began;
  - 5.3.2 any relevant material interests arising from close family members between the Trustees, members or local governors. It must also identify relevant material interests between Trustees and employees of our trust;
  - 5.3.2 the relevant business and pecuniary interests of the Trustees will be published on our trust's website.
- 5.4 It is for you to decide which matters to declare but, if in doubt, you should make a declaration. If you would like to discuss the issue, you can contact the Chair or Director of Corporate Affairs for confidential guidance.
- 5.5 Whilst the declaration will need to be made annually as set out at paragraphs 5.1.7 it is your responsibility to keep your declaration up-to-date and to promptly notify the Director of Corporate Affairs of any changes between annual declarations.
- 5.6 We shall take advice from our auditors in respect of the disclosure of interests and, in particular, related party transactions in the preparation of the annual report and accounts to ensure full compliance with the Statement of Recommended Practice.
- 5.7 The information provided by you will be processed in accordance with data protection principles as set out in the Data Protection Act 2018 and the General Data Protection Regulations 2016/679. Data will be processed only for the purposes set out in this policy and as required by any statute or any regulatory body, and not for any other purpose.

## **6 Conflicts of interest**

- 6.1 In accordance with article 97 of the *Articles*, if you have or can have any direct or indirect duty or personal interest which conflicts or may conflict with your duties within our governance you must disclose that as soon as you become aware of it.
- 6.2 The first item on the agenda of each meeting will be a standing item requiring all those attending the meeting to declare any conflicts of interest relating to the matters to be discussed at the meeting.
- If you consider you have an actual or potential conflict, you must inform the Chair as soon as possible and always before any discussion of the relevant matter. The declaration must specify the nature and extent of any direct or indirect interest that gives rise to the conflict. You must absent yourself from any discussions in which it is possible that a conflict will arise between your duty to act solely in the interests of our trust and any duty or personal interest.
- 6.3 If you are aware that someone else has an actual or potential conflict that has not been declared, you must notify the Chair.
- 6.4 If the Chair is declaring a conflict, they must inform all those present.
- 6.5 If you are uncertain whether or not you are conflicted, you must err on the side of openness and declare the interest. In deciding what course of action to take, we must always base decisions on what is in the best interest of our trust.
- 6.6 The Director of Corporate Affairs must ensure all conflicts declared are noted in the minutes of the meeting in which they were declared or, if not declared in a meeting, in the minutes of the next meeting.
- 6.7 Conflicts that are identified outside of a meeting must be declared by giving written notice to the Director of Corporate Affairs.

## **7 Assessing conflicts at meetings**

- 7.1 The way in which conflicts are dealt with will depend on the nature and extent of the conflict. Those who are not conflicted must therefore:
- 7.1.1 assess the nature and extent of the conflict;
  - 7.1.2 assess the risk or threat to decision-making;
  - 7.1.3 decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent you from making decisions in the best interests of our trust, relates to a significant decision or risks significantly damaging our trust's reputation); and
  - 7.1.4 decide what steps to take to handle the conflict.

When considering the conflict, we must take all relevant factors into account, make decisions only in the best interests of our trust and always protect our reputation.



- 7.2 If you are conflicted you must not take part in any discussion or decision about the conflict and how to handle it and will not be counted in the quorum for that part of the meeting.

## **8 Management of conflicts of interest**

- 8.1 If the conflict arises owing to a financial transaction between our trust and you (or a connected person), or because you (or a connected person) will or may obtain a benefit from our trust:

8.1.1 any potential or proposed benefit must be authorised in advance (see section 9 below); and

8.1.2 you must:

(a) withdraw from all discussions and decisions in relation to the matter; and

(b) not be counted in the quorum for that part of the meeting.

- 8.2 For all other conflicts, you must withdraw from all discussions and decisions in relation to the matter.

- 8.3 Anyone who declares a conflict of interest during the course of a meeting should remove themselves from the meeting for the duration of that agenda item.

- 8.4 All decisions relating to conflicts of interest will be recorded in the minutes, including:

8.4.1 whether anyone declared a conflict of interest;

8.4.2 the nature of the declared conflict of interest;

8.4.3 that that person removed themselves from the meeting; and

8.4.4 the actions taken to manage the conflict.

- 8.5 If you benefit from any decisions of the board, if the auditors advise it is necessary it will be reported in our annual report and anywhere else that it is legally required.

## **9 Procedure for declaring interests in transactions and arrangements**

- 9.1 If you have a direct or indirect interest in any proposed transaction or arrangement you must declare the nature and extent of that interest before the transaction or arrangement is entered into.

- 9.2 If you have a direct or indirect interest in a transaction or arrangement that has already been entered into but you have not declared that interest, you must declare the nature and extent of that interest as soon as is reasonably practicable.

- 9.3 If a declaration made under paragraph 9.1 or paragraph 9.2 proves to be or becomes inaccurate or incomplete, you must make a further declaration giving correct information about the nature and extent of your interest.

- 9.4 A declaration made under paragraph 9.1, paragraph 9.2 or paragraph 9.3 must be made either at a meeting or by sending written notice to the Director of Corporate Affairs.

## **10 Trustee benefits and related party transactions**

- 10.1 Articles 6.2 to 6.9 of the *Articles* set out the procedure and circumstances in which we may authorise or not authorise a transaction or arrangement that is with or that will benefit someone involved in our governance.
- 10.2 If you receive a benefit without proper authority, this will be a breach of trust and you may be liable to repay all or part of the benefit.

## **11 Failure to disclose an interest**

- 11.1 The failure by you to declare a conflict of interest is serious and will be in breach of this policy. You may also be in breach of trust and breach of your statutory duties and may be subject to legal action.
- 11.2 The Board may also consider the possibility of removing you from office in these circumstances.

## **12 Monitoring, enforcing and reviewing this policy**

- 12.1 To ensure that disclosures are kept up-to-date, you will be asked to review and update your disclosures annually as required by section 5.
- 12.2 If you become aware of a breach of this policy you must report it to the Chair as soon as possible.
- 12.3 The Trustees have implemented this policy in order to monitor and manage conflicts of interest. Any failure to comply with the terms of this policy will not, in itself, result in a decision of the Trustees being invalidated or in any liability to our trust's beneficiaries.
- 12.4 The Chair must:
- 12.4.1 report all breaches of the policy of which they are aware to the Trustees at the next Trustee meeting; and
  - 12.4.2 ensure that all breaches are noted in the minutes of the relevant Trustee meeting.
- 12.5 The Audit and Risk Committee will review a random small sample of decisions each year to monitor adherence with this policy. If there are any breaches of this policy found by this review, or raised by anyone else, they will discuss these with the relevant individual in the first instance and if it warrants escalation, with the Chair.
- 12.6 Reports on this policy, including information about any breaches or management of conflicts declared, will be provided at least annually to Audit Committee and the Executive Leadership Team.
- 12.7 If you are concerned that a conflict exists which has not been dealt with in accordance with this policy, you should raise this with the Chair or the Director of Corporate Affairs or in accordance with our whistleblowing policy.

### 13 Other relevant policies and further Reading

Other relevant Trust policies include:

- anti-corruption and anti-fraud policy, including the section on gifts and hospitality
- whistleblowing.

Further guidance on the management of conflict of interests can be found in the Charity Commission guidance "*Conflicts of interest: a guide for charity trustees (CC29)*" which is also referred to by the DfE in its Governance Handbook:

<https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>