

## Conflicts of interest policy

August 2019

<b>Published date:</b> August 2019	<b>Next review deadline:</b> April 2021	<b>Statutory</b>	<b>Executive Lead at ATT:</b> Andy Gannon Head of Corporate Affairs
---------------------------------------	--	------------------	--

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

## **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.

## **Contents**

<b>1. Introduction</b>	<b>4</b>
<b>2. Who this policy applies to</b>	<b>4</b>
<b>3. Fundamental principles</b>	<b>4</b>
<b>4. Identifying conflicts of interest</b>	<b>5</b>
<b>5. Declarations of interest</b>	<b>6</b>
<b>6. Conflicts of interest</b>	<b>8</b>
<b>7. Assessing conflicts at meetings</b>	<b>8</b>
<b>8. Management of conflicts of interest</b>	<b>9</b>
<b>9. Procedure for declaring interests in transactions and arrangements</b>	<b>9</b>
<b>10. Trustee benefits and related party transactions</b>	<b>10</b>
<b>11. Failure to disclose an interest</b>	<b>10</b>
<b>12. Monitoring, enforcing and reviewing this policy</b>	<b>10</b>
<b>13. Review</b>	<b>11</b>
<b>14. Other relevant policies and further reading</b>	<b>11</b>

## 1 Introduction

This policy sets out your responsibilities for identifying and managing actual and potential conflicts of interest when acting on behalf of Academy Transformation Trust (The Trust).

You can also ask The Trust's Head 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 The Trust. Conflicts of interest will usually fall into one of the following categories:

- financial interests
- non-financial interest
- 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 the Trust's Local Academy Committees
- all external (non Trustee) members of the Board's committees.

In this policy where it refers to a **Trustee** it is referring to the holder of each of the above posts.

## 3 Fundamental principles

It is important that confidence in the good governance and probity of The Trust is maintained. In order to achieve this you must ensure all decisions you make of behalf of The Trust are free from any undue influence. You are expected to act with integrity, honesty, selflessness and objectivity when making decisions on behalf of The Trust (or when advising The Trust) and to act in a way that promotes the best interests of The 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. The 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 Trustees have an overriding obligation not to put themselves in a position where their duty as a Trustee conflicts with any personal interest they 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 The Trust.

Where conflicts are unavoidable, they must be effectively managed in the best interests of The 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 The Trust
- **managing** any conflicts as they arise, in a manner that protects the integrity of The 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 trustees under charity law and the Companies Act 2006, which sets out specific requirements in relation to conflicts of interest. The Trust also has obligations in respect of the effective management of conflicts of interest under the terms of its Funding Agreement with the Secretary of State for Education (and the Academies Financial Handbook).

4.1 Conflicts of interest can inhibit open discussions and may result in Trustees taking irrelevant considerations into account or making decisions that are not in The Trust's best interests. They can also damage the reputation of The Trust if it appears that the Trustees are influenced by personal interests or loyalties or have acted improperly. All Trustees must therefore be alert to the possibility that they, or their co-Trustees, could be affected by a conflict of interests.

4.2 The Trust's 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.

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

4.3.1 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

4.3.2 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.

- 4.4 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*

- 4.4.1 selling, loaning or leasing Trust assets to a Trustee;
- 4.4.2 The Trust acquiring, borrowing or leasing assets from a Trustee;  
paying a Trustee (or a company at which the Trustee is a director) to provide goods or services to The Trust or a company or organisation in which The Trust has an interest or is connected with;
- 4.4.3 paying a Trustee for carrying out:
- (a) their role as Trustee;
  - (b) a separate paid post at The Trust; or
  - (c) a post at a trading subsidiary or any other company or organisation that The Trust is interested or connected with;

*Indirect financial gain or benefit*

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

*Non-financial gain or benefit*

- 4.4.5 where a Trustee can exploit any information or opportunities as a result of the Trustee's role;

*Conflict of loyalty*

- 4.4.6 where a Trustee owes a duty to any other body (regardless of what capacity that duty is owed) that may conflict with their duty to the Trust. This can arise even where the Trustee does not have a monetary interest or does 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, all Trustees 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 them that may give rise to a conflict of interest;

- 5.1.3 declaring any gifts or hospitality received or offered to them in their capacity as Trustee;
  - 5.1.4 confirming that they are not aware of any conflict, other than those already disclosed, that exists between their role and their personal circumstances or other interests;
  - 5.1.5 confirming the directorships, partnerships and employment that the Trustee is involved with or holds;
  - 5.1.6 listing any other trusteeships or governorships at other educational institutions or charities;
  - 5.1.7 confirming that they will update the form annually, or sooner if any changes occur; and
  - 5.1.8 confirming that they will declare any conflict that arises in the future.
- 5.2 The Head of Corporate Affairs will be responsible for maintaining a register of interests that will be accessible to all Trustees, members and The Trust's auditors.
- 5.3 The register of interests must include the information prescribed by the Academies Financial 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 The Trust;
  - 5.3.2 the relevant business and pecuniary interests of the Trustees will be published on The 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, they you can contact the Chair or Head of Corporate Affairs for confidential guidance.
- 5.5 Whilst the declaration will need to be made annually as set out at paragraphs 5.2.7 it is your responsibility to keep your declaration up-to-date and to promptly notify the Head of Corporate Affairs of any changes between annual declarations.
- 5.6 The Trust shall take advice from its auditors in respect of the disclosure of interests and, in particular, related party transactions in the preparation of its annual report and accounts to ensure full compliance with the Statement of Recommended Practice.
- 5.7 The information provided by you and other Trustees 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 as a Trustee you must disclose that to the Trustees as soon as you become aware of it.
- 6.2 The first item on the agenda of each Trustee meeting will be a standing item requiring all Trustees 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 of the Trustees in which it is possible that a conflict will arise between your duty to act solely in the interests of The Trust and any duty or personal interest.
- 6.3 If you are aware that another Trustee has an actual or potential conflict that has not been declared, they must notify the Chair.
- 6.4 If the Chair is declaring a conflict, they must inform the Trustees.
- 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, you and the other Trustees must always base decisions on what is in the best interest of The Trust.
- 6.6 The Head 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 Trustee meeting.
- 6.7 Conflicts that are identified outside of a meeting must be declared by giving written notice to the Head 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. The non-conflicted Trustees must therefore:
- 7.1.1 assess the nature and extent of the conflict;
  - 7.1.2 assess the risk or threat to decision-making by the Trustees;
  - 7.1.3 decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent the Trustees from making decisions in the best interests of The Trust, relates to a significant decision or risks significantly damaging The Trust's reputation); and
  - 7.1.4 decide what steps to take to handle the conflict.

When considering the conflict, Trustees must take all relevant factors into account, make decisions only in the best interests of The Trust and always protect The Trust's reputation.

- 7.2 The conflicted Trustee 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 The Trust and a Trustee (or a connected person), or because a Trustee (or a connected person) will or may obtain a benefit from The Trust:
- 8.1.1 any potential or proposed benefit must be authorised in advance (see section 9 below); and
  - 8.1.2 the conflicted Trustee 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, the conflicted Trustee must withdraw from all discussions and decisions in relation to the matter.
- 8.3 Any Trustee 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 any Trustees declared a conflict of interest;
  - 8.4.2 the nature of the declared conflict of interest;
  - 8.4.3 that the Trustee removed themselves from the meeting; and
  - 8.4.4 the actions taken to manage the conflict.
- 8.5 If a Trustee benefits from any decisions of the board, if The Trust's auditors advise it is necessary it will be reported in The Trust's 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 by The Trust 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 of the Trustees or by sending written notice to the other Trustees or Head of Corporate Affairs.

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

- 10.1 Articles 6.2 to 6.9 of the articles sets out the procedure and circumstances in which The Trust can authorise or not authorise a transaction or arrangement that is with or that will benefit a Trustee.
- 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 to The Trust.

## **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 Trust 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, Trustees will be asked to review and update their disclosures annually as required by section 5.
- 12.2 If you become aware of a breach of this policy 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 the 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 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 senior executive 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 Head of Corporate Affairs or in accordance with The Trust's whistleblowing policy.

### **13 Review**

This policy must be reviewed annually by the Trust Board, or sooner if required, by the Trust board.

### **14 Other relevant policies and further Reading**

Other relevant Trust policies include:

- gifts & hospitality
- whistleblowing

Further guidance on the management of conflict of interests can be found here 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>