

# Dartmoor Multi Academy Trust Conflict of Interest Policy

Adopted on the 27 Mar 2018  
To be reviewed 27 Mar 2020

Document control	
<b>Prepared By</b>	COO
<b>Authorised By</b>	COO
<b>Published Location</b>	dartmoormat.org.uk
<b>Other documents referenced</b>	
<b>Related documents</b>	File Naming Convention Guidelines

Version control			
Version Number	Date issued	Author	Update information
Draft	23 Mar 18	COO	
V 1.0	27 Mar 18	COO	First published version

## 1. Introduction

- 1.1. This Policy sets out the Framework for ensuring that the decisions and decision-making processes at the Dartmoor Multi Academy Trust are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected to the Trust.
- 1.2. Members, Trustees/Directors, Governors and Senior Employees of the Trust have an obligation to act in the best interests of the Trust and in accordance with its Articles of Association in order to avoid situations where there may be a conflict of interest.
- 1.3. Situations may arise where family interests or loyalties conflict with those of the Trust. They may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of the Trust and risk the impression that the Trust has acted improperly.
- 1.4. The aim of this Policy is to ensure that:
  - a. Every Member, Trustee/Director, Governor and Senior Employee understands what constitutes a conflict of interest and that they have a responsibility to identify and declare any conflicts that might arise.
  - b. Every potential conflict of interest is identified, prevented and recorded, ensuring that the conflict does not affect the decision-making of the Trust.

## 2. Definition

- 2.1. For the purpose of this document:
  - a. Members, Trustees/Directors and Governors are referred to as Trustees;
  - b. The Dartmoor Multi Academy Trust is referred to as The Trust;
  - c. Students refers to all students being educated or on site at any one of the schools within the Dartmoor Multi Academy Trust.

## 3. Legal Framework

- 3.1. This Policy takes its legal framework from the following legislation and statutory guidance:
  - a. Companies Act 2006;
  - b. Conflicts of Interest: A Guide for Charity Trustees;
  - c. The ESFA Academies Financial Handbook;
  - d. The Articles of Association of the Dartmoor Multi Academy Trust.

## 4. What is a Conflict of Interest

- 4.1. The Trust adopts the definition of the Charity Commission which states that a Conflict of Interest is any situation where a Trustee or Senior Employee's personal interests or loyalties could, or could be seen, to prevent the Trustee or Senior Employee from making a decision in the best interests of the Trust.
- 4.2. Conflicts of interest usually arise in the following situations:
  - a. **Benefits to Trustees/Senior Employees** - There is a potential financial or measurable benefit directly to a trustee or senior employee, or indirectly through a connected person. Examples of benefits are where the trustees or senior employees decide to:
    - sell, loan or lease Trust assets to a trustee or senior employee
    - acquire, borrow or lease assets from a trustee for the Trust

- pay a trustee for carrying out their trustee role
  - pay a trustee for carrying out a separate paid post within the Trust, even if that trustee has recently resigned as a trustee
  - pay a trustee, or a person or company closely connected to a trustee or senior employee, for providing a service to the Trust. This covers anything that would be regarded as a service and includes legal, accountancy or consultancy services through to painting or decorating the trust's premises, or any other maintenance work
  - employ a trustee's or senior employee's spouse or other close relative at the Trust
  - make a grant to a trustee, or a person who is a close relative of a trustee
  - allow a trustee or senior employee to influence service provision to their exclusive advantage
- b. **Conflict of Loyalty-** a trustee's or senior employee's duty to the Trust may compete with a duty or loyalty they owe to another organisation or person. A conflict of loyalty could also arise where the religious, political or personal views could interfere with the ability of the trustee or senior employee to decide the issue only in the best interests of the Trust. For example, a trustee's or senior employees loyalty to the Trust could conflict with his or her loyalty to:
- another organisation, such as their employer
  - another charity or trust of which they are a trustee/director
  - a member of their family
  - another connected person or organisation

The test is always that there is a conflict of interest if the trustee's or senior employees other interest could, or could be seen to, interfere with the trustee's or senior employees ability to decide the issue only in the best interests of the Trust.

## 5. Identifying the Conflict of Interest

- 5.1. Trustees and Senior Employees are expected to identify any conflicts of interest at an early stage.
- 5.2. A standard agenda item must be included at the beginning of each Board of Trustee and Trustee Committee Meetings to enable the declaration of any actual or potential conflicts of interest.
- a. If a trustee is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the other trustees.
  - b. If a trustee is aware of an undeclared conflict of interest affecting another trustee, they should notify the other trustees or the Chair.
- 5.3. If a conflict of interest is identified outside of a meeting, the Trustee or Senior Employee must complete a Conflict of Interest Form and submit it to the relevant Clerk of the Board of Trustees or Local Governing Body.
- 5.4. On an annual basis, or when a Trustee or Senior Employee joins the Trust, a Conflict of Interest Form must be completed to enable the Register of Interest to be kept up to date.

## 6. Dealing with the Conflict of Interest

- 6.1. Trustees must consider the conflict of interest so that any potential effect on decision- making is eliminated.
- 6.2. Where available, legal or governing document requirements on how a conflict of interest must be

handled is to be used, however, in serious cases, it can be decided that removing the conflict of interest itself is the most effective way of preventing it from affecting the decision-making.

6.3. Examples of Important legal or governing document requirements are:

- a. Academies Financial Handbook, Section 3.2 Trading with Connected Parties, which deals with goods or services provided by individuals or organisations connected to the academy trust which must only be provided at cost.
- b. The Trust's Articles of Association, Articles 97-98 and Articles 6.5-6.9 which cover Conflict of Interest.

6.4. Serious conflicts of interest include, but are not limited to, those which:

- a. Are so acute and extensive that the Trustee is unable to make their decisions in the best interest of the Trust, or could be seen to be unable to do so.
- b. Are present in significant or high risk decisions of the Trustees.
- c. Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
- d. Are associated with inappropriate Trustee benefit.

6.5. **Benefits to Trustees/Senior Employees** - Where there is a proposed financial transaction between a Trustee/Senior Employee and the Trust, or any transaction of arrangement:

- a. The benefit must be authorised in advance by the Trustee Audit or Governor Finance Committee. If there is no Committee meeting planned within the time frame of authorisation being required, then the Chair of the Trustee Audit or Governor Finance Committee and one other Audit Trustee or Finance Governor can be contacted to authorise the benefit. If the person affected is the Chair of the Finance Committee then the Chair of the Trustees plus one other Audit Trustee must authorise the benefit. Where the Chair of the Audit Committee is affected then the Chair of the Trust and one other Audit Trustee must authorise the benefit.
- b. The Trustees and governing body expects the affected Trustee/Governor to be absent from any part of any meeting where the issue is discussed or decided.
- c. The affected individual should not vote or be counted in deciding whether a meeting is quorate.

**Conflicts of Loyalty** - Where there is a conflict of loyalty and the affected Trustee does not stand to gain any benefit and there are no specific governing document or legal provisions about how the conflict of loyalty should be handled, the affected Trustee should declare the interest. The remainder of the Trustees must then decide what level of participation, if any, is acceptable on the part of the conflicted Trustee. The options might include, but are not limited to, deciding whether the conflicted Trustee:

- a. Having registered and fully declared the interest, can otherwise participate in the decision.
- b. Can stay in the meetings where the decision is discussed and made, but not participate.
- c. Should withdraw from the decision-making process in the way described above.
- d. If a conflict of interest is raised outside of a meeting and there is no meeting planned within the time frame of the conflict needing to be reviewed, the Chair of the Trust plus one other Trustee or Chair of Governors, plus one Governor, can be contacted to consider the conflict of interest and determine the resolution. If the person affected is the Chair of Governors then the Chair of the Trustees plus one other Trustee must consider the conflict of interest and determine the resolution. Where the Chair of the Trust is affected then a Member and one other Trustee must consider the conflict of interest and determine the resolution. The resolutions must be recorded on the Conflict of Interest Log.

6.6. In deciding which course of action to take regarding a Conflict of Interest, Trustees:

- a. Must always make their decisions only in the best interest of the Trust
- b. Should always protect the Trust's reputation and be aware of the impression that their actions and

- decisions may have on those outside the Trust.
- c. Should always be able to demonstrate that they have made decisions in the best interest of the Trust and independently of any competing interest.
  - d. Should require the withdrawal of the affected Trustee from any decisions where the Trustee's other interest is relevant to a high risk or controversial Trustee decision or could, or be seen to, significantly affect the Trustee's decision-making at the Trust.
  - e. Can allow the Trustee to participate where the existence of the other interest poses a low risk to the decision-making in the Trust's interest, or is likely to only have an insignificant bearing on their approach to an issue.
  - f. Should be aware that the presence of a conflicted Trustee can affect trust, could inhibit free discussion, and might influence decision-making in some way.

## **7. Recording the Conflict of Interest**

- 7.1. The Trust must keep a Register of Interests for the Board of Trustees, Senior Employees and for each Local Governing Body, which must be published on their websites. This Register of Interest must be kept up to date through regular review. A copy of the Register of Interest Form is in Appendix A and the Register of Interest is in Appendix B.
- 7.2. The Academies Financial Handbook 2017, Section 3.1.16-20 covers what must be captured in the Register of Interest and what must be published on the website and is extracted below:
  - a. The academy trust's register of interests **must** capture relevant business and pecuniary interests of members, trustees, local governors of academies within a multi-academy trust and senior employees, including:
    - directorships, partnerships and employments with businesses
- 7.3. A Declaration of Interest Log must be kept by each Board of Trustees and Local Governing Body, which details the potential conflicts, the discussions and the resolutions. A copy of the Log is at Appendix B.
- 7.4. The Logs will be monitored by the Trustees Audit Committee to ensure that actions forming part of the resolution are appropriate, are following legal requirements and have been implemented correctly.

## **8. Confidentiality**

- 8.1. Trustees or Senior Employees cannot use information obtained from the Trust for their own benefit or that of another organisation if it has been obtained in confidence or has special value such as commercial sensitivity.

## **9. Monitoring and Enforcement**

- 9.1. The Trust's Audit Committee will undertake continuous monitoring of its activities and the Trustees/Senior Employees to ensure that any conflicts of interest are identified and mitigated as soon as possible.
- 9.2. Trustees and Senior Employees who fail to declare an interest and are found to be in conflict with the best interests of the Trust will be expected to explain to the Audit Committee their reasons for their omission.
- 9.3. Members reserve the right to terminate the membership of the relevant Trustee, if they are found to have knowingly and deliberately failed to declare an interest and has brought the Trust into disrepute.

9.4. It will be treated as a serious disciplinary matter if a Senior Employee is found to have knowingly and deliberately failed to declare an interest and brought the Trust into disrepute.

## **10. Policy Circulation**

10.1. This Policy will be published on the Trust's website and included in the Trust's Policy Monitoring Schedule

10.2. This Policy will be circulated to every Member, Trustee/Director, Governor and Senior Employee by sending an email to the link on the Trust's website on an annual basis and when each new Member, Trustee/Director, Governor and Senior Employee joins the Trust.

10.3. The Trustees, in consultation with the Local Governing Bodies, are responsible for overseeing, reviewing and organising the revision of the Conflict of Interest Policy.

## **Adoption of the Policy**

This Policy has been adopted by the Trustees of the Dartmoor Multi Academy Trust.

## Register of Business Interests for Trustees

Name of Trustee \_\_\_\_\_ Date of Appointment \_\_\_\_\_ Date of Resignation/Retirement \_\_\_\_\_

<b>Pecuniary Interests</b>	<b>Please provide details of the interest</b>			<b>Date interest ceased</b>
Current Employment				
Businesses (of which I am a partner/proprietor)				
Company directorships				
Charity trusteeships				
Any other conflict				
<b>Personal Interests</b>	Their name	Relationship to me	Nature of the interest	
Immediate family/close connections to the Trustee working in school				
Business involvement/ company directorships or trusteeships of family/close connections to the Trustee (e.g. a business the school might deal with)				
<b>Other schools where I am a Governor / Trustee</b>	Name of school	Position held	Date appointed / elected	

Record of Reviews (Clerk of Trustees must distribute this form to the respective Trustee for amendment as necessary and signature annually)

Date										
Trustee's										



Signature											
-----------	--	--	--	--	--	--	--	--	--	--	--

- Notes:
1. The form must be completed by the Trustee. If there are no interests, record "NONE" and ensure that all entries are signed and dated
  2. Use one form per Trustee (or more if required).
  3. Make all entries in ink.

Trustees are reminded that completion of this form does not remove the requirement upon them to disclose orally any interest at any specific meeting and to leave the meeting for that agenda item.

### Guidance notes

Trustees have a legal duty to act only in the best interests of their schools. Where a situation arises in which they cannot do this due to a personal interest they have, steps should be taken to identify, prevent and record the conflict. This ensures Trustees are acting in the best interests of the school.

In the declaration above, you must provide details relating to:

- Your ownership or partnership of a company or organisation which may be used by the school to provide goods or services;
- Goods or services you offer which may be used by the school;
- Any close relation you have to someone who satisfies either of the above;
- Any close relationship you have to someone who is employed by the school.

Declaring your conflicts of interest is a legal requirement within the School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 and for academies, in the Articles of Association and Academies Financial Handbook. However, making an annual declaration does not remove your requirement to make an oral disclosure of the interest and temporarily leave the meeting, where the interest is relevant to something being discussed.

### Pecuniary interests

Generally, Trustees should not participate in any discussions in which they may directly or indirectly benefit from a pecuniary interest, except where the relevant authority has authorised this i.e. legislation for maintained schools or articles of association for academies. A direct benefit refers to any personal financial benefit and an indirect benefit refers to any financial benefit you may have by virtue of a relationship to someone who stands to gain from a decision of the governing body. Both direct and indirect interests must be declared.

### Non-pecuniary interests (Conflicts of loyalty)

There may be a non-pecuniary interest whereby the Trustee does not stand to gain any benefit but a declaration should still be made. For example, this might be where a Trustee has a family member working in the school. While the Trustee might not benefit personally, their judgment could be impaired if something was brought up that would affect the family member.

**FOR THE GUIDANCE OF TRUSTEES**

**WITHDRAWAL FROM MEETINGS - HAVING AN INTEREST**


**The general principle is that no-one should be involved in a decision where his or her personal interests may conflict with those of the governing body or, where his or her interest is greater than any other member of the governing body**

- The regulations apply to all members of the governing body and the headteacher and any others in attendance at the meeting, though if a matter is to be voted upon, then only to the members of the governing body.
- The clerk to the Trustees shall only be required to withdraw when the governing body is discussing the clerk's pay/contract or disciplinary action against the clerk.
- Trustees have to withdraw when their own appointment, reappointment or removal as a member of the governing body or a committee is under consideration.
- Any Trustee who is employed to work at the school (other than the headteacher), must withdraw from a meeting where the pay or performance appraisal of any particular person employed to work at the school is under discussion.
- The headteacher must withdraw from any meeting where his/her own pay or performance appraisal is under discussion.
- If a person has any pecuniary interest, direct or indirect in any contract, proposed contract or any other matter under discussion at a meeting s/he shall at the meeting disclose the fact and -

(a) withdraw from a meeting during the consideration or discussion of the meeting;

- (b) not vote on any question with respect to that matter. A person has an indirect pecuniary interest if:
  - (a) s/he, or any nominee of hers/his, is a member of a company
  - (b) s/he is, or any nominee of hers/his, is a member of a company
  - (c) s/he is, or any nominee of hers/his, is a partner in business or in the employment, of a person with whom the contract is made or under consideration
- A person has an indirect pecuniary interest if:
  - (a) s/he, or any nominee of hers/his, is a member of a company
  - (b) s/he is, or any nominee of hers/his, is a partner in business or in the employment, of a person with whom the contract is made or under consideration
- A person has a direct or indirect pecuniary interest in a matter if a relative (including a spouse) living with her/him, has a direct or indirect pecuniary interest
- A person has a direct or indirect pecuniary interest in a matter if a relative (including a spouse) living with her/him, has a direct or indirect pecuniary interest
- In an advisory capacity, should not have an interest that is greater than the interest of the generality of teachers at the school
- The headteacher (whether a Trustee or not), a Trustee who is a teacher or member of the non-teaching staff, or any teacher who is in attendance in an advisory capacity should not have an interest that is greater than the interest of the generality of teachers at the school
- A person whose appointment is subject for consideration is that person's appointment (or that of his/her relative or spouse) to an post at a meeting or otherwise at a school, a transfer or promotion or retirement or shall be a candidate for the resulting vacancy, s/he shall be deemed to have an interest.

GOVERNORS ARE REFERRED TO THE SCHOOL GOVERNANCE (PROCEDURES) (ENGLAND) REGULATIONS 2013

				<b>Register of Business Interests – Current Trustees</b>
<b>Name</b>	<b>Responsibility</b>	<b>Term</b>	<b>Committee(s)</b>	<b>Registered interests</b>

DRAFT