

Conflict of Interest Policy

East Anglian Schools' Trust



Approved by: EAST Trust Board

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Conflict of Interest Policy – East Anglian Schools’ Trust

1. Introduction

1.1 Policy sets out the Framework for ensuring that the decisions and decision-making processes at the East 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 East 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 East 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; Amended by Regulations in 2018;
 - b. Conflicts of Interest: A Guide for Charity Trustees;

- c. The ESFA Academies Financial Handbook;
- d. The Articles of Association of the East 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 (Pecuniary 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 (Pecuniary 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.

11. Adoption of the Policy

This Policy has been adopted by the Trustees of the East Multi Academy Trust. **(To be approved).**

Appendix 1:

NB: returns required from everyone on the staff or the Trust Board (including nil returns if applicable)



**EAST – East Anglian Schools’ Trust
Declaration of Pecuniary Interests,
Gifts & Hospitality**

Name		Position	<i>Member, Trustee Governor, Employee</i>
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Schools manage a significant proportion of public funds and must demonstrate that no governor, employee or related party benefits personally from the use of funds. Financial decisions must be seen to be made in accordance with the Nolan Committee’s [Seven Principles of Public Life](#):

- Selflessness:** No financial gain or other material benefits for self/family
- Integrity:** Independent of outside influence
- Objectivity:** Decisions made on merit
- Accountability:** Accountable for decisions/actions to the public
- Openness:** Open about decisions and actions taken wherever possible
- Honesty:** Declare private interests, resolve conflicts to protect public interest
- Leadership:** Promote and support principles by leadership and example.

These principles apply to decisions with regard to procurement and staffing (including recruitment, contractual changes, casual/additional hours, reimbursements and expenses). Declarations should be made where individuals could have a significant influence on any decisions made both at school and with the related party.

Name of Potential Interest (Business/Company/ Employee)	Address of Potential Interest	Nature of the Company’s Business	Connection or Interest (Director/ Shareholder/family member etc)

- I declare that I have not been in receipt of any Gifts/Hospitality above £50 during the period to date.
- I have received the following Gifts/Hospitality during the period to date **(Please delete as necessary)**

Name of Business or Company	Details of Gift/Hospitality	Value of Gift

Signed: **Date:**

1. Register of Relationships with Contractors and Suppliers of Goods and Services

(a) Award of orders and contracts

Employees who are responsible for the award of orders and contracts should make known, in writing, to their Headteacher all relationships of a business or private nature that they have with contractors and other suppliers of goods and services. Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection.

An explanation as to the exact nature of the relationship should be made and whether or not the company or business has in the past or currently supplies goods or services to the Multi Academy Trust or has a contract with the Trust.

(b) Relationships in a private or domestic capacity

Employees who, in the course of their job, engage or supervise contractors or have any other official relationship with contractors and/or have had, or currently have, a relationship in a private or domestic capacity with contractors (or their senior staff) should make this known to their Headteacher.

2. Personal Interests

Conflict of interests

Employees must declare in writing to their Headteacher any financial or non-financial interests which could reasonably be considered to conflict with the Trust’s interests.

PLEASE COMPLETE & SIGN THE ATTACHED FORM AND RETURN TO CLERK TO THE TRUST BOARD.

IF YOU HAVE NOTHING TO DECLARE PLEASE MARK THE FORM ‘NIL RETURN.’

THE DEADLINE FOR COMPLETION AND RETURN OF FORMS

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If you have any queries regarding pecuniary interests or gifts and hospitality please do not hesitate to contact the clerk to the Trust Board.

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. Please see the following guidance regarding conflicts of interest and loyalty.

Appendix 2: 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.

INDIRECT PECUNIARY INTERESTS

A person has an indirect pecuniary interest if:

- A person has an indirect pecuniary interest if s/he, or any nominee of hers/his, is a member of a company or other body with which a contract is under consideration or has been made; s/he, or any nominee of hers/his, is a member of a company or other body with which s/he is a partner in business or in the employment, of a person with whom the contract is made or under consideration where a contract is under consideration or s/he 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.
- 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 should not have an interest that is greater than or member of the generality of teachers or non teachers at the school.
- The headteacher (whether a Trustee or not), a Trustee who is a teacher in an advisory capacity should not have an interest that is greater than or member of the generality of teachers or non teachers at the school.
- Any member of staff in attendance in an advisory capacity should not have an interest that is greater than the interest of the generality of staff at the school.
- A person present at a meeting of a selection panel at which the subject for consideration is that person's

appointment (or that of his/her relative.

- A person present at a meeting of a selection panel at which the subject or spouse's appointment, transfer, promotion or retirement is under consideration shall be deemed to have an interest.

GOVERNORS ARE REFERRED TO THE SCHOOL GOVERNANCE PROCEDURES ENGLAND REGULATIONS 2013

If a person has any pecuniary interest, direct or indirect in any contract, or any other matter under discussion at a meeting s/he shall at the meeting disclose the fact and will:

- (a) withdraw from a meeting during the consideration or discussion
- (b) not vote on any question with respect to that matter.

Appendix 2:



Draft Code of Conduct for Members and Trustees

This code sets out the expectations on and commitment required from Members and Trustees at East Anglian Schools' Trust EAST in order for the different levels of Trust governance to properly carry out its work within the Trust and the community. The Trust recognises that Members and Trustees are volunteers and is grateful for their contribution.

The different layers of governance of the Trust Board will fulfil their core strategic functions as laid out in the Scheme of Delegation (SoD):

Establishing the strategic direction, by:

- Setting the vision, values, and objectives for the school
- Agreeing the school improvement strategy with priorities and targets
- Meeting statutory duties

Ensuring accountability, by:

- Appointing the headteacher
- Monitoring progress towards targets
- Undertaking the Headteacher's Performance Management
- Engaging with stakeholders
- Contributing to self-evaluation

Ensuring financial probity, by:

- Setting the budget
- Monitoring spending against the budget
- Ensuring value for money is obtained
- Ensuring risks to the organisation are managed

Within the SoD remit Members and Trustees are expected to:

Role & Responsibilities

- Understand the purpose of the Trust Board and the role of the CEO and the Headteachers.
- Accept that Trustees have no legal authority to act individually, except when the Trust Board has given delegated authority to do so (e.g. Chair's Actions). Trustees will only speak on behalf of the Trust Board when they have been specifically authorised to do so.
- Accept collective responsibility for all decisions made by the Trust Board. This means not speaking against majority decisions outside the Trust Board meeting.
- Act fairly, reasonably and without prejudice.
- Follow good employment practices and procedures in respect of staff employed by the Trust.
- Encourage open government and act appropriately.
- Consider carefully how their decisions may affect the community and other schools.
- Always be mindful of the responsibility to maintain and develop the ethos and reputation of the Trust and to act accordingly.
- Follow the procedures established by the Trust Board in hearing any complaints or criticisms.
- Actively support the CEO's and Headteachers and act as critical friend when appropriate.
- Be mindful of the work life balance of the CEO and Headteachers.
- Raise issues within meetings or with the CEO or Chair of Trust Board rather than discussing externally. Trustee should present the views of parents or students fairly.

Commitment

- Members and Trustees acknowledge that accepting office involves the commitment of time and energy.
- The Trust will arrange meetings at times when Members and Trustees are able to attend.
- Members and Trustees will each involve themselves actively in the work of the Trust Board, and accept a fair share of responsibilities within the remit, including service on committees or working groups where appropriate.
- Members and Trustees will make full efforts to attend all meetings arranged for that group and where they cannot attend give their apologies in advance.
- Members and Trustees will get to know the Trust well and respond to opportunities to involve themselves in Trust activities.
- Visits to schools within the trust will be arranged in advance with the staff and undertaken within the framework agreed with the Headteacher.
- At all times when visiting a school in the school day, Members and Trustees will wear smart professional clothing.
- When visiting Members and Trustees will sign in on arrival and sign out on departure and wear their badge (or a visitors' badge) at all times.
- Members and Trustees must follow all safeguarding guidelines and if they have any concerns raise them immediately with the Headteacher.
- Members and Trustees will consider their individual and collective needs for training and development, and will undertake relevant training.
- Members and Trustees accept that in the interests of open government, all relevant details will be published on the school's website.

Relationships

- Members and Trustees will aim to work as a team in which constructive working relationships are actively promoted.
- Members and Trustees will express views openly, courteously and respectfully in all communications.
- Members and Trustees will support the Chair and Vice Chair of the Trust Board in their role of ensuring appropriate conduct at all times.
- Members and Trustees are prepared to answer queries in relation to delegated functions and to take into account any concerns expressed. Trustees and the schools within the Trust acknowledge the time, effort and skills that have been committed to the delegated function by those involved.
- Members and Trustees will seek to develop effective working relationships with the CEO, Headteachers, staff, parents, other relevant agencies and the community.

Confidentiality

- Members and Trustees must observe confidentiality in their role.
- In their voluntary role for the Trust, Members and Trustees must abide by the Trust's GDPR policy at all times.

Conflicts of interest

- Members and Trustees must record any pecuniary or other business interest that they have in connection with the Trust Board's business in the Register of Business Interests and will leave meetings where appropriate should any such matters arise.
- Members and Trustees will declare any conflict of interest should the situation arise.
- Members and Trustees will act in the best interests of the Trust as a whole and not as a representative of any group.

Breach of this code of conduct

- If Members or Trustees believe this code has been breached, they should raise this issue with the Chair of Trust Board and if appropriate the Chair will arrange for/ conduct an investigation and take appropriate action, seeking to resolve any difficulties as constructively as possible in the circumstances.
- If the breach is made by the Chair of Trust Board the Vice Chair will undertake the role described above.

THE SEVEN PRINCIPLES OF PUBLIC LIFE

(Originally published by the Nolan Committee)

Selflessness - Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership - Holders of public office should promote and support these principles by leadership and example.

EQUALITY IMPACT ASSESSMENT

This Code of Conduct has been assessed for its impact on equality issues and in particular the protected characteristics identified in the Equality Act. The Trust Board will not conduct its business in a way which discriminates or otherwise disadvantages those concerned.

Reply slip:

Code of Conduct for Members and Trustees for EAST; East Anglian Schools' Trust.

I have read, understood and agree to abide by the draft code of conduct circulated on

Name:

Position: Member / Trustee

Signed:

Dated: