



Conflicts of Interest Policy

Ref: F010

Contents:

1. Introduction
2. Application of the Policy
3. Conflicts of Interest
4. Declaration of Interest
5. Pecuniary and Non-Pecuniary Interests
6. Connected Parties
7. Personal Relationships and Family Members
8. How Information will be Processed
9. Decision making
10. Failure to Follow this Policy

| Document Control | |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Title | F010 Conflicts of Interest Policy |
| Date | March 2018 |
| Supersedes | Previous predecessor trust policies |
| Amendments | N/A |
| Related Policies/Guidance | Trust Financial Procedures Trust Scheme of Delegation Trust Procurement Policy Trust Staff and Governors Expense Policies Academies Financial Handbook |
| Review | 2 years |
| Author | A. Park / K.Moulder |
| Date consultation completed | N/A |
| Date adopted by Trust Board | 16 th March 2018 |

Prosperre Learning Trust is a Multi Academy Trust
Registered in England and Wales number 10872612
Registered Office: Firbank Road, Manchester, M23 2YS

The Prosperre Learning Trust has a number of Trust-wide policies which are adopted by all schools/academies in the Trust to ensure an equitable and consistent delivery of provision.

The Trust Board has responsibility for the operational of all schools/academies and the outcomes of all students however responsibility is delegated to the Local Governing Body of each school via the Scheme of Delegation.

Within our policies reference to:

- Governing Body / Governors relates to the members of the Local Governing Body representing the Trust Board.
- School includes a reference to school, academy or free school unless otherwise stated
- Headteacher includes a reference to Headteacher, Principal or Head of School of a school, academy or free school.

1. Introduction:

- 1.1. This Policy sets out the detailed process that needs to be followed by Members, Trustees and Local Governors to avoid any potential Conflict of Interest.
- 1.2. The Trust is committed to undertaking all of its activities to the highest possible standards of propriety and integrity expected of a public body. The Trust, its staff, Members, Trustees and Local Governors will act fairly, honestly and with integrity in all aspects of what they do. The Trust's staff, Members, Trustees and Local Governors must uphold the highest standards of public conduct and, at all times, act in the interests of the Trust.
- 1.3. All Members, Trustees and Local Governors are specifically expected to apply the Seven Principles of Public Life established by the Nolan Committee:
 - Selflessness
 - Integrity
 - Objectivity
 - Accountability
 - Openness
 - Honesty
 - Leadership
- 1.4. The Trust's Trustees and Governors Expense Policy (F008) sets out the entitlement to expenses properly incurred during the conduct of business. Other than entitlement to expenses in line with that Policy, Members, Trustees and Local Governors are expressly not entitled to any form of remuneration or other financial reward or benefit for undertaking their role.
- 1.5. This Policy sets out the detailed process that needs to be followed by Members, Trustees and Local Governors to avoid any potential conflict of interest.
- 1.6. Conflicts of interest (whether real or perceived) cannot always be eliminated but they need to be identified so that they can be avoided or managed appropriately in accordance with this Policy.

2. Application of the Policy:

- 2.1. This Policy applies to all Prospere Learning Trust Members, Trustees and Local Governors and sets out the minimum requirements that must be met. On any occasions where Members, Trustees or Local Governors are concerned that a particular circumstance or event, whilst complying with this Policy, may still lead to a potential or actual Conflict of Interest (whether real or perceived), they should consult with the Clerk to the Prospere Learning Trust to seek further advice.

3. Conflicts of Interest:

- 3.1. A Conflict of Interest exists where a Member, Trustee or a Local Governor's personal interests or loyalties could, or could be seen to, prevent them making a decision which is in the best interest of the Trust.
- 3.2. A Conflict of Interest will occur when there is a divergence between an individual's private interests or loyalties (or those of any Connected Parties) and the interests of the Trust and its academies such that an independent observer might reasonably question whether the individual's actions or decisions are determined by considerations of personal gain, whether financial or otherwise.
- 3.3. A Conflict of Interest is a set of circumstances that creates a risk that an individual's ability to discharge their duty to act in the best interests of the Trust is compromised because their judgement could be impaired or influenced by a secondary interest.
- 3.4. Conflicts might occur due to the possibility of individuals or Connected Parties having:-
 - direct or indirect financial interests;
 - non-financial or personal interests;
 - conflicts of loyalty where decision makers may have competing loyalties between the Trust and the other person or entity.

4. Declaration of Interests:

- 4.1. This Policy sets out the requirements which Members, Trustees and Local Governors must comply with in respect to making appropriate Declaration of Interests where those interests could potentially conflict with the interests of the Trust or its Academies. Members, Trustees and Local Governors have a duty to make a Declaration of Interest in accordance with this Policy.
- 4.2. All Members, Trustees and Local Governors are required to make an annual Declaration of Interests. Any changes during the course of the year must be notified in a new Declaration of Interest, within 28 days of the interest being known.
- 4.3. For Members the annual declaration should be completed at the Trust's Annual General Meeting. For Trustees and Local Governors the annual declaration should be made at their first meeting of the academic year.
- 4.4. Annual and updated Declarations should be made on the PROSPERE Learning Trust's Declaration of Interests form. Other declarations should be made during the course of the day to day business of the Trust, for example during Trust Board meetings and meetings of its sub- committees or as part of a procurement process.
- 4.5. Individual Declaration of Interests will be collated to form a Register of Interests. The Register will be managed by the governance administrator and published on the Trust website.
- 4.6. The Register of Interests will be used to identify any potential, actual or perceived Conflicts of Interest in order to enable the Trust to avoid or appropriately manage them. For example, it will be used to ensure that the Trust's procurement and

trading activity is fair to all parties involved and to help the Trust ensure that the highest standards of propriety and conduct are met, especially in respect of Connected Party transactions.

- 4.7. If a Member, Trustee or Local Governor believes that there is a potential Conflict of Interest which is inappropriate to be shown on the Register for personal reasons he/she must set out a case to the Chair of the Trust Board who will decide, in conjunction with the Executive Headteacher, whether that interest should not be included on the Register shared with Academy Finance Managers. There will be a presumption that all declarations are shared unless there are circumstances that apply which would make this inappropriate and if the redaction from the Register cannot lead to a potential Conflict of Interest occurring or would prevent it from being managed appropriately. It should be noted that it would be a disciplinary offence for any member of staff who legitimately has access to the Register to disclose the contents of it except where this is necessary for them to properly discharge their duties.
- 4.8. Members, Trustees and/or Local Governors should have a standard agenda item at the beginning of each meeting to declare any actual or potential Conflict of Interests. The Members, Trustees or Local Governors should declare any interest which he/she has in an item to be discussed, before the item is discussed. If a Member, Trustee or Local Governor is uncertain if he/she is conflicted then he/she should declare the issue and discuss it with the other Members, Trustees or Local Governors. If a Member, Trustee or Local Governor is aware of an undeclared Conflict of Interest affecting another Member, Trustee or Local Governor or a Connected Party he/she should declare this to the other Members, Trustees or Local Governors.
- 4.9. Where there is a declared Conflict of Interest the relevant Member, Trustee or Local Governor should withdraw from the meeting, discussion, decision making or voting that takes place concerning that Conflict of Interest or a Connected Party's interest(s).

5. Pecuniary and Non-Pecuniary Interests:

- 5.1. There are a variety of potential interests that Members, Trustees and Local Governors may have that could potentially conflict with their duty to always act in the best interests of the Trust and its Academies. Those listed below must be declared by Members, Trustees and Local Governors if they have such an interest or if any Connected Party has such an interest. However, there may be other potential interests or conflicts that exist not listed below which should also be declared.
- 5.2. **Pecuniary** (monetary/financial/business) **interests** include, but are not restricted to:
 - a financial interest in a company or organisation if he/she or any nominee of his/hers is the beneficial owner of more than 1% of the issued capital (e.g. shares, bonds etc.);
 - employment in any business that provides goods, services or consultancy to the Trust, its Academies or subsidiary companies.

5.3. **Non-pecuniary** (non-monetary/financial) **interests** include, but are not restricted to:-

- Members, Trustees and Local Governors being the partner or related to other members of staff or Trustees, Trust Members or Local Governors;
- pursuit of a business interest/opportunity which is in potential conflict with the best interests of the Trust;
- where any Trustee, Trust Member or Local Governor's partner or relative would have a pecuniary interest, as set out above, if they were a member of staff;
- pursuit of a business interest/opportunity which is in potential conflict with the best interests of the Trust;
- a professional or legal responsibility to someone else or some other body which is in potential conflict with the best interests of the Trust or its Academies;
- having a beneficial interest in a trust which is in potential conflict with the best interests of the Trust;
- having received/or about to receive a gift, hospitality or other benefit from an organisation that has or is likely to do business with the Trust;
- membership of a society or other organisation which is in potential conflict with the best interests of the Trust; including Trusteeships and Governorships at other educational institutions or charities (irrespective of whether there is a trading relationship with the Trust, its Academies or subsidiary companies);
- holding another public office;
- close personal relationships with people or organisations that may, or do, undertake business with the Trust or its academies.
- a potential benefit in the future, such as the offer of employment or other benefits, from an organisation that undertakes or could undertake work on behalf of the Trust or its Academies or subsidiary companies.

5.4. All pecuniary and business interests of Members and Trustees will be published on the Trust's website as required by the EFA.

6. **Connected Parties:**

6.1. For the purposes of this policy a Connected Party is defined as any individual or organisation connected to a Member, Trustee or Local Governor. For these purposes the following persons are connected to a: Member, Trustee or Local Governor:-

- a relative of the Member, Trustee or Local Governor. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but may not be limited to, a child, step-child, parent, step-parent, spouse or civil partner;

- an individual or organisation carrying on business in partnership with the Member, Trustee or Local Governor or a relative of the Member, Trustee or Local Governor;
- a company in which a member or the relative of a Member, Trustee or Local Governor (taken separately or together) holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company;
- an organisation which is controlled by a Member, Trustee or Local Governor (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes;
- any individual or organisation that is given the right under the Trust's articles of association to appoint a Member, Trustee or Local Governor; or anybody related to such an individual or organisation;
- any individual or organisation recognised by the Secretary of State as a sponsor of the Academy Trust; or anybody related to such individual or organisation.

6.2. A body is related to another individual or organisation if it:

- is controlled by the individual or organisation
- controls the organisation; or
- is under common control with the individual or organisation

6.3. For these purposes control means:

- holding more than 20% of the share capital (or equivalent interest);
- having the equivalent right to control management decisions with regard to the body; or
- having the right to appoint or remove a majority of the board or governing body.

6.4. In the case of Connected Parties, the interests of a Connected Party are deemed also to be the interest of the Member, Trustee or Local Governor. Declarations of Interest must include those of the Connected Party where the interest may cause the Member, Trustee or Local Governor to have a conflict of interest.

7. Personal Relationships and Family Members:

- 7.1. Members, Trustees and Local Governors should declare if they are related to or have a partner who is a member of staff or another Member, Trustee or Local Governor.
- 7.2. Members, Trustees or Local Governors who have declared a partner or family member who is a member of staff must not be involved in the recruitment,

selection, appraisal, promotion or other processes involving the member of staff or where conflict of interest may exist.

- 7.3. Applicants for jobs within the Trust and its Academies will be asked to declare whether they are related to, or are closely acquainted with, any members of the Trust Board, Local Governors or senior managers within the Trust or its Academies.

8. How Information will be Processed:

- 8.1. All information supplied by Members, Trustees and Local Governors will be held centrally and the details collated and recorded on a Register of Interests.
- 8.2. The Trust must publish on its website relevant business and pecuniary interests of Members, Trustees, Local Governors and the Accounting Officer. Trusts have discretion over the publication of the interests of any other individual named on the register.
- 8.3. The CEO will be the Data Controller and will oversee the maintenance of the Register of Interests for all Members, Trustees and Local Governors.
- 8.4. As a public authority, the Trust may be subject to requests made under the Freedom of Information Act 2000 either to provide this Policy or for information from the Register of Interests. Wherever possible, the Trust will answer any such requests without revealing the names of any individual who has made a declaration unless this information is part of the extract of the Register of Interests published on the Trust's website(s). If personal details of those who have made declarations are requested that are not already in the public domain, the Trust will, where appropriate, consult with those individuals before disclosing any additional personal information that may be in the public interest to disclose in accordance with this Act.
- 8.5. All Members, Trustees, Local Governors and staff are assured that any Declaration of Interest will be processed in compliance with the data protection principles as set out in the Data Protection Act 1998. The data will be processed to identify any potential, actual or perceived Conflicts of Interest in order to enable the Trust to avoid or appropriately manage them and to help protect the Trust's interests and also to protect the individuals concerned against allegations of acting in their own interests, rather than those of the Trust. In general terms, if in any doubt, all Members, Trustees, Local Governors are advised to declare an interest or potential interest for their protection.
- 8.6. The data declared will primarily be used for the purposes outlined above and to ensure that the Trust's procurement and trading activity is fair to all parties involved and to help the Trust ensure that the highest standards of propriety and conduct are met, especially in respect of Connected Party transactions.
- 8.7. However, Members, Trustees, Local Governors and staff should be aware that, in accordance with the Data Protection Act 1998, personal data may be disclosed to external parties without needing specific consent during the normal course of the Trust's business activities, including where such purposes have been registered with

the Information Commissioner's Office. This may be for accounting, analysis and audit purposes and also to prevent or detect crime, for example.

- 8.8. A person making a Declaration of Interests may at any time request a copy of their current declarations on application to the Trust Finance Officer. The data contained within Declarations of Interest forms and the Register of Interests or extracts thereof will be kept securely either in electronic or hard copy formats. Relevant extracts published on the Trust's websites will be made accessible to the general public as required by the EFA as noted above.

9. Decision Making:

- 9.1. Where there is a Conflict of Interest, for example a proposed transaction between a Member, Trustee, Local Governor or Connected Party, and the Trust, the applicable Member, Trustee or Local Governor must follow the procedure set out in the Trust's Articles of Association for absenting themselves from the decision making process.
- 9.2. However, there will be a presumption against recommending any proposed transaction with a Member, Trustee or Local Governor. Recommendations to enter the transaction would be made to the Trust Board in only two circumstances:-
- if the arrangements not to enter the transaction would contravene Public Contracts Regulations or EU Procurement law;
 - in the unlikely event that the goods and/or service are so unique that they cannot be secured from another source and there is no other solution that offers the same value for money.
- 9.3. In the event of a decision being made to award a contract to a Member, Trustee or Connected Party, the Trust can only enter the contract if it has been properly procured in a fair and open process and if the Member or Trustee, or Connected Party, can provide:-
- a statement of assurance from that individual or organisation to the Trust confirming that their charges do not exceed the cost of the goods or services; and;
 - an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.
- 9.4. For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services. The full cost includes:
- all direct costs (the costs of any materials and labour used directly in producing the goods or services); and
 - indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads).
- 9.5. Full cost must not include an element of profit.

- 9.6. In the event of the above requirements being met in full, before a decision to enter a transaction with a Member, Trustee, Local Governor or Connected Party is made the Trust Board must consider whether the transaction could be seen to be 'Novel or Contentious'. If so it must be referred to the EFA for its explicit prior approval.
- 9.7. The Trust recognises that some relationships with connected parties may attract greater public scrutiny, such as:
- Transactions with individuals in a position of control and influence, including the chair of the board of trustees and accounting officer
 - Payments to commercial organisations which have a profit motive, as opposed to those in the voluntary sector
 - Relationships with external auditors that go beyond their duty to deliver a statutory audit
- 9.8. The Trust will maintain sufficient records, and make sufficient disclosures in our annual accounts, to evidence that any such transactions have been conducted in accordance with the high standards of accountability and transparency required within the public sector.
- 9.9. The Trust will seek ESFA's prior approval for transactions with connected parties that are novel, contentious and/or repercussive.

10. Failure to Follow this Policy

- 10.1. Members, Trustees and Local Governors who do not follow this policy may be in breach of their duties and may be subject to internal action within the Trust, including being removed from their post. In certain circumstances Members, Trustees and Local Governors may also be subject to external sanction, including being barred from undertaking the role of a company director or Trustee and in exceptional cases being subject to criminal prosecution.
- 10.2. The Education Funding Agency may also issue a Financial Notice to Improve (FNtI) to the Trust when there is deemed to be irregular use of public funds or inadequate financial governance and management (including breaches of the duties, principles and requirements governing connected party relationships and transactions). Failure to comply with an FNtI can, in exceptional circumstances, also result in the termination of our funding agreement(s).
- 10.3. If Members, Trustees and Local Governors believe any of their number are undertaking activity that leads to personal gain they should report their concerns under the Trust's Whistle Blowing Procedure.