Conflicts of Interest Policy

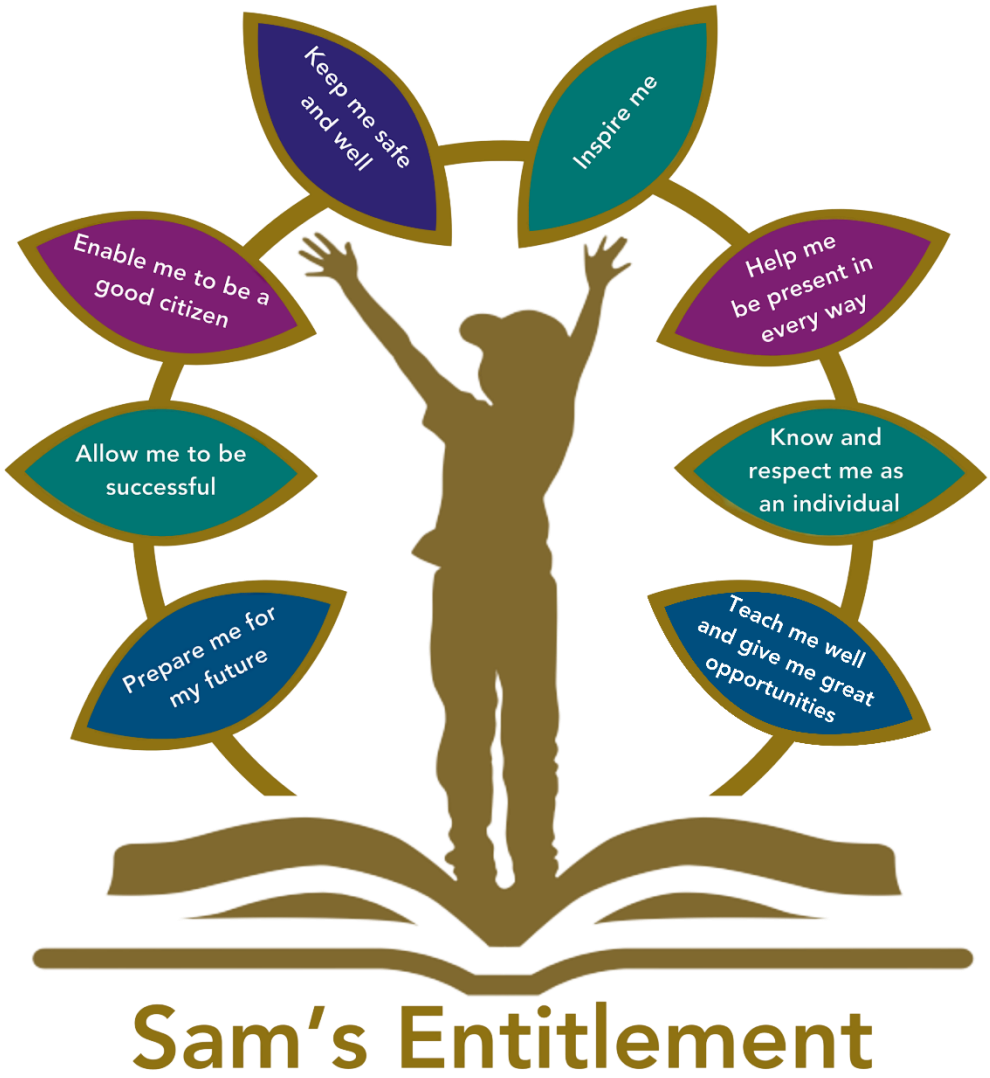
Reviewed on	September 26	Review frequency	Annually
Next review due	September 27	Template Yes / No	No
Owner	Chief Financial Officer	Approved by	Executive

1. History of Policy Changes

Date	Page	Change	Origin of Change
Sep 25	Various	Updated reference from “governors” to “local governors”	Annual Review
	3	Updated roles titles for “Governance Professional to the Trust Board” and “Local Governance Professional”	

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3. Introduction

This document sets out the framework for ensuring that the decisions and decision making processes within Hamwic Education Trust are free from personal bias and do not unfairly favour any individual or company connected with HET.

For the purpose of this document, all references to HET refers to Hamwic Education Trust and its academies.

This document takes its legal framework from the following;

- Companies Act 2006
- Identifying and Managing Conflicts of Interest in a Charity
- Academy Trust Handbook

Members, trustees, local governors and staff within HET have an obligation to act in the best interests of HET and in accordance with its Articles of Association in order to avoid situations where there may be a potential conflict of interest and if they are to fulfil their legal duty to HET.

Situations may arise where personal interests or loyalties conflict with those of HET. This may create problems as they can inhibit free discussions, result in decisions or actions that are not in the best interests of HET and risk the impression that HET has acted improperly.

Where there is a conflict between Hamwic Education Trust and a Local Governing Body, the interest of Hamwic Education Trust must take priority.

HET intends to:

- Ensure that every member, trustee, local governor and senior leader understands what constitutes a conflict of interest and that they have a responsibility to identify & declare any conflicts that may arise
- Record the conflict and the actions taken to ensure that the conflict does not affect the decision making of HET

4. Definitions

HET adopts the definition of the Charity Commission, which states that 'a conflict of interest is any situation where a trustee's personal interests or loyalties could, or could be seen to, prevent the trustee from making a decision in the best interest of the charity'.

Individuals required to declare Conflicts of Interests:
The following groups of individuals are required to declare all conflicts of interest:

- Members & trustees of HET
- All management staff within the Managed Service team
- Local governors of each academy
- Senior leaders of each academy (School Leader, Deputy Head Teacher, Assistant Head Teacher, Business Manager, etc.)
- Budget holders responsible for a significant budget

Identification of Conflicts of Interests:
HET expects individual members, trustees, local governors and senior staff to be able to identify any conflicts of interest at an early stage.

Members and trustees who fail to identify & declare any conflicts of interest will also fail to comply with their personal legal responsibility to avoid conflicts of interest and act only in the best interest of HET.

The Board of Trustees, Local Governing Committees and Senior Leadership Team must ensure that any conflicts of interest do not prevent them from making a decision only in the best interests of HET.

Interests that are required to be declared:
Individuals identified above are expected to declare the following interests:

- Holding another public office
- Being an employee, director, advisor or partner of another business or organisation that provides goods or services to HET
- Pursuing a business opportunity
- Being a member of a club, society or association
- Having a professional or legal obligation to another individual
- Have a beneficial interest in a trust
- Owning or occupying a piece of land

- Owning shares or some other investment or asset
- Having received a gift, hospitality or other benefit from another individual or organisation
- Owing a debt to an individual or organisation
- Holding or expressing strong political views that may indicate prejudice or predetermination for or against a person or issue
- Being a spouse, partner, relative or close friend of someone who has one of these interests

For each interest the name of the business, the nature of the business, the nature of the interest and the date the interest began must be recorded.

Trustee and Local Governor Benefits:
Trustees and local governors can only benefit from HET where there is an explicit authority in place via the articles, or by express authority from the Charity Commission and comply with the terms of any relevant agreement entered into with the Secretary of State.

Trustees and local governors who are also staff within HET may only receive payments from HET in respect of their role as an employee.

Register of Interests:
The individuals identified above are required to keep an updated record of all conflicts of interests in HET's or academies register of interests. Please refer to the Governance Professional to the HET Board or Local Governance Professional for details of where individual register of interests are held.

Declaring Interests:
All Trustee/Local Governor meetings (including committee meetings) are required to have a standard agenda item at the beginning of each meeting to declare any actual or potential conflicts of interest.

Individuals are required to declare any interest which they have in an agenda item to be discussed at the earliest possible opportunity and before any discussion of the item itself.

If an individual is uncertain whether or not they are conflicted, they should declare the issue and discuss it with the other members of the relevant body.

If an individual is aware of an undeclared conflict of interest affecting another individual, they are required to notify the Chair of the relevant committee (or the School Leader for senior staff members). Where the individual who has not declared a conflict of interest is the Chair of the relevant committee (or School Leader), notification is required to be given to the Chief Executive Officer.

All members, trustees and local governor's register of interests must be published on HET or school website. Individual schools are required to have a copy of their latest register of interests within school.

Contingencies against Conflicts of Interest
Members, trustees, local governors & senior staff must consider the conflict of interest so that any potential effect on decision making is eliminated. Involvement in decision-making processes must be seen to be selfless and objective, and this imposes an obligation to be fair, honest and free from conflict of interests.

Members, trustees, local governors & senior staff must follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, decide that

removing the conflict of interest itself is the most effective way of preventing it from affecting their decision making. Serious conflicts of interests include, but are not limited to, those which:

- Are so acute & extensive that the relevant committee is unable to make their decision in the best interest of HET, or could be seen to be unable to do so.
- Are present in significant or high risk decisions of the trustees, local governors & senior staff
- Mean that effective decision making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
- Are associated with an inappropriate trustee, local governor or senior staff member.

Withdrawing from Decision Making:

Where there is a proposed financial transaction between an individual and HET, or any transaction of arrangement involving individual benefit;

- The benefit must be authorised in advance
- The affected individual must be absent from any part of any meeting where the issue is discussed or decided
- The affected individual must not vote or be counted in deciding whether a meeting is quorate.

Where there is a conflict of loyalty and the affected individual does not stand to gain any benefit, and there are no specific governing document or legal provisions about how the conflict or loyalty should be handled, the affected individual must declare the interest. The remainder of the relevant committee must then decide what level of participation, if any, is acceptable on the part of the affected individual. The options might include, but are not limited to;

- Having registered & fully declared the interest, the affected individual can otherwise participate in the decision making process.
- The affected individual can stay in the meetings where the decision is discussed and made, but not participate.
- The affected individual should withdraw from the decision making process in the way described above.

In deciding which course of action to take regarding a conflict of interest, individuals;

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

Committees can, before their discussion, ask an individual who is withdrawing, to provide any information necessary to help make the decision in the best interests of HET.

Monitoring and Enforcement:

The audit function of HET will monitor conflicts of interest.

Members, trustees, local governors and senior staff who fail to declare an interest and are found to be in conflict with the best interests of HET will be expected to explain to the relevant Board of Trustees/Committee reasons for their omission.

Members and trustees may decide to terminate the membership of the relevant member or trustee from the Board of Trustees/Local Governing Committee/Other Committee if they are found to have knowingly and deliberately failed to declare an interest and has brought HET into disrepute.

Entering into Transactions with Connected Parties of Members and Trustees:
HET must pay no more than 'cost' for goods or services provided to it by the following persons:

- Any member or trustee of HET
- Any individual or organisation connected to a member or trustee of HET. For these purposes the following persons are connected to a member or trustee:
    - A relative of the member or trustee. 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 is not limited to, a child, parent, spouse or civil partner
    - An individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee
    - A company in which a member or trustee (or a relative of a member or trustee) 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 or trustee (or a relative of a member or trustee). 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 HET's articles of association to appoint a member or trustee of HET, or any body related to such individual or organisation
    - Any individual or organisation recognised by the Secretary of State as a sponsor of HET, or any body related to such individual or organisation

HET must ensure that any agreement with an individual or organisation referred to above to supply goods or services to HET is properly procured through an open and fair process and is:

- Supported by a statement of assurance from that individual or organisation to HET confirming that their charges do not exceed the cost of the goods or services; and
- On the basis of 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

For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services. 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)

Full cost must not include an element of profit.

Any transactions of this nature are required to be approved by the Chief Financial Officer prior to engagement.