

drb Ignite Multi Academy Trust

Conflict of Interest Policy

Trust Vision

all pupils achieve the highest standard of educational outcomes regardless of circumstances or background.

The Trust has been established through a shared belief that lives can be transformed by what goes on in schools. We believe that the process of teaching and learning shapes futures. To this end our vision is to give every pupil learning experiences that excite them and give them the power to begin to shape their own lives.

Purpose

The purpose of the policy is to set out the process that needs to be followed by members, trustees and staff to avoid any real or potential conflicts of interest. The Trust is committed to undertaking and being seen to undertake, all of its activities to the highest possible standards of propriety and integrity expected of a publicly funded organisation. The policy is intended to ensure full compliance with the Trust's statutory accountability as set out in the current *Academy Trust Handbook*.

What is a conflict of interest

A *conflict of interest* exists where an individual's personal interests or loyalties could, or could be seen to, prevent them from making a decision which is in the best interest of the Trust and its pupils.

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 schools such that an independent observer might reasonably question whether the individual's actions or decisions are determined by considerations of personal gain. These may be financial or otherwise. This policy should therefore be read in conjunction with the Trust's *Avoidance of Gain Policy*.

A *conflict of interest* is a set of circumstances that may create 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.

Such conflicts may occur due to the possibility of an individual or connected party having:

- direct or indirect financial/commercial 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

Responsibilities

Trust staff, members and trustees have responsibility for acting fairly, honestly and with integrity in every aspect of their professional conduct and action. They will uphold the highest standards of public conduct and, at all times, act in the best interests of the Trust and its pupils.

All are expected to apply the *Seven Principles of Public Life* established by the *Nolan Committee*. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

The *Seven Principles* are supplemented by the requirement to report and record potential/real conflicts of interest as described in the *Academy Trust Handbook 2021* and *Governance Handbook 2020*. Conflicts of interest cannot always be eliminated but they need to be identified so that they can be avoided or managed appropriately in accordance with this policy.

Member and trustee responsibilities

Members and trustees have a standard agenda item at the beginning of each meeting to declare any actual, new or potential conflict of interest. Individuals should declare any interest they may have in agenda items to be discussed at the meeting. If an individual is uncertain if he/she is conflicted then he/she should declare the issue.

If an individual is aware of an undeclared conflict of interest affecting another member or trustee or a connected party issue this should also be declared.

Where there is a declared conflict of interest, the individual concerned should withdraw from the meeting, discussion, decision making or voting that may take place concerning that particular conflict of interest or connected party issue.

Application

The policy applies to Trust members, trustees and staff. It sets out the minimum requirements that must be met. On any occasion where an individual is 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 Executive team to seek further advice.

Understanding pecuniary and non-pecuniary interest

Pecuniary interests are monetary, finance and/or business related. They include but are not restricted to:

- a financial interest in a company or organisation.
- employment in any business that provides goods, services or consultancy to the Trust or its schools.

Non-pecuniary interests are not financial and are non-monetary. They include but are not restricted to:

- individuals being the partner or related to other members of staff, member or trustees.
- pursuit of a business interest/opportunity which is in potential conflict with the best interests of the Trust.
- where an individual's partner or relative may have a pecuniary interest.
- pursuit of a business interest/opportunity which is in potential conflict with the best interests of the Trust.
- an individual's 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 schools.
- having a beneficial interest in another 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. This includes holding trustee or governor positions at other educational institutions or charities (irrespective of whether there is a trading relationship with the Trust or its schools).
- holding another public office.
- close personal relationships with people or organisations that may, or do, undertake business with the Trust or its schools.
- 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 schools.

Pecuniary and business interests of members and trustees will be published on the Trust's website as required by the *Academy Trust Handbook 2021* and ESFA

Declaring an interest

Individuals are required to make an annual *Declaration of Interest*. Any changes during the year must be notified in a new *Declaration of Interest* within 28 days of the interest being known.

The annual declaration should be made at the beginning of the academic year. The Trust has an online form for this purpose and all employees are required to complete this annually.

Additional *in year* declarations should be made by reporting the *Declaration of Interest* to the Trust Office Manager who will update the Register.

Specific declarations can also be made during the day to day business of the Trust. For example, during Board meetings and meetings of its sub- committees or as part of a procurement process.

Register of Interests

All declarations are collated to form the Trust's *Register of Interests*. The *Register* is managed by the Trust Office Manager.

The Register is used to identify any potential, actual or perceived conflicts of interest. This enables the Trust to avoid or appropriately manage them. For example, it is 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 financial propriety and conduct are met, especially in respect of any connected party transactions. This is central to maintaining full compliance with the *DfE Academy Trust Handbook 2021*.

For note:

It is a disciplinary offence for anyone 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.

Connected parties

In line with the *Academy Trust Handbook 2021*, a *connected party* is defined as any individual or organisation connected to a member, trustee or staff member who may engage in work for the Trust. In the case of connected parties, the interests of a connected party are deemed also to be the interest of the member or trustee. Declarations of interest must include those related to the connected party where the interest may cause the member or trustee to have a conflict of interest.

The following are considered as connected parties:

- a relative of a member, trustee or staff member. 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 out business in partnership with the member, trustee or staff member or a relative of the member, trustee or staff member.
- a company in which an individual or the relative of an individual (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 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 the Trust's Articles of Association to appoint a member, trustee or anybody related to such an individual or organisation.
- any individual or organisation recognised by the Secretary of State as a sponsor of the Trust; or anybody related to such individual or organisation.

Personal relationships and family members

Individuals should declare if they are related to or have a partner who is staff member, member or trustee.

Individuals who have declared a partner or family member as a staff member must not be involved in the recruitment, selection, appraisal, promotion or other processes involving that member of staff or where conflict of interest may exist.

Applicants for jobs within the Trust and its schools will be asked to declare whether they are related to, or are closely acquainted with any members, trustees or staff within the Trust or its schools.

How personal information is stored and processed

Individuals 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.

All information supplied by individuals will be held centrally and the details collated and recorded through the *Register of Interests*. This will remain confidential subject to the provisions of the Data Protection Act, the Freedom of Information Act, GDPR and the requirements of the *Academy Trust Handbook* and ESFA. The Trust's *Director of Privacy and Data Protection* acts as the data controller and oversees all GDPR compliance.

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 Trust's *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. 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 the Act.

Individuals 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 and GDPR requirements. The data will be processed to identify any potential, actual or perceived conflicts of interest 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.

A person making a Declaration of Interest may at any time request a copy of their current declarations on application to the *Director of Privacy and Data Protection*. The data contained within Declarations of Interest forms and the Register of Interests will be maintained securely in electronic format. Relevant extracts published on the Trust's website will be made accessible to the general public as required by the ESFA.

Decision making about conflicts

Where there is a clear conflict of interest e.g. a proposed transaction between an individual and the Trust, the individual must follow the procedure set out in the Trust's *Articles of Association* for absencing themselves from the decision-making process.

However, there will be a presumption **against** recommending any proposed related transaction. Recommendations to enter into such a transaction will be made to the Trust Board by the CEO in two circumstances only:

- i) if the arrangements not to enter the transaction would contravene Public Contracts Regulations or EU Procurement law
- ii) 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.

In the event of a decision being made to award a contract to a member, trustee or connected party the Trust will only enter the contract if it has been properly procured in a fair and open process and if the member, trustee, or connected party can provide:

- a *statement of assurance* confirming that their charges do not exceed the cost of the goods or services (*principle of at cost*).
- an *open book agreement* which includes 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. The **full cost** includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services).
- all indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads).

Full cost must not include an element of profit.

In the event of the above requirements being met in full, before a decision to enter a transaction with an individual 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 ESFA for explicit prior approval.

Failure to follow this policy

Individuals who do not follow this important Trust policy may be in breach of their professional duties and may be subject to internal action. In certain circumstances, individuals 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.

The ESFA may also issue a *Notice to Improve (NTI)* to the Trust when there is deemed to be irregular use of public funds or inadequate financial governance and management. This includes breaches of the duties, principles and requirements governing connected party relationships and transactions. Failure to comply with a *Notice to Improve (NTI)* can, in exceptional circumstances, also result in the termination of the Trust's *Funding Agreement*.

For note:

If an individual believes any member, trustee or staff member is undertaking activity resulting in personal gain, they can report such concerns using the Trust’s **Whistle Blowing Policy** and associated procedure which can be found on the Trust website.

Monitoring and review	CFO Trust Chair Audit and Risk Committee
Links	Anti-Fraud Policy Code of Conduct for Trustees Code of Conduct for Staff Gifts Hospitality and Bribery Policy Whistleblowing Policy
Staff responsible	Headteachers CFO
Committee responsible	Trust Board
Reviewed	January 2022
Next review	January 2024
Sign off by Chair of Trust	 Date: January 2022

***For note**

Should there be any changes/further national guidance issued relevant to this policy, it will be updated accordingly prior to the review date shown above and referred to the next Trust Board meeting.

Change Management

Issue No	Change date	Change description
1.0	Nov'17	Initial release
2.0	Nov'18	Rebrand and review
3.0	Oct'20	Review and update
4.0	Jan'22	Review and update

