



**CONFLICTS OF INTEREST POLICY FOR
SCHOOLS WITHIN
THE KEYS FEDERATION ACADEMY TRUST**

**St. Peter's C. of E. Primary School, Hindley
Hindley Green Community Primary School
St. John's C. of E. Primary School, Hindley Green
St. John's C. of E. Primary School, Abram**



March 2017

Conflicts of Interest Policy

1. Legal framework

1.1 This policy takes its legal framework from the following legislation and statutory guidance:

- Companies Act 2006.
- Conflicts of Interest: A Guide for Charity Trustees.

1.2 This policy must be read in conjunction with the following other policies:

- Governors' Handbook, Induction Pack and Directors' Files
- Staff Handbook.
- The Keys Federation Code of Conduct.

2. Definition

The Keys Federation Academy Trust adopts the definition of the Charity Commission, which states that a conflict of interest is any situation where a director or representative of the Local Advisory Committee's (LAC) personal interests or loyalties could, or could be seen, to prevent the director or LAC representative from making a decision in the best interests of the Academy Trust.

3. Identifying conflicts of interest

3.1 The Keys Federation Academy Trust expects individual Directors and representatives of Local Advisory Committees to be able to identify any conflicts of interest at an early stage.

3.2 Individual members / trustees / directors / representatives who fail to identify and 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 the Academy Trust and its pupils.

3.3 The Board of Directors and Local Advisory Committees must ensure that any conflicts of interest do not prevent them from making a decision only in the best interests of the Academy Trust and its pupils.

4. Articles of Association

The Academy's Articles of Association are explicit in what is expected of members of the Board of Directors:

5. Interests that should be declared

Members/Directors/Local Advisory Committee Representatives will be expected to declare the following interests:

- Holding another public office.
- Being an employee, director, advisor or partner of another business or organisation.
- Pursuing a business opportunity.
- Being a member of a club, society or association.
- Having a professional or legal obligation to someone else.
- Having a beneficial interest in a trust.
- Owning or occupying a piece of land.
- Owning shares or some other investments or asset.
- Having received a gift, hospitality, or other benefit from someone / an organisation.
- Owing a debt to someone / an organisation.
- Holding or expressing strong political or personal views that may indicate extremism, prejudice or predetermination for or against a person or issue or be against modern British values.

- Being a spouse, partner, relative or close friend of someone who has one of these interests.

6. Benefits

- 6.1 Members / Directors / LAC Representatives can only benefit from their Academy where there is an explicit authority in place in the Academy's governing document before any decision conferring governor benefit is made.
- 6.2 Members / Directors / LAC Representative benefits include any payments or benefits to them or a connected person, apart from their reasonable out of pocket expenses. They also cover situations where a member could receive property, loans, goods or services from the Academy Trust.
- 6.3 Where there is a proposed sale or lease of Academy land to a member, or to a person or company closely connected with a member, this will need to be authorised by the EFA, even if the disposal is at full market value.
- 6.4 The payment of reasonable expenses to members is not a benefit, so it does not create a conflict of interest or require authorisation.

7. Register of interests

- 7.1 Members / Directors / LAC Representatives should keep an updated record of any conflicts of interest in the Academy's register of interests, which is maintained by the Clerk to the Governing Body and retained as an appendix in the most recent Scheme of Financial Administration – a copy of this is available from the Chief Finance Officer.

8. Declaring interests

- 8.1 Members / Directors / LAC Representatives should have a standard agenda item at the beginning of each meeting to declare any actual or potential conflicts of interest.
- 8.2 A Member/Director/LAC Representative should declare any interest which he / she has in an item to be discussed, at the earliest possible opportunity and before any discussion of the item itself.
- 8.3 If a Member/Director/LAC Representative is uncertain whether or not he / she is conflicted, he / she should declare the issue and discuss it with the other Members/Directors/LAC Representatives
- 8.4 If a Member/Director/LAC Representative is aware of an undeclared conflict of interest affecting another committee member, then he / she should notify the other Members/Directors/LAC Representative or the Chair.

9. Removing conflicts of interest

- 9.1 Members/Directors/LAC Representatives must consider the conflict of interest so that any potential effect on decision-making is eliminated.
- 9.2 Members/Directors/LAC Representatives 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 interest include, but are not limited to, those which:

- 9.2.1 Are so acute and extensive that the Members/Directors/LAC Representatives are unable to make their decisions in the best interest of the Academy Trust and its pupils, or could be seen to be unable to do so.
- 9.2.2 Are present in significant or high risk decisions of the members.
- 9.2.3 Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
- 9.2.4 Are associated with inappropriate Member/Director/LAC Representative benefit.

10. Withdrawing from decision-making

- 10.1 Where there is a proposed financial transaction between a Member / Director / LAC Representative and the Academy Trust, or any transition of arrangement involving member benefit.
 - 10.1.1 The benefit must be authorised in advance by the Board. If there is no Board meeting planned within the time frame of authorisation being required, then the Chair of the Board and one other Director can be contacted to authorise the benefit. If the person affected is the Chair of the Board then the Vice - Chair of the Board plus one other Director must authorise the benefit.
 - 10.1.2 The Board expects the affected member to be absent from any part of any meeting where the issue is discussed or decided.
 - 10.1.3 The affected individual should not vote or be counted in deciding whether a meeting is quorate.
- 10.2 Where there is a conflict of loyalty and the affected member 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 member should declare the interest.
- 10.3 The remainder of the Board must then decide what level of participation, if any, is acceptable on the part of the conflicted member. The options might include, but are not limited to, deciding whether the conflicted member:
 - 10.3.1 Having registered and fully declared the interest, can otherwise participate in the decision
 - 10.3.2 Can stay in the meetings where the decision is discussed and made, but not participate.
 - 10.3.3 Should withdraw from the decision-making process in the way described above.
- 10.4. In deciding which course of action to take regarding a conflict of interest, Members/ Directors / LAC Representatives:
 - 10.4.1 Must always make decisions only in the best interest of the Academy Trust and its pupils.
 - 10.4.2 Should always protect the reputation of the Academy Trust and be aware of the impression that their actions and decisions may have on those outside the Academy Trust.
 - 10.4.3 Should always be able to demonstrate that they have made decisions in the best interest of the Academy Trust and its pupils, and independently of any competing interest.
 - 10.4.4 Should require the withdrawal of the affected member from any decisions where the member's other interest is relevant to a high risk or controversial decision or could, or be seen to, significantly affect the member's decision-making at the Academy Trust.

- 10.4.5 Can allow a member to participate where the existence of his / her other interest poses a low risk to decision-making in the Academy Trust's interest, or is likely to have only an insignificant bearing on his / her approach to an issue.
- 10.4.6 Should be aware that the presence of a conflicted member can affect trust between members, could inhibit free discussion, and might influence decision-making in some way.
- 10.5 Members / Directors / LAC Representatives can, before their discussion, ask a member who is withdrawing, to provide any information necessary to help make the decision in the best interests of the Academy Trust and its pupils.
- 11. Records of proceedings**
- 11.1 Members / Directors / LAC Representatives should record in the minutes, details of any and all discussions on potential conflicts of interests and the decisions made.
- 12. Confidentiality**
- 12.1 Members / Directors / LAC Representatives cannot use information obtained at the Academy 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.
- 13. Monitoring and enforcement**
- 13.1 The Board of Directors of The Keys Federation Academy Trust will carry out continuous monitoring of its activities and members to ensure that any conflicts of interest are identified and mitigated as soon as possible.
- 13.2 Members who fail to declare an interest and are found to be in conflict with the best interests of the Academy Trust will be expected to explain to the Board of Directors his / her reasons for their omission.
- 13.3 The Board of Directors may decide to terminate the membership of the relevant Director / LAC Representative, if he / she is found to have knowingly and deliberately failed to declare an interest and has brought the Academy Trust into disrepute.
- 14. Policy circulation**
- 14.1 This policy will be circulated to every Member / Director and Local Advisory Committee Representative, who shall annually sign a statement which affirms that he / she has:
- Received a copy of the policy.
 - Has read and understood the policy.
 - Has agreed to comply with the policy.
- 14.2 This policy will be included on the Academy's website and will be made available to the public.

This policy has been reviewed with due regard to the Equality Act 2010 and was presented and approved by the Board of Directors on 28th February 2017.

Signed *B. Anthon* Chair of Directors