



Keystone Academy Trust

Conflict of Interests

Policy for

Members, Trustees

and Local

Governors

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Statement of intent

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. External legislation and internal policies have been considered when drafting this policy, for instance the Trust's Whistle Blowing Procedure.

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 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.

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

The Trust's Expenses Policy Relating to Members, Trustees and Local Governors sets out the entitlement to expenses properly incurred during the conduct of business.

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.

Signed by:

_____	Headteacher/Head of School	Date: _____
_____	Chair of Governors	Date: _____

1. Application of the Policy

This Policy applies to all Keystone Academy Trust (KAT) 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 KAT Board to seek further advice.

2. Conflicts of Interest

A Conflict of Interest exists where a Member, Trustee or a Local Governor's personal /professional interests or loyalties could, or could be seen to, prevent them making a decision which is in the best interest of the Trust.

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 /professional gain, whether financial or otherwise. 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.

Conflicts might occur due to the possibility of individuals or Connected Parties having:-

- direct or indirect financial interests;
- non-financial or personal/professional interests;
- conflicts of loyalty where decision makers may have competing loyalties between the Trust and the other person or entity.

3. Declaration of Interests

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.

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 twenty eight (28) days of the interest being known.

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 and revisited at each subsequent meeting to ensure changes are declared.

Annual and updated Declarations should be made on the Declaration of Interests form at Appendix 1. 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.

Individual Declaration of Interests will be collated to form a Register of Interests. The Register will be managed by the Clerk to Trustees with a copy available on the KAT website.

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.

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 Chief Executive Officer (CEO) and Chair of Trustees who will decide whether that interest should not be included on the Register. 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.

Members, Trustees and Local Governors should have a standard agenda item at the beginning of each meeting to declare any actual or potential Conflict of Interests which he/she has in an item to be discussed on the agenda, 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 Governing Board members. 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 Governor Board.

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).

4. Pecuniary and Non-Pecuniary Interests

There are a variety of potential interests that Members, Trustees and Local Governing Board members 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.

4.1 Pecuniary Interest

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.);
- directorships, partnerships and employments with businesses irrespective of whether or not they trade with the Trust, its Academies or subsidiary companies.

4.2 Non-Pecuniary Interests

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

- Members, Trustees and Local governors being the partner or relative of 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 in 5.1 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, including Trusteeships and 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.
- having the right to appoint or remove a majority of the board or governing body. 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.

All pecuniary and business interests of Members and Trustees will be published on the Trust's website as required by the Education and Skills Funding Agency (ESFA).

5. Connected Parties

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.

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

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 a 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.

All pecuniary and business interests of Members and Trustees will be published on the respective websites as required by the ESFA.

6. Personal Relationships and Family Members

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.

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.

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 Governing Boards or senior managers within the Trust or its Academies.

7. Transaction Reporting

ALL related party transactions must be reported to the ESFA and a specific form completed by the supplier. Prior approval from the ESFA must be sought when:

- a single proposed contract or agreement with a related party exceeds £20,000
- a proposed contract or agreement of any value means the total value of contracts or agreements with the same related party exceeds £20,000 in a financial year

A series of intended transactions with the same supplier can be submitted as a single request for approval, as long as sufficient detail about each transaction is included in the evidence provided.

<https://www.gov.uk/government/publications/related-party-transactions-information-for-academy-trusts/declare-or-seek-approval-for-related-party-transactions-summary-guidance>

<https://www.gov.uk/government/publications/related-party-transactions-information-for-academy-trusts/checklist-information-needed-before-completing-the-on-line-form>

8. How Information will be Processed

All information supplied by Members, Trustees and Local Governors will be held centrally and the details collated and recorded on a Register of Interests. This will remain confidential subject to the provisions of the Data Protection Act, the Freedom of Information Act and the requirements of the ESFA.

The Clerk to Trustees is responsible for the register for the Declarations of Interests for all Members, Trustees and Local Governors and will make the information available to the Senior Central Management Team and all Trustees and Members.

The Trust will publish on its website(s) details of relevant business and pecuniary interests of Trustees and Members. The Trust has discretion over the publication of the interests of other individuals including parent, spouse, civil partner, cohabitee and child in accordance with ESFA requirements.

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. 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 General Data Protection Regulation (GDPR) (EU) 2016/679. 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.

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.

However, Members, Trustees, Local Governors and staff should be aware that, in accordance with the General Data Protection Regulation (GDPR) (EU) 2016/679, 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.

A person making a Declaration of Interest may at any time request a copy of their current declarations on application to the Deputy Chief Executive. 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 ESFA as noted above.

9. Decision Making

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 absentsing themselves from the decision making process.

However, there will be a presumption against recommending any proposed transaction with a Member, Trustee or Connected Party. Recommendations to enter the transaction would be made to the Trust Board by the Chief Executive in only two circumstances:-

- 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 case of an Advisory Council member, or their Connected Party, the Trust may enter a transaction under the following circumstances:

- the Local Governor is in no way connected to the procurement process;
- there is no other conflict or impact, for example negative external perception arising from entering into the transaction, and the transaction is likely to achieve broad public support;
- for planned annual spend of less than £25k, the use of the supplier has approval from the Chief Executive,
- for planned annual spend of greater than £25k, the use of the supplier has approval from the Audit Committee

In the event of a decision being made to award a contract to a Member, Trustee or Connected Party (please note this excludes Local Governors), 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.

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).

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 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 ESFA for its explicit prior approval.

10. Failure to Follow this Policy

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.

The Education and Skills 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).

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.

Appendix 1 – Declaration of Pecuniary and Personal Interests Form and Guidance

Keystone Academy Trust

Declaration of Pecuniary and Personal Interests

It is important that Directors, Members, Trustees and Local Governors and staff not only act impartially, but are also seen to act impartially. The local governing body and academy staff have a responsibility to avoid any conflict between their business and personal interests and affairs and those of the academy and not obtain any financial gain or personal benefit from the relationship with the academy.

Keystone Academy Trust is required to establish and maintain a register of interests indicating, for all members, trustees, directors, senior staff and governors, any business and pecuniary interests.

This includes any companies, organisations or sole traders by whom they are employed, directorships, significant shareholdings or other appointments of influence within a business or other organisation which may have dealings with the academy. This includes where more than one member of a family is employed by Keystone Academy Trust.

Members, Trustees and Local Governors must include their own interests and those of any member of their immediate family (including partners) or other individuals known to them who may exert influence. This may include parents, children, and siblings and all their associated partners (for example).

The 'Declaration of pecuniary and personal interests' form should be signed by the governor/staff member and completed on an annual basis.

All completed forms must be passed to the relevant person (e.g. Senior Administrator for Local Governors, Clerk to KAT for KAT Members and Trustees) who will collate the information. The register is shared with governors and the board members. Some of this information may have to appear on the academy website or within the annual financial statements.

This exercise enables the academy to demonstrate that in spending public money individuals do not benefit personally from decisions that they make.

Guidance notes

In reference to the declaration you must provide details relating to:

- ANY goods or services you provide which may be used by the school;
- Your ownership or partnership of ANY company/organisation/self-employment that may be used by the school to provide goods or services;
- ANY close relation you have to someone who satisfies either of the above;
- ANY close relationship you have to someone who is employed by the school.

Declaring your conflicts of interest is a legal requirement within the School Governance (Roles, Procedures and Allowances) England Regulations 2013 and for academies, in the Articles of Association and Academies Financial Handbook. However, making an annual declaration does not remove your requirement to make an oral disclosure of the interest and temporarily leave a meeting, where the interest is relevant to something being discussed.

Keystone Academy Trust

Declaration of Pecuniary and Personal Interests

Name: _____

Date: _____

Important guidance

- Forms need to be completed by the person signing the form
- **All boxes on the form need to be completed even if by putting n/a**
- Signatures cannot be typed
- Pen must be used
- Tippex cannot be used

I declare that I hold the following personal and/or pecuniary interest(s):

	Organisation	Your role or role belonging to family member or related party	Your family member / related party (name and relationship to you)	Dates involvement with organisation started and ended
Current Employment				
All businesses where you/related party is a: <ul style="list-style-type: none">• director• owner• partner• sole trader				
All charities where you/related party are a trustee				
Organisations where you/related party is a member AND has a position of control and/or management. This might include: <ul style="list-style-type: none">• professional bodies• memberships organisations• public bodies• special interest groups				
Any contracts and/or work offered by you or your related party for the supply of goods and/or				

services to the school				
Other family members or related parties employed: <ul style="list-style-type: none"> • BWPA • Thurlby • Tower Road • Long Sutton 				
Immediate family/close connections to: <ul style="list-style-type: none"> • other staff • members • governors • trustees 				
Governor/Member or Trustee to ANY school, academy or other educational institutions				
Any other conflict				

To the best of my knowledge the information supplied above is correct and complete. I understand that it is my responsibility to declare any conflict of interest/loyalty, business or personal that relates directly or indirectly, to myself or any relation in any contract, proposed contract or other matter when present at a meeting at the academy where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it.

I agree to review and update this declaration annually and give consent for the information provided to be used in accordance with the school's conflicts of interest policy.

Signed: _____

Date: _____