



CONFLICTS OF INTEREST POLICY

Last Review:	July 2023
Committee:	FGB
Next Review:	12/07/2023

Context

This policy sets out the framework for ensuring that the decisions and decision-making processes at Oldfield School are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the Academy.

Governors and committee members of the Academy have an obligation to act in the best interests of the Academy and in accordance with its Articles of Association in order to avoid situations where there may be a potential conflict of interest.

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

Oldfield School therefore intends to:

- Ensure that every governor understands what constitutes a conflict of interest and that they have a responsibility to identify and declare any conflicts that might arise.
- Record the conflict and the actions taken to ensure that the conflict does not affect the decision-making of Oldfield School.

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:

- Academies Financial Handbook

- Staff Handbook (located in the whole school staff shared area on the intranet)
- Governor Code of Conduct

2. Definition

- 2.1. Oldfield School adopts the definition of the Charity Commission, which states that a conflict of interest is any situation where a governors' personal interests or loyalties could, or could be seen, to prevent the governor from making a decision in the best interests of the Academy.

3. Identifying conflicts of interest

- 3.1. Oldfield School expects individual governors and Governing Bodies to be able to identify any conflicts of interest at an early stage.
- 3.2. Individual governors / trustees 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 and its students.
- 3.3. The Governing Body must ensure that any conflicts of interest do not prevent them from making a decision only in the best interests of the Academy and its students.
- 3.4. The Governing Body must ensure that the requirements for managing connected party transactions are applied across the Academy. The Chair of Trustees and the Accounting Officer must ensure that their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with connected parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.
- 3.5. The Governing Body must recognise that some relationships with connected parties may attract greater public scrutiny e.g. transactions with individuals in a position of control and influence, including the Chair of Trustees and Accounting Officer, payments to commercial organisations which have a profit motive and relationships with external auditors that go beyond their duty to deliver a statutory audit. The Governing Body must maintain sufficient records, and make sufficient disclosures in their annual accounts, to evidence that transactions with these parties, and all other connected parties, have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

4. Articles of Association

- 4.1 The Academy's Articles of Association (para 98) state:

Any Governor who has or can have any direct or indirect duty or personal interest (including but not limited to any Personal Financial Interest) which conflicts or may conflict with his duties as a Governor shall disclose that fact to the Governors as soon as he becomes aware of it. A Governor must absent himself from any discussions of the Governors in which it is possible that a conflict will arise between his duty to act solely in the interests of the Academy Trust and any duty or personal interest (including but not limited to any Personal Financial Interest).

5. Interests which should be declared

5.1. Governors will be expected to declare the following interests where there is a potential conflict:

- Holding another public office.
- Being an employee, director, advisor or partner of another business or organisation.
- Being a trustee or governor at other educational establishments and charities.
- 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 investment 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 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. 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.

6. Governor benefits

- 6.1. Governors 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. Governor benefits include any payments or benefits to governors or a connected person, apart from their reasonable out of pocket expenses. They also cover situations where a governor could receive property, loans, goods or services from the Academy.
- 6.3. Where there is a proposed sale or lease of Academy land to a governor, or to a person or company closely connected with a governor, this will need to be authorised by the ESFA, even if the disposal is at full market value.
- 6.4. The payment of reasonable expenses to governors is not a benefit, so it does not create a conflict of interest or require authorisation.

7. Register of interests

- 7.1. Governors should keep an updated record of any conflicts of interest in the Academy's register of interests, which is maintained and kept by the Clerk to the Governing Body.
- 7.2. The Academy must publish on their website relevant business and pecuniary interests of members, trustees, and governors. The Academy has the discretion over publication of interests of other individuals including child, parent, spouse and civil partner.

8. Declaring interests

- 8.1. Governors should have a standard agenda item at the beginning of each meeting of the Governing Body to declare any actual or potential conflicts of interest.
- 8.2. A governor 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 governor is uncertain whether or not he / she is conflicted, he / she should declare the issue and discuss it with the other governors.
- 8.4. If a governor is aware of an undeclared conflict of interest affecting another governor, then he / she should notify the other governors / trustees or the Chair.

9. Removing conflicts of interest

- 9.1. Governors must consider the conflict of interest so that any potential effect on decision-making is eliminated.
- 9.2. Governors 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 governors are unable to make their decisions in the best interest of the Academy and its students, or could be seen to be unable to do so.
 - 9.2.2. Are present in significant or high risk decisions of the governors.
 - 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 governor benefit.

10. Withdrawing from decision-making

- 10.1. Where there is a proposed financial transaction between a governor and the Academy, or any transaction of arrangement involving governor benefit:
 - 10.1.1. The benefit must be authorised in advance by the Finance and Audit Committee. If there is no Finance and Audit Committee meeting planned within the time frame of authorisation being required, then the Chair of the Finance and Audit Committee and one other finance governor can be contacted to authorise the benefit. If the person affected is the Chair of the Finance and Audit Committee then the Chair of the Governing Body plus one other finance governor must authorise the benefit.
 - 10.1.2. The Governing Body expects the affected governor 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 governor 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 governor should declare the interest.
- 10.3. The remainder of the Governing Body must then decide what level of participation, if any, is acceptable on the part of the conflicted governor. The options might include, but are not limited to, deciding whether the conflicted governor:
 - 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, governors:
 - 10.4.1. Must always make their decisions only in the best interest of the Academy and its students.
 - 10.4.2. Should always protect the Academy's reputation and be aware of the impression that their actions and decisions may have on those outside the Academy.
 - 10.4.3. Should always be able to demonstrate that they have made decisions in the best interests of the Academy and its students, and independently of any competing interest.
 - 10.4.4. Should require the withdrawal of the affected governor from any decisions where the governor's other interest is relevant to a high risk or controversial governor decision or could, or be seen to, significantly affect the governor's decision-making at the Academy.
 - 10.4.5. Can allow a governor to participate where the existence of his / her other interest poses a low risk to decision-making in the Academy'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 governor can affect trust between governors, could inhibit free discussion, and might influence decision-making in some way.
- 10.5. Governors can, before their discussion, ask a governor who is withdrawing, to provide any information necessary to help make the decision in the best interests of the Academy and its students.

11. Records of proceedings

- 11.1. Governors should record in the minutes, details of any and all discussions on potential conflicts of interests and the decisions made.

12. Confidentiality

- 12.1. Governors cannot use information obtained at the Academy 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 Governing Body of Oldfield School 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. Governors who fail to declare an interest and are found to be in conflict with the best interests of the Academy will be expected to explain to the Governing Body his / her reasons for their omission.
- 13.3. Members may decide to terminate the membership of the relevant governor from the Governing Body, if he / she is found to have knowingly and deliberately failed to declare an interest and has brought the Academy into disrepute.

14. Policy circulation

- 14.1. This policy will be circulated to every governor and member of a committee, 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 in the publication scheme on the Academy's website and will be made available to the public.

Appendix A

Annual Conflicts of Interest Acknowledgement Statement

In accordance with section 14.1 of the Conflicts of Interest Policy (“the Policy”), I, the undersigned governor and / or committee member with powers delegated by the Governing Body of Oldfield School hereby attests and affirms that I have:

1. Received a copy of the Policy.
2. Read and understood the Policy.
3. Agreed to comply with the Policy.

Print name

Signature

Dated ____ / ____ / ____

Appendix B

**Oldfield School
Register of Business Interests**

Name **Governor/Staff ***

- * Neither I nor any close relatives have interests to register/I wish to register the following interests:
 - 1 Any employment, office, trade, profession or vocation
.....
 - 2 Any sponsorship
.....
 - 3 Any land in the area of the Academy or licences to occupy land

.....

4 Any interests in companies and securities which the academy may use

.....

5 Any relationships with members of the school's staff/governors

.....

6 Holding another public office

.....

Signature Date

Signature Date