

# CONFLICT OF INTERESTS

## POLICY

### OWN TRUST



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## REVISIONS

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## 1. Introduction

1.1. The Trust adopts the definition of the Charity Commission which states that a Conflict of Interest is any situation where a Trustee or Senior Employee's personal interests or loyalties could, or could be seen to, prevent the Trustee or Senior Employee from making a decision in the best interests of the Trust.

1.2. Conflicts of interest may arise where an individual's personal or family interests and/or loyalties conflict with those of the Trust. Such conflicts may create problems. They can:

- Inhibit free discussion,
- Result in decisions or actions that are not in the interest of the Trust,
- Risk the impression that the Trust has acted improperly.

1.3. Conflicts of interest usually arise in the following situations:

a. **Benefits to Trustees/Senior Employees** - There is a potential financial or measurable benefit directly to a trustee or senior employee, or indirectly through a connected person. Examples of benefits are where the trustees or senior employees decide to:

- sell, loan or lease Trust assets to a trustee or senior employee
- acquire, borrow or lease assets from a trustee for the Trust
- pay a trustee for carrying out their trustee role
- pay a trustee for carrying out a separate paid post within the Trust, even if that trustee has recently resigned as a trustee
- pay a trustee, or a person or company closely connected to a trustee or senior employee, for providing a service to the Trust. This covers anything that would be regarded as a service and includes legal, accountancy or consultancy services through to painting or decorating the trust's premises, or any other maintenance work
- employ a trustee's or senior employee's spouse or other close relative at the Trust
- make a grant to a trustee, or a person who is a close relative of a trustee
- allow a trustee or senior employee to influence service provision to their exclusive advantage

b. **Conflict of Loyalty** - a trustee's or senior employee's duty to the Trust may compete with a duty or loyalty they owe to another organisation or person. A conflict of loyalty could also arise where the religious, political or personal views could interfere with the ability of the trustee or senior employee to decide the issue only in the best interests of the Trust.

- 1.4. The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety.
- 1.5. This policy operates without prejudice to any of the provisions in the Trust Article of Association relating to conflicts of interest.

## **2. Declaration of Interests**

- 2.1. We are asking Members, Trustees, governors and all staff to declare their interests and any gifts or hospitality received in connection with their role in the Trust. A declaration of interest form is provided for this purpose, listing the types of interest you should declare. All interests, including gift of a value over £50, must be notified to the Governance and Compliance Manager and a Register of Interest will be maintained by the Trust.
- 2.2. To be effective, the declaration of interests needs to be updated at least annually and also when any changes occur.
- 2.3. If you are not sure what to declare or whether/when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the Governance and Compliance Manager for confidential guidance.

## **3 Data Protection**

- 3.1 The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 2018 and current General Data Protection Regulations. Data will be processed only to ensure that Members, Trustees, Governors and all staff act in the best interests of the Trust. The information provided will not be used for any other purposes.

## **4 What to do if you face a conflict of interest**

- 4.1 If you have a direct or indirect interest in:
  - a) a proposed transaction with the Trust: or
  - b) any transaction or arrangement entered into by the Trust which has not previously been disclosed,

you must disclose the nature and extent of that interest, whether or not you receive any actual benefit as a consequence of the interest. You may have an indirect interest in a matter if a family member or friend has an interest in the matter.
- 4.2 As good practice, every Member, Trustee and Governor should declare any private interest which he or she has in an item to be discussed at the beginning of every meeting and certainly before any discussion itself.
- 4.3 You should not be involved in decisions in which it is possible that a conflict will arise. You should declare your interest at the earliest opportunity and certainly withdraw from any subsequent discussion.
- 4.4 If you fail to declare any interest that is known to the Governance and Compliance Manager and/or Chair of the Board of Trustees or Local Governing Body, the Governance and Compliance Manager or Chair will declare that interest.

## **5 Decisions taken where a Member, Trustee, Governor or Staff Member has an interest**

- 5.1 In the event of the Board having to decide upon a question in which a Member, Trustee, Governor or member of staff has an interest because of a duty or loyalty (however indirect) that they owe to another organisation, they will do so by vote, with a simple majority required.
- 5.2 The conflicted individual may be present when the matter is discussed but must not take part in the discussion or vote on any matter relating to the discussion and a quorum must otherwise be present for the discussion and decision.
- 5.3 An individual will generally not have a conflict or loyalty simply by virtue of the fact that he or she has been appointed or nominated to the Board of Trustees or to the Local Governing Body by a third party and the Trust has dealings with that third party, but if any undue influence is exerted by that third party, or the individual has an interest in the matter for a reason other than mere appointment or nomination, then the circumstances will need to be considered.
- 5.4 All decisions made where there has been a declared conflict of interest will be recorded by the Governance and Compliance Manager and reported in the minutes of the meeting. The report will record:
- The nature and extent of the conflict,
  - An outline of the discussion,
  - The actions taken to manage the conflict.
- 5.5 Where a Member or Trustee benefits from the decision, this will be reported in the annual report and accounts in accordance with the current Statement of Recommended Practice (Charities Commission) making reference also to any potential conflict situation recognised in this Conflict of Interest Policy.
- 5.6 All payments or benefits in kind to Members and Trustees will be reported in the Trust's accounts and annual report, with amounts for each Member and Trustee listed for the year in question.
- 5.7 Where a member of the Trust's staff is connected to a party involved in the supply of a service or product to the Trust, this information will also be fully disclosed in the annual report and accounts, again making reference also to any potential conflict situation recognised in this Conflicts of Interest Policy.
- 5.8 Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

## **6 Managing Contracts**

- 6.1 If you have a conflict of interest, you must not be involved in managing or monitoring a contract or transaction in which you have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

## **7 Notified Conflict of Interest**

- 7.1 Without prejudice to any of the obligations on individuals as expressed in this policy, the Trustees have identified the following as matters where relevant Individuals will have an interest in the matter. Such interest has not been expressly authorised in the Articles of Association but is considered to be a matter which is in the best interest of the Trust.

7.2 The interest is authorised provided the principles of this policy are observed (particularly in relation to discussions, decisions and management of the matter where there is genuine conflict):

- [The provision of services, by {the name of the sponsor (any related trading subsidiary)} to the Trust [or any individual Academy] which is acknowledged are being provided on a not-for-profit basis and by way of reimbursement of costs only.]
- [The provision of services and the receipt of benefits from [the name of the trading subsidiary].]
- [The provision of services and the strategic support provided to and received from [the name of the strategic partnership that the Trust is involved with.]
- [The appointment or nomination of individuals by [ ] to serve on the board of Trustees or Local Governing Body.]