

## **CONFLICT OF INTEREST POLICY**

THIS POLICY APPLIES TO THE HOPE TRUST BOARD, ALL TRUST SCHOOLS AND THE HOPE TEACHER TRAINING PARTNERSHIP

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## Statement of intent

This policy sets out the framework for ensuring that the decisions and decision-making processes at **Hope Learning Trust York** (HLTY) are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the school.

Members, Trustees and Local Governors have an obligation to act in the best interests of the school community 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 school. Such interests may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of the school, and risk the impression that the school has acted improperly.

**The Hope Learning Trust York** has created this policy in order to:

- Ensure that every Member/Governor/Trustee 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 the Trust and its school.

Signed by:

\_\_\_\_\_ Chief Executive Officer      Date: \_\_\_\_\_

\_\_\_\_\_ Chair of Trust      Date: \_\_\_\_\_

## **1. Legal framework**

- 1.1. This policy has due regard to statutory legislation, including but not limited to, the following:
  - Companies Act 2006
- 1.2. This policy also has due regard to guidance, including but not limited to, the following:
  - Charity Commission 'Conflicts of Interest: a guide for charity Trustees' 2014
  - DfE 'Governance handbook' 2015

## **2. What are conflicts of interest?**

- 2.1. For the purpose of this policy, "conflicts of interest" are any situation where a Member, Trustee or Local Governors personal interests or loyalties could, or could be seen to, prevent the individual from making a decision in the best interests of the school.

## **3. Identifying conflicts of interest**

- 3.1. The school expects Members, Trustees and Local Governors to be able to identify any conflicts of interest at an early stage.
- 3.2. Individual Members, Trustees and Local Governors 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 school and its pupils.
- 3.3. The Trust and Local Governors will ensure that any conflicts of interest do not prevent them from making a decision that would be only in the best interests of the school and its pupils.

## **4. Interests that will be declared**

- 4.1. Members, Trustees and Local Governors will 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 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**

## **5. Articles of association**

- 5.1. Any Member, Trustee and Local Governors who has, or can have, a direct or indirect personal interest which could conflict with their duties, will declare that interest to the rest of the Trust and Local Governors as soon as he/she becomes aware of it.

## **6. Trust and Local Governors benefits**

- 6.1. Conflicts of interest can arise where there is a potential or measurable financial benefit to a Member, Trustee and Local Governors, or to a person connected to such a person.
- 6.2. Members, Trustees and Local Governors can only benefit from the school where there is an explicit authority in place in the school's governing document.
- 6.3. Trust and Local Governors benefits include any payments or benefits to Members, or a connected person, apart from their reasonable out-of-pocket expenses.
- 6.4. Benefits also include situations where a Member, Trustee and Local Governors could receive property, loans, good or services from the school.
- 6.5. Where there is a proposed sale or lease of land to a Member, Trustee and Local Governors, or to a person or company closely connected with such a person, this will require authorisation from the DfE before it is granted, even if the disposal is at full market value.
- 6.6. The payment of reasonable expenses to a Member, Trustee and Local Governors is not a benefit, and therefore, does not create a conflict of interest or require authorisation.

## **7. Conflicts of loyalty**

- 7.1. Conflicts of interest can also arise, even if the individual does not gain any financial benefit, when their decision-making as a Member, Trustee or Local Governors could be influenced by their other interests.
- 7.2. Members, Trustees and Local Governors will be required to declare any interest which may conflict with their loyalty to:
- Another organisation, such as their employer.

- A member of their family.
  - Another connected person or organisation.
  - Another Trust or LGC or committee of which they are a member.
  - The individual that appointed them to the Trust or LGC.
- 7.3. Members, Trustees and Local Governors will also be required to declare any conflicts of interest where their religious, political or personal views could interfere with their ability to make decisions in the best interest of the school.

## **8. Declaring interests**

- 8.1. The Trust and Local Governors will be provided with a standard agenda item at the beginning of each meeting, in order to declare any actual or potential conflicts of interest.
- 8.2. All Members, Trustees and Local Governors will be required to declare any interest which has been outlined as an item to be discussed, at the earliest possible opportunity and before any discussion of the item itself.
- 8.3. If an individual is unsure whether or not they are conflicted, they are required to declare the issue and discuss it with the rest of the Trust and Local Governors.
- 8.4. If an individual is aware of an undeclared conflict of interest affecting another person, they are required to notify the rest of the Trust and Local Governors for appropriate action.
- 8.5. All Members, Trustees and Local Governors are required to declare any conflicts of interests they have using the [Register of Interests Form](#), which is kept by the **Trust Finance Director**.

## **9. Removing conflicts of interest**

- 9.1. The Trust and Local Governors will consider any conflict of interest declared, ensuring that any potential effect on decision-making is eliminated.
- 9.2. The Trust and Local Governors will follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, decide that removing a conflict of interest itself is the most effective way of preventing it from affecting their decision-making.
- 9.3. Serious conflicts of interest include, but are not limited to, those which:
- Are so acute and extensive that the member, Trustee or Local Governor is unable to make their decision in the best interest of the Trust, school and its pupils.
  - Are present in significant high-risk decisions of the Members, Trustees or Local Governors.

- Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
- Are associated with an inappropriate Trust and Local Governors benefit.

9.4. In order to remove a conflict of interest, the Trust and Local Governors will undertake appropriate action, including:

- Not pursuing the course of action.
- Proceeding with the issue in a different way so that a conflict of interest does not arise.
- Securing the resignation of the person affected by a conflict of interest.
- Not making appointments which would knowingly introduce a conflict of interest.

## **10. Withdrawing from decision-making**

10.1. Where there is a proposed financial transaction between a Member, Trustee or Local Governors and the school, or any transaction of arrangement involving such a person's benefit:

- The benefit will be authorised in advance.
- The Trust and Local Governors will ensure that the person is absent from any part of any meeting where the issue is discussed or decided upon.
- The affected person will not be able to vote or be counted in deciding whether a meeting is quorate.

10.2. Where there is a conflict of loyalty and the affected person does not stand to gain any benefit, the person will be required to declare the interest.

10.3. The rest of the Trust and Local Governors will then decide on what level of participation, if any, is acceptable on the part of the conflicted person.

10.4. The Trust and Local Governors will decide whether the affected person:

- Can participate in the decision, after having registered and fully declared their interest.
- Can stay in the meetings where the decision is discussed and made, but not participate.
- Must be withdrawn from the decision-making process.

10.5. When deciding which course of action to take, the Trust and Local Governors will:

- Always make their decisions only in the best interest of the Trust, school and its pupils.
- Always protect the Trust's reputation and be aware of the impression that their actions and decisions may have on others.
- Always be able to demonstrate that they have made decisions in the best interests of the Trust, school and its pupils, and independently of any competing interest.
- Require the withdrawal of the affected person from any decisions where their other interest is relevant to a high-risk or controversial decision, or could significantly affect the person's decision-making.
- Allow a person to participate where the existence of their other interest poses a low risk to decision-making in the school's interest, or is likely to have only an insignificant bearing on their approach to an issue.
- Be aware that the presence of a conflicted person can affect trust between other Members, Trustees and Local Governors, could inhibit free discussion, and might influence decision-making in some way.

10.6. The Trust and Local Governors may request any information necessary from the affected member, in order to help make the decision in the best interests of the Trust and its pupils.

## **11. Records of proceedings**

- 11.1. Following a decision, the Trust and Local Governors will keep a written record of the following:
- The nature of the conflict
  - Which people were affected
  - Whether any conflicts of interest were declared in advance
  - An outline of the discussion
  - Whether anyone withdrew from the discussion
  - How the Members, Trustees or Local Governors reacted to the decision made
- 11.2. The Trust and Local Governors will also keep a written record of any payments or benefits that have been made, including under what authority these were made and the reasoning for them.
- 11.3. Members, Trustees and Local Governors will not use information obtained at the Trust and its schools for their individual benefit, or that of another organisation,

if it has been obtained in confidence or has special value, such as commercial sensitivity.

## **12. Monitoring conflicts of interest**

- 12.1. The Trust and Local Governors will carry out continuous monitoring of its activities and Members to ensure that any conflicts of interests are identified and mitigated as soon as possible.
- 12.2. Any Member, Trustee and Local Governors who fails to declare an interest and is found to be in conflict with their decision-making will be required to explain the reasons for their omission to the rest of the Trust and Local Governors.
- 12.3. The Trust and Local Governors may decide to terminate the Membership of an affected person, if they are found to have knowingly and deliberately failed to declare an interest and have brought the school into disrepute.

## **13. Policy monitoring and review**

- 13.1. The Trust and Local Governors will review this policy on a termly basis, taking into account any conflicts that have arisen and how they have been responded to, and will communicate all changes to the rest of the Trust and Local Governors.
- 13.2. All Members, Trustees and Local Governors are required to read and make themselves familiar with this policy upon their appointment.



**Declaration**

I hereby certify I understand that it is my responsibility to declare the nature of all business or personal interests, whether direct or indirect, of myself, my partner and/or Members of my immediate family that could unfairly benefit from my relationship and connection with the school.

I also understand that it is a criminal offence to:

- Withhold information relating to conflicts of interest.
- Provide falsified information.
- Fail to notify the Trust and Local Governors of any changes which might invalidate this declaration.

I will also endeavour to inform the Trust and Local Governors of any changes to the above mentioned interests at the earliest possible opportunity.

<b>Name:</b>	
<b>Signed:</b>	
<b>Date:</b>	

## Specific Events Register

Entry number	Date of event	Names of those involved	Description	Reference to other registers	Date of entry in SER	Authorisation signature (to be completed by the headteacher or chair of governors)
	22/05/2016	Jane Smith	Left meeting due to her spouse being employed by the company discussed.	Dated 3/8/2015, entry number 24	25/05/2016	(Headteacher's signature)