

**FIVE RIVERS Multi Academy Trust**



**Five Rivers Multi Academy Trust**

**Conflict of Interest Policy  
for staff, members and trustees**

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## 1. Policy Statement

This policy sets out the detailed process that needs to be followed by Five Rivers Multi Academy Trust (FRMAT), its staff, Members and Trustees to avoid any potential conflict of interest.

FRMAT is committed to undertaking, and being seen to undertake, all its activities to the highest possible standards of propriety and integrity expected of a public body. The Trust, its staff, Members and Trustees will act fairly, honestly and with integrity in all aspects of what they do. FRMAT's staff, Members and Trustees must uphold the highest standards of public conduct and, always, act in the interests of the Trust. FRMAT, its staff, Members and Trustees are specifically expected to apply the Seven Principles of Public Life established by the Nolan Committee:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

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.

## 2. Application of the Policy

This policy applies to all FRMAT's staff, Members and Trustees and sets out the minimum requirements that must be met. On any occasions where staff, Members or Trustees are concerned that a 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 Trust Board to seek further advice.

## 3. Conflicts of Interest

A conflict of interest exists where a member of staff, MAT Member or Trustee's personal interests or loyalties could, or could be seen to, prevent them making a decision which is in the best interest of FRMAT. 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 FRMAT and its academies, such that an independent observer might reasonably question whether the individual's actions or decisions are determined by considerations of personal 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 FRMAT 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 interests;
- conflicts of loyalty where decision makers may have competing loyalties between FRMAT and the other person or entity.

#### 4. Declaration of Interests

This policy sets out the requirements which members of staff, MAT Members and Trustees must comply with in respect to making appropriate Declaration of Interests where those interests could potentially conflict with the interests of FRMAT or its academies. Staff, Members and Trustees have a duty to make a Declaration of Interest in accordance with this policy.

All staff, Members and Trustees are required to make an annual declaration of interests. Any changes during the year must be notified in a new declaration of interest, within 28 days of the interest being known.

For Members the annual declaration should be completed at FRMAT's annual general meeting (AGM). For Trustees the annual declaration should be made at their first meeting of the academic year. For staff the declaration should be made annually to the Principal or Head of School.

Annual and updated declarations should be made on the declaration of interests form in **Appendix 1**. Other declarations should be made during the day to day business of the Trust, for example at the commencement of Trust board meetings and meetings of its subcommittees, meetings of the executive leadership team/Trust central team, 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 FRMAT's Clerk to Trust Board with a copy available to the Accounting Officer and Business Director.

The register of interests will be used to identify any potential, actual or perceived conflicts of interest to enable FRMAT to avoid or appropriately manage them. For example, it will be used to ensure that FRMAT'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 of staff, MAT Member or Trustee 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 Accounting Officer 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.

MAT Members and Trustees should have a standard agenda item at the beginning of each meeting to declare any actual or potential conflict of interests. The Members and Trustees should declare any interest which he/she has in an item to be discussed, before the item is discussed. If a Member or Trustee is uncertain if he/she is conflicted, then he/she should declare the issue and discuss it with the other Members or Trustees. If a Member or Trustee is aware of an undeclared conflict of interest affecting another Member or Trustee or a connected party, he/she should declare this to the other Members or Trustees.

Where there is a declared conflict of interest, the relevant Member or Trustee 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).

## 5. Pecuniary and Non-Pecuniary Interests

There are a variety of potential interests that staff, Members and Trustees 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 staff, Members and Trustees 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.

### 5.1 - 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.);
- Employment in any business that provides goods, services or consultancy to the Trust or its academies.

### 5.2 - Non-Pecuniary Interests

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

- Staff, Members or Trustees being the partner or related to other members of staff, Members or Trustees;
- pursuit of a business interest/opportunity which is in potential conflict with the best interests of the Academy Trust;
- where any staff member, MAT Member or Trustee'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 FRMAT;
- a professional or legal responsibility to someone else or some other body which is in potential conflict with the best interests of FRMAT or its academies;
- having a beneficial interest in a trust which is in potential conflict with the best interests of FRMAT;
- 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 Academy Trust (see separate ***Gifts and Hospitality Policy*** for further information);
- membership of a society or other organisation which is in potential conflict with the best interests of FRMAT; including Trusteeships and Governorships at other educational institutions or charities (irrespective of whether there is a trading relationship with FRMAT or its academies);
- holding another public office;
- close personal relationships with people or organisations that may, or do, undertake business with FRMAT 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.

All pecuniary and business interests of staff, Members and Trustees will be published on FRMAT's website as required by the ESFA and the applicable Academies Financial Handbook.

## 6. Connected Parties

For the purposes of this policy a connected party is defined as any staff member, MAT Member or Trustee or any individual or organisation connected to a staff member, MAT Member or Trustee. For these purposes the following persons are termed as being connected parties:

- a relative of the staff member, MAT Member or Trustee. 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 staff member, MAT Member or Trustee, or a relative of the staff member, MAT Member or Trustee;
- a company in which a staff member, MAT Member or Trustee or a relative of a staff member, MAT Member or Trustee (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 staff member, MAT Member or Trustee or a relative, (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 or Trustee, or anybody related to such an individual or organisation;
- any individual or organisation recognised by the Secretary of State as a sponsor of FRMAT; 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
- having the right to appoint or remove a majority of the board.

In the case of connected parties, the interests of a connected party are deemed also to be the interest of the staff member, MAT Member or Trustee. Declarations of Interest must include those of the connected party where the interest may cause the staff member, MAT Member or Trustee to have a conflict of interest.

## 7. Personal Relationships and Family Members

Staff members, MAT Members and Trustees should declare if they are related to or have a partner who is a staff member, MAT Member or Trustee within the Trust.

Staff members, MAT Members or Trustees 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 or senior managers within the Trust or its academies.

## 8. Related party transactions

Related parties arise where one party has control or influence over the other, or where the parties are subject to common control.

The ESFA's Academies Accounts Direction sets out that, for academy trusts, related parties include:

- parties with control over, or controlled by, the entity (for example parent and subsidiary companies)
- parties with significant influence over the entity
- key management personnel of the entity, including any director, whether executive or otherwise
- close family members of any of the above
- others subject to control or significant influence by any individual referred to above

Accounting standards require transactions between related parties to be disclosed in the company financial statements as related party transactions.

## 9. How Information will be processed

All information supplied by individuals 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 General Data Protection Regulation, the Freedom of Information Act and the requirements of the ESFA.

FRMAT's Clerk to Trust Board will be the data controller and will maintain the register of interests.

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

Where related party transactions have occurred, the Academies Accounts Direction stipulates that disclosure should be made as follows:

- the names of the related parties
- a description of the relationship between the parties
- a description of the transactions
- the amounts involved
- the amounts due to or from related parties at the balance sheet date, and any provisions for doubtful debts or amounts written off.

As a public authority, FRMAT 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, FRMAT will answer any such requests without revealing the name of any individual who has made a declaration unless this information is part of the extract of the register of interests published on FRMAT'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 staff members, MAT Members and Trustees 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 2018. The data will be processed to identify any potential, actual or perceived conflicts of interest to enable FRMAT to avoid or appropriately manage them and to help protect FRMAT's interests, and 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 staff members, MAT Members and Trustees 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 FRMAT'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.

A person making a declaration of interests may at any time request a copy of their current declarations on application to the Accounting Officer. 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 FRMAT's websites will be made accessible to the public as required by the ESFA as noted above.

## 10. Decision Making

Where there is a conflict of interest, for example a proposed transaction between a staff member, MAT Member, Trustee or connected party, and FRMAT, the applicable staff member, MAT Member or Trustee must follow the procedure set out in the Trust's Articles of Association for absenting themselves from the decision-making process.

However, there will be a presumption against recommending any proposed transaction with a staff member, MAT Member or Trustee. Recommendations to enter the transaction would be made to the Trust Board by the Accounting Officer 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 event of a decision being made to award a contract to a MAT Member, Trustee or connected party, the Trust can only enter the contract if it has been properly procured following the Trust's tender policy procedures in the Competitive Tendering Policy and if the Member, Trustee or connected party can provide:

- a statement of assurance from that individual or organisation to FRMAT 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 or connected party is made the Trust Board must consider whether the transaction could be seen to be 'Novel or Contentious' (as defined by section 3.3 of the Academies Financial Handbook 2018). If so it must be referred to the ESFA for its explicit prior approval.

## 11. Failure to Follow this Policy

Staff members, MAT Members and Trustees who do not follow this policy may be in breach of their duties and may be subject to internal action within FRMAT, including being removed from their post. In certain circumstances they may also be subject to external sanction, including being barred from undertaking the role of a company director or Director and in exceptional cases being subject to criminal prosecution.

The Education & 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 staff members, MAT Members or Trustees believe any of their number are undertaking activity that leads to personal gain they should report their concerns under FRMAT's **Whistleblowing procedure**.

**APPENDIX A**



**Declaration of Business and Personal Interests**

Name: \_\_\_\_\_ Position: \_\_\_\_\_ Date of Appointment: \_\_\_\_\_ Date of Resignation/Retirement: \_\_\_\_\_

| Business Interests                              | Please provide details of the interest | Date interest ceased |
|---|--|----------------------|
| Current employment                              |  |                      |
| Businesses (of which I am a partner/proprietor) |  |                      |
| Company directorships                           |  |                      |
| Charity trusteeships                            |  |                      |
| Any other conflict                              |  |                      |

| Personal interests  | Their name | Relationship to me | Nature of the interest |  |
|---|------------|--------------------|------------------------|--|
| Immediate family/close connections to the Trustee/Member working in school  |            |                    |                        |  |
| Business involvement/company directorships or trusteeships of family/close connections to the Trustee/Member (e.g. a business the school might have dealt with) |            |                    |                        |  |

|  |  |
|--|--|
| <b>Other schools with which the Trustee/Member has a connection, and details of the connection</b> |  |
|--|--|

Record of Reviews (to be reviewed for amendment as necessary and signature annually)

|           |  |  |  |  |
|-----------|--|--|--|--|
| Date      |  |  |  |  |
| Signature |  |  |  |  |