



# Declaration of Interests and Potential Conflicts of Interest Policy Version 2.4

<p><b>Important:</b> This document can only be considered valid when viewed on the school website. If this document has been printed or saved to another location, you must check that the version number on your copy matches that of the document online.</p> <p><b>Name and Title of Author:</b></p>	<p>Lisa Pipes, Director of Human Resources</p>
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<p><b>Target Audience:</b></p>	<p>All Members, Trustees, Governors, the Executive Team and staff involved in procurement and/or financial decision-making</p>
<p><b>Reference Documents:</b></p>	<p>Charity Commission 'Conflicts of interest: a guide for charity trustees' May 2014          Gifts and Hospitality Policy          Whistleblowing Policy          National Governors' Association 'Code of Conduct' 2019          The Academies Financial Handbook 2019          The Education Alliance Governance Framework          Articles of Association of The Education Alliance          The Education Alliance's Expectations and Code of Conduct</p>

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## POLICY STATEMENT

We are here to make great schools and happier, stronger communities so that people have better lives. We do this by:

- Always doing what is right
- Trusting in each other and standing shoulder to shoulder
- Doing what we know makes the difference

Doing what is right means always acting with integrity, in the interests of others and being honest, open and transparent.

As Directors of a charitable company limited by guarantee, Trustees have two sets of similar duties to avoid conflicts of interest. The first duty comes from the charity law imposed by virtue of their position as charity law trustees, and the second duty comes from company law and is imposed by virtue of their position as company law directors. Trustees, Members and Governors are obligated to act in the best interests of the Education Alliance (the Trust), in accordance with the Trust's memorandum and articles of association.

Conflicts of interest can lead to decisions that are not in the best interests of the organisation and which are invalid or open to challenge. Even perceived conflicts of interest can damage the Trust's reputation, therefore it is crucial that actual, potential and perceived conflicts of interest are declared at the earliest opportunity, enabling the Trust to assess the level of conflict and to decide on an appropriate course of action. The existence of a conflict of interest does not reflect on the integrity of an individual as long as it is properly addressed. The Trust has effective systems, processes and associated documentation to ensure declarations are encouraged, recorded, assessed and any associated risks are mitigated.

This policy should be read in conjunction with the Expectations and Code of Conduct and the Governance Handbook. It is written in line with the Companies Act 2006. A breach may require Member consideration and serious cases may be referred to the Charity Commission.

### 1. SCOPE

This policy applies to Members, Trustees, Governors, the Executive Team and staff involved in procurement and/or financial decision-making.

### 2. ROLES AND RESPONSIBILITIES

The **Board of Trustees** is responsible for monitoring the effectiveness of this policy, ensuring that an appropriate framework is in place to enable and encourage declarations of any actual, potential or perceived conflicts of interest at the earliest opportunity. Members, Trustees, Governors staff involved in procurement must adhere to this policy and a register of all Member, Trustee and Governor interests will be maintained by the Governance team. Whilst the register will be reviewed annually, declarations of interest must be made as and when they arise.

The **CEO** is responsible for ensuring that declarations are appropriately assessed and any associated risks are mitigated accordingly.

The **Human Resources Department, Finance Department** and the **Governance Team** are responsible for ensuring that all staff, Members, Trustees, Governors, the Executive Team and staff involved in procurement and/or financial-decision-making complete a declarations form each year and that any declarations are appropriately managed and mitigated.

All **Members, Trustees, Governors, staff, workers and volunteers** have a responsibility to declare any actual, potential and perceived conflicts of interest as they arise. If individuals are unsure, they should err on the side of caution and declare the potential conflict. If individuals become aware of another individual's undeclared conflict of interest, they must raise the issue with their line manager or the Director of HR and Governance in the first instance.

### **3. EQUALITY AND DIVERSITY**

The Education Alliance is committed to:

- Promoting equality and diversity in its policies, procedures and guidelines
- Delivering high quality teaching and services that meet the diverse needs of its student population and its workforce, ensuring that no individual or group is disadvantaged

### **4. DEFINITION**

A conflict of interest occurs when an individual's ability to exercise judgement or act in the best interests of the Trust could be impaired or otherwise influenced by their involvement in another role or relationship. The individual does not need to exploit his/her position or obtain actual benefit, financial or otherwise, for a conflict of interest to occur. A potential for competing interests and/or a perception of impaired judgement or undue influence can also be viewed as a conflict of interest. A conflict of interest exists even where there is the possibility that an individual's personal or wider interests could influence the individual's decision-making and even the perception that there is a conflict can damage the Trust. Conflicts of interest relate to an individual's personal interests and the interests of those connected to them.

Conflicts can arise from an indirect financial interest (e.g. payment to a spouse) or a non-financial interest (e.g. reputation/status). Conflicts of loyalty are a particular type of conflict of interest in which an individual's loyalty or duty to another person or organisation could prevent them from making a decision only in the best interests of the Trust (e.g. where an individual is a member of another organisation or has an affiliation). Conflicts can arise from personal or professional relationships with others (e.g. where the role or interest of a family member, friend or acquaintance may influence an individual's judgement or actions or could be perceived to do so). Some conflicts of loyalty arise because an individual has a competing legal obligation or duty to another organisation or person. Others result from conflicting loyalties which individual's owe or may feel towards family, friends or other people or organisations who are part of the individual's network.

A connected person could be a family member, relative, business partner, friend, acquaintance, or organisation the individual has an interest in through ownership, influence or affiliation.

The following list is not intended to be viewed as an exhaustive list, but purely provides some examples of potential conflicts of interest:

- Where an employee works for another organisation
- Any directorships, partnerships and employments with businesses
- Voluntary or remunerated positions, such as trusteeship, local authority positions and other public positions
- Membership of professional bodies or mutual support organisations, including political parties
- Trusteeships and governorships at other educational institutions and charities
- Investments in unlisted companies, partnerships and other forms of business, major shareholdings and beneficial interests
- Gifts or hospitality offered by external bodies (declined or accepted in the last 12 months)

- Where a family member or close personal relationship exists with an external body or somewhere where the individual may be in a position to award services or collaborate with

A perception of wrongdoing, impaired judgement or undue influence can be as detrimental as any of them actually occurring. If there is any doubt as to whether or not a conflict of interest exists, the individual should assume it does and declare it. A financial gain is not necessary for a conflict to exist.

The Trust is committed to ensuring the seven principles of public life developed by the Nolan Committee are applied consistently:

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

Individuals must not seek or accept any preferential benefits from private companies with which they have had or may have dealings with on behalf of the Trust. Every individual has a duty to ensure they are not put in a position of risk of conflict between private interests and their Trust duties.

All contractual obligations to the Trust must be completed before any other work is undertaken. If the individual believes a conflict may arise, they must contact their line manager and/or the Human Resources Department/Governance Team immediately.

Under the Bribery Act 2010 any money, gift or consideration received by an individual from a person or company seeking a contract or decision that is of benefit to them will have been deemed to have been received under a bribe. The Trust does not require minor gifts such as pens, pencils and calendars to be declared, but any other gifts, offers of gifts and hospitality (other than meals/buffets provided by suppliers) must be declared in writing and submitted to the Governance team. The Trust has a Gifts and Hospitality Policy which employees are required to adhere to. If an individual feels they may have been offered a bribe or incentive to place an order or procure a service from a specific provider they must notify a member of the Executive Team immediately.

## **5. DECLARING A CONFLICT OF INTEREST**

Each individual has a responsibility to identify and declare conflicts of interest. Declarations should be made as they arise and the Trust will explore potential conflicts of interest as a matter of course as follows:

- Applicants for any appointment in the Trust, including Member, Trustee and Governor appointments, will be asked to declare any potential conflicts of interest and acute/extensive conflicts may result in an applicant not being appointed, thus removing the conflict of interest
- The register of interests is reviewed on an annual basis, and Members, Trustees, Governors, the Executive Team and staff involved in procurement and/or financial decision-making, must complete a return, even if it is a nil return.
- Members, Trustees, Governors and others will be asked to declare any interest they have in any agenda item before it is discussed at decision-making meetings (e.g. Board and LGB meetings) and prior to any involvement in procurement processes. Even if an interest has

already been declared and is detailed on the Register of Interests, the individual is required to declare their interest and have this declaration recorded in the minutes of the meeting

- Where an individual changes role or responsibility, any change in their interests must be declared
- Wherever an individual's circumstances change in a way that affects the individual's interests (e.g. where an individual takes on a new role outside the Trust or establishes a new business or relationship) a further declaration should be made to reflect the change in circumstances. This could involve a conflict of interest ceasing to exist or a new one materialising.

Early identification of conflicts of interest is key to ensuring that individuals act only in the best interests of the Trust, protecting their own and the Trust's integrity.

In declaring an interest, individuals provide the Trust with the opportunity to:

- Assess the conflict and associated risks
- Consider whether serious conflicts of interest should be removed or require authority
- Consider whether affected individuals should participate in any decisions where they or a connected party stand to gain, whether directly or indirectly
- Carefully manage any participation by a conflicted individual
- Demonstrate robust management of declaration of interests and conflicts of interest

## **6. MANAGING A CONFLICT OF INTEREST**

Once a declaration has been made, the Trust must assess the materiality of the interest (e.g. the potential for the individual and/or the connected party to benefit from any Trust decision) and the extent of the interest. The Trust will ensure that a written record of decisions relating to conflicts of interest detail the following:

- The nature of the conflict
- Which individuals are affected
- Whether any conflicts of interest were declared in advance
- An outline of the discussion and decision
- Whether anyone withdrew from the discussion
- How the Trust took the decision in the best interests of the organisation

In managing the conflict, the individual may:

- Be excluded from meetings or parts of meetings where related issues are discussed
- Attend the meeting and be involved in the discussion, having declared an interest, but they may not be able to participate in any decision-making

Where there is a conflict of interest and the affected individual and connected parties do not stand to gain any benefit, the affected individual must declare their interest and the Trust will then decide on their level of participation, if any, in discussions, decisions and procurement processes. In assessing the best course of action, the Trust will:

- Make their decision only in the best interests of the Trust
- Always protect the Trust's reputation and be aware of the impression their actions and decisions may have on other stakeholders
- Demonstrate that the decision was made in the best interests of the Trust and independently of any competing interest

- Require the withdrawal of the affected individual from any decisions where the individual's other interest is relevant to a high risk or controversial decision, or could significantly affect or could be seen to significantly affect the individual's decision making
- Allow an individual to participate where the existence of his/her other interest poses a low risk to decision making in the Trust's interests
- Be aware that the presence of a conflicted individual can affect trust between individuals which may inhibit free discussion and might influence decision making in some way

Individuals cannot use information obtained at the Trust for their own benefit or that of another person or organisation.

Where the declaration is viewed to significantly impact on the individual's ability to undertake their role as a Member, Trustee or Governor they may be required to resign or be removed from office.

All decisions relating to the management of a conflict of interest should be recorded in the minutes of the meeting and where the Chair is the individual with a conflict of interest, the Vice-Chair will deputise.

Acute and/or extensive conflicts of interest in relation to Members, Trustees and Governors may result in the Trust seeking authority from the Charity Commission.

## **7. FAILURE TO DECLARE CONFLICTS OF INTEREST**

Any failure to declare a conflict of interest will be viewed as a serious issue and there can be serious consequences for the affected individual, the Trust and the public trust and confidence. Individuals who fail to identify and declare any conflicts of interest (actual, potential or perceived) will fail to comply with their responsibilities under this policy. Members, Trustees and Governors that fail to declare any conflicts of interest will also fail to comply with their personal legal responsibility to avoid conflicts and act only in the best interests of the Trust. Where Members, Trustees and Governors act outside the terms of the Trust Governance Handbook and/or the law their decisions may not be valid and could be challenged by the Charity Commission or by an interested party. Procurement decisions can also be viewed as invalid and open to challenge, bringing into question the integrity of the Trust. Failure to declare conflicts of interest affect the Trust's ability to assess and manage conflicts appropriately.

## **8. MONITORING COMPLIANCE WITH AND EFFECTIVENESS OF THE POLICY**

Effectiveness and compliance of this Policy will be monitored on an annual basis.

## **9. REVIEW**

This Policy and Procedure will be reviewed within two years of the date of implementation.

## Declaration of Interest

I declare that I have the following interests that may be viewed as an actual/potential/perceived conflict of interest:

Name of Company, Partnership, Body, Organisation, or Person	Nature of Interest (e.g. shareholder, director, partner, advisor, employee, investor, friend)	Type of Interest (e.g. direct or indirect; financial)	Date of Appointment	Date of Resignation

I confirm I have read and I understand the Trust's Declaration of Interests and Conflict of Interests Policy and in declaring the above interest(s) I am complying with the policy.

I accept that in submitting this declaration I remain personally responsible for ensuring I do not place myself in a position or situation which may result in a potential or perceived breach of this policy.

Signed:

Name:

Date:



### Guide for Assessing Potential Conflicts of Interest

#### Introduction

- All members, trustees and governors have a legal duty to act only in the best interests of the Trust and conflicts of interest can lead to decisions that are invalid or open to challenge.
- The existence of a conflict of interest does not reflect on the integrity of the affected member, trustee or governor as long as it is addressed properly.
- Each member, trustee, governor, employee, worker and volunteer has an individual personal responsibility to declare conflicts of interest, which affect them, and the Board should have strong systems in place to enable the identification of conflicts of interest.
- In most cases, conflicted members, trustees and governors will declare their interest at an early stage and, in most cases, withdraw from relevant meetings, discussions, decision-making and votes.
- Individual members, trustees and governors who fail to identify and declare conflicts of interest will fail to comply with their personal legal responsibility to avoid conflicts of interest. A conflict of interest exists even where there is the possibility that a trustee’s personal or wider interests could influence the trustee’s decision-making. Even the perception that there is a conflict of interest can damage the charity.
- Conflicts of interest relate to an individual’s personal interests and the interests of those connected to them.
- This process ensures individuals and the Trust explicitly undertake their respective duties in declaring and understanding any potential, actual or perceived conflicts of interest.
- Connected parties include family, relatives, business partners of a trustee as well as businesses in which a trustee has an interest through ownership or influence.

#### Question Areas

How do you know the individual/organisation?
How long have you known him/her?
In what capacity and has this changed over time?
Do you have any actual or potential conflict of interest/loyalty regards the individual or any organisation that links you with them?

Example 1: Have you worked or do you undertake any work for the individual or any organisation s/he is associated with?
Example 2: Is there an association between your company and the individual or any organisation s/he is associated with?
Example 3: Are you connected to the individual or any organisation s/he is associated with from a voluntary or remunerated position?
Example 4: Are you a member of a body or a mutual organisation, including a political party that has associations with the individual or any organisation s/he is associated with?
Example 5: Have you, your company or any connected parties invested in any organisation the individual is or has been associated with?
Example 6: Have you, your company or any connected parties received actual or offered gifts or hospitality (declined or accepted) from either the individual or any organisation s/he is associated with?
Example 7: Do you or any connected parties have any association with the individual or any organisation s/he is or has been associated with that could create an actual or perceived conflict of interest?
Any additional comments:

Signed by Member, Trustee or Governor:

Date:

Register of Interests

Name	Name of Company	Nature of Interest	Type of Interest	Date of Appointment	Date of Declaration

### Guidance for Staff, Workers and Volunteers

Taxpayers trust that we spend public money well, free from undue influence. This guide provides people with simple and clear advice, which supports good judgement, transparency and risk management processes, thus ensuring we keep our people and our organisation safe.

We ask that our people regularly consider any interests they have, declare them and seek advice if they are unsure, erring on the side of caution. When making decisions, our people should always consider what is right for our students, our organisation and the communities we serve, and not be influenced by other outside or personal interests. Wherever possible, our people are advised to avoid conflicts or potential perceived conflicts of interest.

Conflicts of interest can be actual, potential and/or perceived, in that there may be an actual conflict, the possibility of a conflict or a risk that others may believe there is a conflict of interest. Actual, potential and perceived conflicts should be declared. Conflicts of interest can be financial (e.g. there may be a financial benefit to an individual), professional (e.g. professional reputation or career progression), personal (e.g. loyalty to a friend or family member), or indirect (e.g. someone close to the individual may benefit).

Declarations should be made:

- On applying for roles/positions with the trust
- On appointment
- Where a move to a new role introduces a conflict that previously didn't exist
- Where circumstances change

Opportunities to declare an interest include application forms, induction processes, annual declaration registers, procurement processes and declarations at the start of senior leadership meetings. Some people have a greater risk of conflicts (e.g. senior leaders involved in procurement decisions). If in doubt, our people are advised to contact either their line manager, the Director or Finance, the Director of HR and Governance, the Head of School or another senior leader within the organisation.

Our people are advised to read the Gifts and Hospitality Policy alongside this guide, and to declare any actual, potential or perceived conflict of interest at the earliest opportunity, to enable us to manage the risk effectively. Conflicts may include the following (although this is not an exhaustive list):

- Additional employment (e.g. tutoring)
- Trustee/governor for another establishment
- Offers of gifts/hospitality which could influence, or could be perceived to influence, decisions they make
- Provision of services which the trust may purchase
- Relationship with a provider of services who offers their services to the trust

If anyone is aware of a conflict or potential or perceived conflict that has not been declared, they are encouraged to either speak to the relevant individual to encourage them to declare the interest, or contact a senior leader for advice. Alternatively, our people can also access the Whistleblowing Policy.