



Aspirations Academies Trust

in association with AUI and QISA

CONFLICTS OF INTEREST POLICY

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Date of next review:	May 2019	Owner:	AAT DFO
Type of policy:	Network	LAB or Board approval:	Board

Conflicts of Interest Policy

The Aspirations Academies Trust does not ask its entire staff to fill out a Code of Conduct declaration annually, as many organisations do. It is however expected that all staff would be willing to sign one, and should always uphold the values inherent in such a declaration, namely:

- That all staff will work towards achieving the objectives of the AAT;
- That all decisions taken over expenditure are based on achieving value for money for the AAT and should not be diverted by considerations over personal enrichment;
- That no actions are taken that might bring the AAT into disrepute.

It is also vital that senior staff are aware of any potentially conflicting business interests that may bias an important decision. Should anyone with influence over a decision realise that they have a potential conflict of interest, they should declare it immediately, and excuse themselves from the final decision. To minimise risk of conflicts going unnoticed each Board member and governor is requested to fill out a Register of Business Interests Form annually. Board members, governors and Senior Management Team members are also asked, as part of the accounts process, to fill out a Related Party Transaction form detailing any transactions in year carried out between themselves, or any organisation they have significant influence over, and the Aspirations Academies Trust. Any such major transactions may need disclosure in our accounts.

Conflicts of interest should not only be considered in relation to financial transactions. In all situations whereby the personal relationship between parties may be perceived as exerting influence on any decision then this must be declared and one party must be excused from the decision making process, although they can still advise. For example this would be the case where two people in a relationship work together and one would normally complete the appraisal process for the other. In that situation a third party without that conflict of interest should replace the line manager for this process.

1. Legal framework

This policy has due regard to statutory legislation, including but not limited to, the following:

- Companies Act 2006

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’ 2017

2. What are conflicts of interest?

For the purpose of this policy, “conflicts of interest” are any situation where a member of the Board of Trustees/DGB/LAB’s personal interests or loyalties could, or could be seen to, prevent the individual from making a decision in the best interests of the academy.

3. Identifying conflicts of interest

The school expects members of the Board of Trustees/DGB/LAB to be able to identify any conflicts of interest at an early stage.

Individual members of the Board of Trustees/DGB/LAB 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 Trust and its pupils.

The Board of Trustees/DGB/LAB 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 Trust and its pupils.

4. Interests that will be declared

Members of the Board of Trustees/DGB/LAB 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

Any member of the Board of Trustees/DGB/LAB 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 Board of Trustees/DGB/LAB as soon as he/she becomes aware of it.

6. Board of Trustees/DGB/LAB benefits

Conflicts of interest can arise where there is a potential or measurable financial benefit to a member of the Board of Trustees/DGB/LAB, or to a person connected to a member.

Members of the Board of Trustees/DGB/LAB can only benefit from the Trust where there is an explicit authority in place in the school's governing document.

Board of Trustees/DGB/LAB benefits include any payments or benefits to members, or a connected person, apart from their reasonable out-of-pocket expenses.

Benefits also include situations where a member of the Board of Trustees/DGB/LAB could receive property, loans, good or services from the school.

Where there is a proposed sale or lease of land to a member of the Board of Trustees/DGB/LAB, or to a person or company closely connected with a member, this will require authorisation from the DfE before it is granted, even if the disposal is at full market value.

The payment of reasonable expenses to a member of the Board of Trustees/DGB/LAB is not a benefit, and therefore, does not create a conflict of interest or require authorisation.

7. Conflicts of loyalty

Conflicts of interest can also arise, even if the individual does not gain any financial benefit, when their decision-making as a member of the Board of Trustees/DGB/LAB could be influenced by their other interests.

Members of the Board of Trustees/DGB/LAB 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 governing body or committee of which they are a member.
- The individual that appointed them to the Board of Trustees/DGB/LAB.

Members of the Board of Trustees/DGB/LAB 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

The Board of Trustees/DGB/LAB 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.

All members of the Board of Trustees/DGB/LAB 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.

If a member is unsure whether or not they are conflicted, they are required to declare the issue and discuss it with the rest of the Board of Trustees/DGB/LAB.

If a member is aware of an undeclared conflict of interest affecting another member, they are required to notify the rest of the Board of Trustees/DGB/LAB for appropriate action.

All members of the Board of Trustees/DGB/LAB are required to declare any conflicts of interests they have using the register of interests form, available from the Clerk.

9. Removing conflicts of interest

The Board of Trustees/DGB/LAB will consider any conflict of interest declared, ensuring that any potential effect on decision-making is eliminated.

The Board of Trustees/DGB/LAB 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.

Serious conflicts of interest include, but are not limited to, those which:

- Are so acute and extensive that the member is unable to make their decision in the best interest of the Trust and its pupils.
- Are present in significant high-risk decisions of the trustees.
- 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 Board of Trustees/DGB/LAB benefit.

In order to remove a conflict of interest, the Board of Trustees/DGB/LAB 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 member affected by a conflict of interest.
- Not making member appointments which would knowingly introduce a conflict of interest.

10. **Withdrawing from decision-making**

Where there is a proposed financial transaction between a member of the Board of Trustees/DGB/LAB and the school, or any transaction of arrangement involving a member's benefit:

- The benefit will be authorised in advance.
- The Board of Trustees/DGB/LAB will ensure that the member is absent from any part of any meeting where the issue is discussed or decided upon.
- The affected member will not be able to vote or be counted in deciding whether a meeting is quorate.

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

The rest of the Board of Trustees/DGB/LAB will then decide on what level of participation, if any, is acceptable on the part of the conflicted member.

The Board of Trustees/DGB/LAB will decide whether the affected member:

- 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.

When deciding which course of action to take, the Board of Trustees/DGB/LAB will:

- Always make their decisions only in the best interest of the Trust 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 and its pupils, and independently of any competing interest.
- Require the withdrawal of the affected member from any decisions where their other interest is relevant to a high-risk or controversial decision, or could significantly affect the member's decision-making.
- Allow a member to participate where the existence of their other interest poses a low risk to decision-making in the Trust'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 member can affect trust between other members of the Board of Trustees/DGB/LAB, could inhibit free discussion, and might influence decision-making in some way.

The Board of Trustees/DGB/LAB may request any information necessary from the affected member, in order to help make the decision in the best interests of the school's and its pupils.

11. Records of proceedings

Following a decision, the Board of Trustees/DGB/LAB will keep a written record of the following:

- The nature of the conflict
- Which members were affected
- Whether any conflicts of interest were declared in advance
- An outline of the discussion
- Whether anyone withdrew from the discussion
- How the trustees reacted to the decision made

The Board of Trustees/DGB/LAB 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.

The Board of Trustees/DGB/LAB will not use information obtained at the school 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

The Board of Trustees/DGB/LAB 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.

Any member of the Board of Trustees/DGB/LAB 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 Board of Trustees/DGB/LAB.

The Board of Trustees/DGB/LAB may decide to terminate the membership of an affected member, if they are found to have knowingly and deliberately failed to declare an interest and have brought the school into disrepute.

13. Nolan Principles

The general principles that staff and Trustees of publicly funded bodies, such as the AAT, are to follow are enshrined in the Nolan Report. The key principles from this report are set out below:

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligations to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards or benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.