



St Mary's Hampton

Church of England Primary School

Conflict of Interest Policy

Review Frequency: Annual
Next Review: Autumn 2024
Agreed on: 21st September 2023

Signed:

(Headteacher)

(Chair of Governors)

Statement of intent

This policy sets out the framework for ensuring that the decisions and decision-making processes at Hampton St Mary Academy Trust are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the trust.

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

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Hampton St Mary Academy Trust therefore intends to:

- Ensure that every Governor 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 Hampton St Mary Academy Trust.

Hampton St Mary Academy Trust will abide by the contents of the Academies Financial Handbook and have due regard for the Seven Principles of Public Life as defined by the Committee for Principles in Public Life. The trust will ensure the auditors, both internal and external, are committed to work with these documents in relation to their work with the trust.

1. Legal framework

This policy takes its legal framework from the following legislation and statutory guidance:

- Companies Act 2006
- Conflicts of Interest: A Guide for Charity Trustees.

2. Definition

Hampton St Mary Academy Trust adopts the definition of the Charity Commission, which states that a conflict of interest is any situation where a Governor's personal interests or loyalties could, or could be seen, to prevent them from making a decision in the best interests of the trust or academy.

3. Identifying conflicts of interest

- 3.1 Hampton St Mary Academy Trust expects individual Governors to be able to identify any conflicts of interest at an early stage.
- 3.2 Individual 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 trust and its students.
- 3.3 The trust must ensure that any conflicts of interest do not prevent them from making a decision only in the best interests of the trust and its students.

4. Articles of Association

The Articles of Association (Para 98) state:

CONFLICTS OF INTEREST

98. Any Governor who has or can have any direct or indirect duty or personal interest (including but not limited to any Personal Financial Interest) which conflicts or may conflict with his duties as a Governor shall disclose that fact to the Governors as soon as he becomes aware of it. A Governor must absent himself from any discussions of the Governors in which it is possible that a conflict will arise between his duty to act solely in the interests of the Academy Trust and any duty or personal interest (including but not limited to any Personal Financial Interest).

99. For the purpose of Article 98, a Governor has a Personal Financial Interest in the

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employment or remuneration of, or the provision of any other benefit to, that Governor as permitted by and as defined by articles 6.5-6.10 (see separate Appendix A).

5. Interests which should be declared

Governors will be expected to declare the following interests when relevant:

- 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 pre-determination for or against a person or issue.
- Being a spouse, partner, relative or close friend of someone who has one of these interests.

6. Governor benefits

6.1 Governors can only benefit from the trust where there is an explicit authority in place in the trust's governing document before any decision conferring the Governors' benefit is made.

6.2 Governor benefits include any payments or benefits to Governors or a connected person, apart from their reasonable out of pocket expenses. They also cover situations where a Governor could receive property, loans, goods or services from the trust.

6.3 Where there is a proposed sale or lease of academy land to a Governor, or to a person or company closely connected with a Governor, this will need to be authorised by the EFA, even if the disposal is at full market value.

6.4 The payment of reasonable expenses to Governors is not a benefit, so it does not create a conflict of interest or require authorisation.

7. Register of interests

7.1 Governors will keep an updated record of any conflicts of interest in the academy trust's register of interests, which is maintained by the Clerk to Governors.

8. Declaring interests

8.1 Governors should have a standard agenda item at the beginning of each meeting to declare any actual or potential conflicts of interest.

8.2 Governors should declare any interest which s/he has in an item to be discussed, at the earliest possible opportunity and before any discussion of the item itself.

8.3 If a Governor is uncertain whether or not s/he is conflicted, s/he should declare the issue and discuss it with the other Governors.

8.4 If a Governor is aware of an undeclared conflict of interest affecting another Governor then s/he should notify the other Governors or the Chair.

9. Removing conflicts of interest

9.1 Governors must consider the conflict of interest so that any potential effect on decision-making is eliminated.

9.2 Governors must follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, decide that removing the 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 Governors are unable to make their decisions in the best interest of the trust/academy and its pupils/students, or could be seen to be unable to do so.
- Are present in significant or high-risk decisions of the 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 inappropriate Governor benefit.

10. Withdrawing from decision-making

10.1 Where there is a proposed financial transaction between a Governor and the academy trust or any transaction of arrangement involving Governors' benefit:

10.1.1. The benefit must be authorised in advance by the Local Governing Board or Resources Committee. If there is no meeting of the local governing board planned within the time frame of authorisation being required, then the Chair of the Resources Committee and one other Resources Committee Governor will be contacted to authorise the benefit. If the person affected is the Chair of the Resources Committee then the Chair of Governors plus one other Governor must authorise the benefit. If the person affected is the Chair of Governors, then three Governors must authorise the benefit.

10.1.2. The Local Governing Board expects the affected Governor(s) to be absent from any part of any meeting where the issue is discussed or decided.

10.1.3 The affected individual should not vote or be counted in deciding whether a meeting is quorate.

10.2. Where there is a conflict of loyalty and the affected Governor(s) does not stand to gain any benefit and there are no specific governing documents or legal provisions about how the conflict of loyalty should be handled, the affected Governor(s) should still declare the interest.

10.2.1 The remainder of the Governors of the local governing board must then decide what level of participation, if any, is acceptable on the part of the conflicted Governor(s). The options might include, but are not limited to, deciding whether the conflicted Governor:

- Having registered and fully declared the interest, can otherwise participate in the decision;
- Can stay in the meetings where the decision is discussed and made, but not participate;
- Should withdraw from the decision-making process in the way described above.

10.4 In deciding which course of action to take regarding a conflict of interest, Governors:

10.4.1 Must always make their decisions only in the best interest of the Trust and its students.

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- 10.4.2 Should always protect the reputation of the trust and be aware of the impression that their actions and decisions may have on those outside.
- 10.4.3 Should always be able to demonstrate that they have made decisions in the best interests of the trust and its students, and independently of any competing interest.
- 10.4.4 Should require the withdrawal of the affected Governor(s) from any decisions where the Governor's other interest is relevant to a high risk or controversial Governors' decision or could, or be seen to, significantly affect the Governor's decision-making at the trust.
- 10.4.5 Can allow a Governor to participate where the existence of his/her other interest poses a low risk to decision-making in the interests of the trust or is likely to have only an insignificant bearing on his/her approach to an issue.
- 10.4.6 Should be aware that the presence of a conflicted Governor(s) can affect trust between Governors, could inhibit free discussion, and might influence decision-making in some way.
- 10.5 Governors can, before their discussion, ask a Governor who is withdrawing, to provide any information necessary to help make the decision in the best interests of the trust and its students.

11. Records of proceedings

Governors should record in the minutes, details of any and all discussions on potential conflicts of interests and the decisions made.

12. Confidentiality

Governors cannot use information obtained at the trust for their own benefit or that of another organisation if it has been obtained in confidence or has special value such as commercial sensitivity.

13. Monitoring and enforcement

- 13.1 The Governors of Hampton St Mary Academy Trust and its local governing board will carry out continuous monitoring of activities to ensure that any conflicts of interest are identified and mitigated as soon as possible.
- 13.2 Governors who fail to declare an interest and are found to be in conflict with the best interests of the trust will be expected to explain to the local governing board his/her reasons for their omission.
- 13.3 Under the power vested in turn by S186 of the Companies Act 2006, Governors may decide to terminate the office of the relevant Governor if s/he is found to have knowingly and deliberately failed to declare an interest and has brought the trust into disrepute.
- 13.4 In the case of a staff or parent Governor, the members of the local governing board will hold a vote of no confidence in that Governor and seek to suspend the staff/parent Governor from future meetings.

14. Policy circulation

- 14.1 This policy will be circulated to all Governors annually and will be available on the academy trust's website.

APPENDIX A: Extract from Hampton St Mary Academy Trust Articles of Association

- . 6.5 A Governor may at the discretion of the Governors be reimbursed from the property of the Academy Trust for reasonable expenses properly incurred by him or her when acting on behalf of the Academy Trust, but excluding expenses in connection with foreign travel.
- . 6.6 No Governor may:
 - . (a) buy any goods or services from the Academy Trust;
 - . (b) sell goods, services, or any interest in land to the Academy Trust;
- (c) be employed by or receive any remuneration from the Academy Trust (other than the Principal or a Staff Governor whose employment and/or remuneration is subject to the procedure and conditions in Article 6.8)
- (d) receive any other financial benefit from the Academy Trust; unless:
 - . (i) the payment is permitted by Article 6.7 and the Governors follow the procedure and observe the conditions set out in Article 6.8; or
 - . (ii) the Governors obtain the prior written approval of the Charity Commission and fully comply with any procedures it prescribes.

6.7 Subject to Article 6.8, a Governor may:

- a) receive a benefit from the Academy Trust in the capacity of a beneficiary of the Academy Trust.
- b) be employed by the Academy Trust or enter into a contract for the supply of goods or services to the Academy Trust, other than for acting as a Governor.
- c) receive interest on money lent to the Academy Trust at a reasonable and proper rate not exceeding 2% per annum below the base rate of a clearing bank to be selected by the Governors, or 0.5%, whichever is the higher.
- (d) receive rent for premises let by the Governor to the Academy Trust if the amount of the rent and the other terms of the lease are reasonable and proper.

6.8 The Academy Trust and its Governors may only rely upon the authority provided by Article 6.7 if each of the following conditions is satisfied:

- (a) the remuneration or other sums paid to the Governor do not exceed an amount that is reasonable in all the circumstances.
- (b) the Governor is absent from the part of any meeting at which there is discussion of:
 - . i) his or her employment, remuneration, or any matter concerning the contract, payment or benefit; or

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- . ii) his or her performance in the employment, or his or her performance of the contract; or
- . iii) any proposal to enter into any other contract or arrangement with him or her or to confer any benefit upon him or her that would be permitted under Article 6.7; or

(iv) any other matter relating to a payment or the conferring of any benefit permitted by Article 6.7.

(c) the Governor does not vote on any such matter and is not to be counted when calculating whether a quorum of Governors is present at the meeting.

(d) save in relation to employing or contracting with the Principal or a Staff Governor (a Governor pursuant to Articles 46, 50A and 52) the other Governors are satisfied that it is in the interests of the Academy Trust to employ or to contract with that Governor rather than with someone who is not a Governor. In reaching that decision the Governors must balance the advantage of employing a Governor against the disadvantages of doing so (especially the loss of the Governor's services as a result of dealing with the Governor's conflict of interest).

(e) the reason for their decision is recorded by the Governors in the minute book.

(f) a majority of the Governors then in office have received no such payments or benefit.

6.9 The provision in clause 6.6 (c) that no Governor may be employed by or receive any remuneration from the Academy Trust (other than the Principal or a Staff Governor) does not apply to an existing employee of the Academy Trust who is subsequently elected or appointed as a Governor save that this clause shall only allow such a Governor to receive remuneration or benefit from the Academy Trust in his capacity as an employee of the Academy Trust and provided that the procedure as set out in Articles 6.8(b)(i), (ii) and 6.8 (c) is followed.

6.10 In Articles 6.2-6.10:

(a) "Academy Trust" shall include any company in which the Academy Trust:

- holds more than 50% of the shares; or
- controls more than 50% of the voting rights attached to the shares; or
- has the right to appoint one or more directors to the board of the company.

(b) "Governor" shall include any child, stepchild, parent, grandchild, grandparent, brother, sister or spouse of the governor or any person living with the governor as his or her partner

(c) the employment or remuneration of a Governor includes the engagement or remuneration of any firm or company in which the Governor is:

- (i) a partner;
- (ii) an employee;
- (iii) a consultant;
- (iv) a director;
- (v) a member; or
- (vi) a shareholder, unless the shares of the company are listed on a recognised stock exchange and the Governor holds less than 1% of the issued capital.