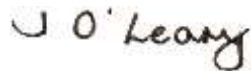


# Conflict of interests' policy



### Management log

Document	Conflict of Interests Policy
Author	Leader of Governance
Person responsible for the document	CEO
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Signed	

Chair of the Board CEO

### Document history

Version	Date authored	Author	Date approved	Date issued	Comments
V1	26 October 2018	Helena Brooks	30 October 2018	30 October 2018	To clarify what is meant by conflicts of interest and secure an auditable register in place within SHINE academies
V2	1 October 2019	Helena Brooks	14 November 2019	15 November 2019	Annual review – revised format only. No material amendments.
V3	18 September 2020	Helena Brooks	9 October 2020	15 October 2020	Annual review – revised format only. No material amendments.

### Related policies

Policy	Website link
Complaints	<a href="http://www.shine-mat.com/business/">http://www.shine-mat.com/business/</a>
Equality	<a href="http://www.shine-mat.com/pupil-welfare/">http://www.shine-mat.com/pupil-welfare/</a>
Expenses policy to support trustees and governors	<a href="http://www.shine-mat.com/business/">http://www.shine-mat.com/business/</a>

Freedom of Information	<a href="http://www.shine-mat.com/business/">http://www.shine-mat.com/business/</a>
General Data Protection Regulation (GDPR)	<a href="http://www.shine-mat.com/gdpr/">http://www.shine-mat.com/gdpr/</a>
Gifts and hospitality	<a href="http://www.shine-mat.com/business/">http://www.shine-mat.com/business/</a>
Whistleblowing	<a href="http://www.shine-mat.com/business/">http://www.shine-mat.com/business/</a>

Please note that the version of this document contained at <https://www.shine-mat.com/business/> is the only version that is maintained.

Any printed copies should therefore be viewed as 'uncontrolled' and as such, may not necessarily contain the latest updates and amendments.

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## **1. Equal opportunities statement**

1.1 The SHINE Multi Academy Trust (SHINE) is committed to promoting equal opportunities and all stakeholders<sup>1</sup> will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation (protected characteristics).

## **2. Introduction**

2.1. This policy sets out the framework for ensuring that the decisions and decision-making processes at SHINE are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected to SHINE.

2.2. Members, trustees, local governors (governors) and senior employees have an obligation to act in the best interests of SHINE and in accordance with its articles of association in order to avoid situations where there may be a conflict of interest.

2.3. Situations may arise where family interests or loyalties conflict with those of SHINE. They may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of SHINE and risk the impression that SHINE has acted improperly.

2.4. The aim of this policy is to ensure that:

- every member, trustee, governor, and senior employee understands what constitutes a conflict of interest and that they have a responsibility to identify and declare any conflicts that might arise
- every potential conflict of interest is identified, prevented and recorded, ensuring that the conflict does not affect the decision-making of SHINE

## **3. Definition**

3.1. For the purpose of this document:

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<sup>1</sup> The term stakeholder refers to anyone who is invested in the welfare and success of SHINE and its pupils, including premises staff, administrators, teachers, support staff, pupils, parents/carers, families, community members, businesses, and elected officials such as school board members, city councillors, and state representatives.

- members, trustees, governors and senior employees are referred to as appointed persons within SHINE
- appointed body refers to meetings of members, the board, its appointed committee or local governing body (LGB)
- SHINE Multi Academy Trust is referred to as SHINE
- pupils refers to all pupils being educated or on site at any one of the academies within the SHINE

#### **4. Legal framework**

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

- Companies Act 2006<sup>2</sup>
- conflicts of interest: a guide for charity trustees<sup>3</sup>
- Education Skills Funding Agency (ESFA) academies financial handbook<sup>4</sup>;
- Articles of Association of the SHINE<sup>5</sup>

#### **5. What is a conflict of interest**

5.1. SHINE adopts the definition of the Charity Commission which states that a 'conflict of interest is any situation where a trustee or senior employee's personal interests or loyalties could, or could be seen, to prevent the trustee or senior employee from making a decision in the best interests of the Trust.'

5.2. Conflicts of interest usually arise in the following situations:

- Benefits to members, trustees, governors or senior employees - there is a potential financial or measurable benefit directly, or indirectly through a connected person. Examples of benefits are where the member, trustee, governor or senior employee decide to:
  - sell, loan or lease SHINE's assets to a connected party
  - acquire, borrow or lease assets to a connected party

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<sup>2</sup> <http://www.legislation.gov.uk/ukpga/2006/46/contents>

<sup>3</sup> <https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>

<sup>4</sup> <https://www.gov.uk/government/publications/academies-financial-handbook>

<sup>5</sup> <http://www.shine-mat.com/statutory-documentation/>

- pay a connected party for carrying out their role
  - pay a connected party for carrying out a separate paid post within SHINE, even if that person has recently resigned
  - pay a appointed person within SHINE, or a person or company closely connected to a member, trustee, governor or senior employee, for providing a service to SHINE. This covers anything that would be regarded as a service and includes legal, accountancy or consultancy services through to painting or decorating the trust's premises, or any other maintenance work
  - employ a member's, trustee's, governor's or senior employee's spouse or other close relative at SHINE
  - make a grant to an appointed person within SHINE, or a person who is a close relative of a trustee
  - allow an appointed person to influence a service provision to their exclusive advantage
- Conflict of loyalty - a member's, trustee's, governor's or senior employee's duty to SHINE may compete with a duty or loyalty they owe to another organisation or person. A conflict of loyalty could also arise where the religious, political or personal views could interfere with the ability of an appointed person to decide the issue only in the best interests of SHINE. For example, an appointed person's loyalty to SHINE could conflict with his or her loyalty to:
    - another organisation, such as their employer
    - another charity or trust of which they are a trustee/director
    - a member of their family
    - another connected person or organisation

The test is always that there is a conflict of interest if the appointed person's other interest could, or could be seen to, interfere with their ability to decide the issue only in the best interests of SHINE.

## **6. Identifying the conflict of interest**

6.1. Members, trustees, governors and senior employees are expected to identify any conflicts of interest at an early stage.

6.2. A standard agenda item must be included at the beginning of each Board, its committees and LGB meetings to enable the declaration of any actual or potential conflicts of interest.

- if an appointed person is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the other trustees or governors
- if an appointed person is aware of an undeclared conflict of interest affecting another appointed person, they should notify the participants within the meeting or the chair

6.3. If a conflict of interest is identified outside of a meeting, the appointed person must complete a 'conflict of interest form' and submit it to the clerk<sup>6</sup>. ([see appendix A](#))

6.4. On an annual basis, or when an appointed person joins SHINE, a 'conflict of interest form' must be completed to enable the 'register of interest<sup>7</sup>' to be kept up to date.

## **7. Dealing with the conflict of interest**

7.1. The Board must consider the conflict of interest so that any potential effect on decision making is eliminated.

7.2. Where available, legal or governing document requirements on how a conflict of interest must be handled is to be used. However, in serious cases, it can be decided that removing the conflict of interest itself is the most effective way of preventing it from affecting the decision-making.

7.3. Examples of important legal or governing document requirements are:

- ESFA's academies financial handbook, Section 3.10 trading with connected parties, which deals with goods or services provided by individuals or organisations connected to the academy trust which must only be provided at cost
- SHINE's Articles of Association, articles 97-98 and articles 6.5-6.9 which cover conflict of interest

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<sup>6</sup> Via email [clerk@shine-mat.com](mailto:clerk@shine-mat.com)

<sup>7</sup> Members, trustees and governors conflicts of interest are published on the SHINE and its academies websites.

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

- are so acute and extensive that the appointed person is unable to make their decisions in the best interest of SHINE or could be seen to be unable to do so
- are present in significant or high-risk decisions of the Board, its appointed committees or LGBs
- 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 benefit

7.5. Benefits to appointed persons - where there is a proposed financial transaction between an appointed person and SHINE, or any transaction or arrangement:

- the benefit must be authorised in advance as denoted in SHINE's scheme of delegation and financial regulations<sup>8</sup>. If there is no meeting planned within the time frame of authorisation being required, then the chair of the Board's finance committee can be contacted to authorise the benefit. If the person affected is the chair of the Board's finance committee then the chair of the Board plus one other trustee must authorise the benefit (after seeking advice from the clerk to the Board).
- the Board expect the affected appointed person to be absent from any part of any meeting where the issue is discussed or decided
- the affected individual should not vote or be counted in deciding whether a meeting is quorate

7.6. Conflicts of loyalty - where there is a conflict of loyalty and the affected appointed person does not stand to gain any benefit and there are no specific governing document or legal provisions about how the conflict of loyalty should be handled, the affected individual should declare the interest. The remainder of the appointed persons must then decide what level of participation, if any, is acceptable on the part of the conflicted individual. The options might include, but are not limited to, deciding whether the conflicted individual:

- having registered and fully declared the interest, can otherwise participate in the decision

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<sup>8</sup> <http://www.shine-mat.com/topic/documents>

- 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
- if a conflict of interest is raised outside of a meeting and there is no meeting planned within the time frame of the conflict needing to be reviewed, the chair of the Board plus one other trustee, can be contacted to consider the conflict of interest and determine the resolution. If the person affected is the chair of the LGB, then the chair of the Board plus one other trustee must consider the conflict of interest and determine the resolution. Where the chair of the Board is affected then a member and one other trustee must consider the conflict of interest and determine the resolution. The resolutions must be recorded on the conflict of interest form and raised at the next meeting of the Board, its appointed committee or LGB

7.7. In deciding which course of action to take regarding a conflict of interest, the appointed body:

- must always make their decisions only in the best interest of SHINE
- should always protect SHINE's reputation and be aware of the impression that their actions and decisions may have on those outside SHINE
- should always be able to demonstrate that they have made decisions in the best interest of SHINE and independently of any competing interest
- should require the withdrawal of the affected individual from any decisions where their other interest is relevant to a high risk or controversial decision or could, or be seen to, significantly affect the decision-making at SHINE
- can allow the individual to participate where the existence of the other interest poses a low risk to the decision-making in SHINE's interest or is likely to only have an insignificant bearing on their approach to an issue
- should be aware that the presence of a conflicted individual can affect trust, could inhibit free discussion, and might influence decision-making in some way

## 8. Recording the conflict of interest

8.1. SHINE keeps a register of interests (automated report sourced from GovernorHub<sup>9</sup>) for the trustees, governors and senior employees, which is published on the SHINE website and includes:

- relevant business and pecuniary interests of members, trustees, governors and senior employees, including:
  - directorships, partnerships and employments with businesses
  - trusteeships and governorships at other educational institutions and charities
  - for each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began
- any material interests arising from close family relationships between appointed persons within SHINE, and relationships between appointed persons within SHINE
- the interests of other individuals in the register of interests. This may include other employees of the trust and close family members of individuals already on the register. If in doubt the presumption should be towards including an interest in the register
- relevant business and pecuniary interests of members, trustees, governors and senior employees. Trusts have discretion over the publication of interests of other individuals including child, parent, spouse and civil partner

8.2 This register of interest must be kept up to date through regular review and trustees, governors and senior employees are expected to update their profile within GovernorHub and alert the clerk to changes.

8.3. Declaration of interests will be minuted at all Board, its appointed committees and LGB and, will detail the potential conflicts, the discussions and the resolutions.

8.4. The Board will monitor declarations of interest to ensure that actions forming part of the resolution are appropriate, are following legal requirements and have been implemented correctly.

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<sup>9</sup> At the time of approving the policy members do not have access to GovernorHub and their declarations are held on file by the clerk and published on the SHINE website

## **9. Confidentiality**

9.1. Members, trustees, governors or senior employees cannot use information obtained from SHINE for their own benefit or that of another organisation if it has been obtained in confidence or has special value such as commercial sensitivity.

## **10. Monitoring and enforcement**

10.1. The Board will undertake continuous monitoring of its activities to ensure that any conflicts of interest are identified and mitigated as soon as possible.

10.2. Members, trustees, governors and senior employees who fail to declare an interest and are found to be in conflict with the best interests of SHINE will be expected to explain to the Board their reasons for their omission.

10.3. Members reserve the right to terminate the membership of the relevant trustee, if they are found to have knowingly and deliberately failed to declare an interest and has brought SHINE into disrepute.

10.4. Trustees reserve the right to terminate the membership of the relevant governor, if they are found to have knowingly and deliberately failed to declare an interest and has brought SHINE into disrepute.

10.5. It will be treated as a serious disciplinary matter if a senior employee is found to have knowingly and deliberately failed to declare an interest and brought SHINE into disrepute.

## **11. Policy circulation**

11.1. This policy will be published on SHINE's website and included in the Board's policy monitoring schedule.

11.2. This policy will be circulated to every member, trustee, governor and senior employee by sending an email to the link on SHINE's website on an annual basis and when each new member, trustee, governor and senior employee joins SHINE.

11.3. The trustees, in consultation with the LGBs, are responsible for overseeing, reviewing and organising the revision of this policy.

11.4 Each member, trustee, governor and senior employee of SHINE must complete a conflict of interest form annually, declaring any interest, 'Nil' should be used where non-

exist. If a new interest becomes applicable during the academic year, then it is the responsibility of the individual to request a new form from the clerk to keep the information as up to date as possible.

Appendix 1. Conflict of interest form

**Declaration of pecuniary and personal interest**



**Name:** .....

**SHINE Team / Academy:** .....

**Position:** .....

I [Name], declare as a member/trustee/governor/senior leader or advisor of [SHINE/Academy], that I hold the following personal and/or pecuniary interest(s):

<b>Pecuniary interests</b>	<b>Please provide details of the interest</b>
Current employment	
Businesses (of which I am a partner or sole proprietor)	
Company directorships – details of all companies of which I am a director	
Charity trusteeships – details of all companies of which I am a trustee	
Membership of professional bodies, membership organisations, public bodies or special interest groups of which I am a member and have a position of general control or management	
Gifts or hospitality offered to you by external bodies while acting in your position as a governor/trustee and whether this was declined or accepted in the last 12 months	

Contracts offered by you for the supply of goods and/or services to the trust/academy				
Any other conflict				
Personal interests	Name	Relationship to me	Organisation	Nature of the interest
Immediate family/close connections to trustee/governor				
Company directorships or trusteeships of family/close connections to trustee/governor				

**If you are a member, trustee or governor of any other schools or academies, please provide details:**

**Name of school/academy:** .....

**Position held:** .....

**Date appointed/elected to post:** .....

**Date of termination to post:** .....

To the best of my knowledge the information supplied above is correct and complete. I understand that it is my responsibility to declare any conflict of interest/loyalty, business or personal that relates directly or indirectly, to myself or any relation in any contract, proposed contract or other matter when present at a meeting at the school/academy where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it. I agree to review and update this declaration annually and give consent for the information provided to be used in accordance with the SHINE's conflicts of interest policy.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Record of reviews - clerk to distribute for amendment and signature annually**

Year End	2021/2022	2022/2023	2023/2024
Transactions or amendments in the year with the above	Yes / No	Yes / No	Yes / No
Date			
Signed			