

Conflicts of Interest Policy



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1 Introduction

- 1.1 This policy sets out the responsibilities for identifying and managing actual and potential conflicts of interest when acting on behalf of Arthur Terry Learning Partnership ‘the Trust’.
- 1.2 If needed, further guidance can be obtained from the Governance & Compliance Manager, Katherine Thomas: katherine.thomas@atlp.org.uk
- 1.3 A conflict of interest is any situation in which personal interests or loyalties could, or could be seen, to prevent a person from making a decision only in the best interests of the Trust. Conflicts of interest will usually fall into one of the following categories:
- financial interests
 - non-financial interest
 - loyalties
- 1.4 See section 4 below for further guidance on identifying conflicts.

2 Who this policy applies to

- 2.1 This policy applies to:
- all trustees (‘the trustees’);
 - all members of the Trust;
 - all advocates within the Trust’s Governance Network; Advisory Committees (or equivalent);
 - senior employees who form the Wider Executive Group of the Trust; and
 - all external members of the Trustees’ committees.
- 2.2 In this policy where it refers to a ‘**decision maker**’ it is referring to the holder of each of the above posts.

3 Fundamental Principles

- 3.1 It is important that confidence in the good governance and probity of the Trust is maintained. In order to achieve this the decision maker must ensure all decisions made on behalf of the Trust are free from any undue influence. They are expected to act with integrity, honesty, selflessness and objectivity when making decisions on behalf of the Trust (or when advising the Trust) and to act in a way that promotes the best interests of the Trust.
- 3.2 In order to maintain high standards of conduct, probity and ethics it is also important that the decision maker is accountable and open about the decisions or action taken including in relation to the management of conflicts of interest. The Trust has adopted an open culture to managing conflicts to allow decision makers to:

- feel comfortable with declaring interests and any conflicts that arise safe in the knowledge that they will be dealt with in accordance with this policy; and
 - say if one of their fellow decision makers appears to have a conflict of interest. By doing so they are not calling their fellow decision makers integrity into question.
- 3.3 The basic rule is that trustees have an overriding statutory obligation not to put themselves in a position where their duty as a trustee conflict with any personal interest they may have. However, it is recognised and understandable that conflicts will arise from time to time because having outside interests and expertise may bring significant benefits to the role they play and the work of the Trust.
- 3.4 Where conflicts are unavoidable, they must be effectively managed in the best interests of the Trust. This means it is the decision makers responsibility to identify and manage conflicts of interest by:
- **disclosing** outside interests that could give rise to potential conflicts so that relevant people are aware of these in advance
 - **determining** whether they have an actual or perceived conflict before being involved in any decision on behalf of the Trust
 - **managing** any conflicts as they arise, in a manner that protects the integrity of the Trust’s decision making while allowing them to give the right level of input to enable the best decisions. Whilst the Board will ultimately decide how to manage a conflict, the decision maker will also need to make their own personal judgement about it.

4 Identifying conflicts of interest

- 4.1 The obligations set out in this policy derive from the general fiduciary duties owed by trustees under charity law and the Companies Act 2006, which sets out specific requirements in relation to conflicts of interest. The Trust also has obligations in respect of the effective management of conflicts of interest under the terms of its Funding Agreement(s) with the Secretary of State for Education and the Academy Trust Handbook.
- 4.2 Conflicts of interest can inhibit open discussions and may result in irrelevant considerations being taken into account or decisions being made that are not in the Trust’s best interests. They can also damage the reputation of the Trust if it appears that decision makers are influenced by personal interests or loyalties or have acted improperly. All decision makers must therefore be alert to the possibility that they, or others, could be affected by a conflict of interests.
- 4.3 The Trust’s articles (see articles [97-98]) set out certain procedures in relation to conflicts of interest. This policy should be read in conjunction with the articles, and in the case of conflict the articles take precedence over this policy.
- 4.4 When a decision maker is considering if they have a conflict of interest, they must be aware of the following principles:
- 4.4.1 a conflict of interest exists if there is a possibility that their personal interest could influence their decision-making, even if the decision-making is not in fact adversely affected by the conflict. A reasonable perception that a conflict of interest exists can be enough for the decision maker to be in breach of their duties; and
 - 4.4.2 the interest that gives rise to a conflict may be direct or indirect and, in particular, a conflict may relate to the interests of someone who is connected to them (e.g. a partner or child) as well as to their own personal interests.

- 4.5 It is not practicable to set out every situation which may result in a conflict of interest, but common situations include:

Direct financial gain or benefit

- 4.5.1 selling, loaning or leasing Trust assets to a decision maker;
- 4.5.2 the Trust acquiring, borrowing or leasing assets from a decision maker;
- 4.5.3 paying a decision maker (or a company at which the decision maker is a director) to provide goods or services to the Trust or a company or organisation in which the Trust has an interest or is connected with;
- 4.5.4 paying a trustee for carrying out:
 - (a) their role as trustee;
 - (b) a separate paid post at the Trust; or
 - (c) a post at a trading subsidiary or any other company or organisation that the Trust is interested or connected with;

Indirect financial gain or benefit

- 4.5.5 where the financial gain or benefit accrues to a family member, business or employer of a decision maker;

Non-financial gain or benefit

- 4.5.6 where a decision maker can exploit any information or opportunities as a result of the decision maker's role;

Conflict of loyalty

- 4.5.7 where a decision maker owes a duty to any other body (regardless of what capacity that duty is owed) that may conflict with their duty to the Trust. This can arise even where the decision maker does not have a monetary interest or does not stand to personally benefit.

5 Declaration of interests

- 5.1 The decision maker has a personal responsibility to declare any interest that might reasonably be regarded as potentially giving rise to a conflict.
- 5.2 On appointment or on the adoption of this policy, whichever is later, they must complete a declaration of interests form:
 - 5.2.1 listing any personal interests, business interests or other direct or indirect interests that might potentially give rise to a conflict of interests;
 - 5.2.2 listing any interests of persons connected to them that may give rise to a conflict of interest;
 - 5.2.3 declaring any gifts or hospitality received or offered as part of the decision maker role;
 - 5.2.4 confirming that they are not aware of any conflict, other than those already disclosed, that exists between their role and their personal circumstances or other interests;

- 5.2.5 confirming the directorships, partnerships and employment that they are involved with or hold;
 - 5.2.6 listing any other trusteeships or advocateships at other educational institutions or charities;
 - 5.2.7 confirming that they will update the form annually, or sooner if any changes occur; and
 - 5.2.8 confirming that they will declare any conflict that arise in the future.
- 5.3 The Governance and Compliance Manager is responsible for maintaining a register of interests that will be accessible to all decision makers and the Trust's auditors.
- 5.4 The register of interests must include the information prescribed by the Academy Trust Handbook, including:
- 5.4.1 capturing relevant business and pecuniary interests of the decision makers. The name and nature of the business or interest must be recorded, along with the date that the interest began;
 - 5.4.2 any relevant material interests arising from close family members between the decision makers. It must also identify relevant material interests between decision makers and employees of the Trust;
 - 5.4.3 the relevant business and pecuniary interests of the decision makers will be published on the Trust's website.
- 5.5 It is to the decision maker to decide which matters to declare but, if in doubt, they should make a declaration. If they would like to discuss the issue, they should contact the Chair or Governance and Compliance Manager for confidential guidance.
- 5.6 Whilst the declaration will need to be made annually as set out at paragraph 5.2.7, it is the decision makers responsibility to keep their declaration up-to-date and to promptly notify the Governance and Compliance Manager of any changes between annual declarations.
- 5.7 The Trust shall take advice from its auditors in respect of the disclosure of interests and, in particular, related party transactions in the preparation of its annual report and accounts to ensure full compliance with the Statement of Recommended Practice.
- 5.8 The information provided by decision makers will be processed in accordance with data protection principles as set out in the Data Protection Act 2018 and UK GDPR. Personal data will be processed only for the purposes set out in this policy and as required by any statute or any regulatory body, and not for any other purpose.

6 Conflicts of interest

- 6.1 In accordance with article [97] of the articles, if a decision maker has or can have any direct or indirect duty or personal interest which conflicts or may conflict with their duties as a trustee, they must disclose this to the trustees as soon as they become aware of it.
- 6.2 The first item on the agenda of each trustee meeting will be a standing item requiring all trustees attending the meeting to declare any conflicts of interest relating to the matters to be discussed at the meeting.
- 6.3 If a decision maker considers they have an actual or potential conflict, they must inform the Chair as soon as possible and always before any discussion of the relevant matter. The declaration must specify

the nature and extent of any direct or indirect interest that gives rise to the conflict. They must absent themselves from any discussions of the trustees or Advocate committees in which it is possible that a conflict will arise between their duty to act solely in the interests of the Trust and any duty or personal interest.

- 6.4 If a decision maker is aware that another decision maker has an actual or potential conflict that has not been declared, they must notify the Chair.
- 6.5 If the Chair is declaring a conflict, they must inform the other board members.
- 6.6 If a decision maker is uncertain whether or not they are conflicted, they must err on the side of openness and declare the interest. In deciding what course of action to take, they and the other decision makers must always base decisions on what is in the best interest of the Trust.
- 6.7 The Governance and Compliance Manager must note all conflicts declared in the minutes of the meeting in which they were declared or, if not declared in a meeting, in the minutes of the next trustee meeting.
- 6.8 Conflicts that are identified outside of a meeting must be declared by giving written notice to the Governance and Compliance Manager.

7 Assessing conflicts at meetings

- 7.1 The way in which conflicts are dealt with will depend on the nature and extent of the conflict. The non-conflicted decision makers must therefore:
 - 7.1.1 assess the nature and extent of the conflict;
 - 7.1.2 assess the risk or threat to decision-making by the trustees or local advocates;
 - 7.1.3 decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent the trustees or local advocates from making decisions in the best interests of the Trust, relates to a significant decision or risks significantly damaging the Trust's reputation); and
 - 7.1.4 decide what steps to take to handle the conflict.

When considering conflicts, all relevant factors must be taken into account, decisions made only in the best interests of the Trust and the Trust's reputation always protected.

- 7.2 The conflicted decision maker must not take part in any discussion or decision about the conflict and how to handle it and will not be counted in the quorum for that part of the meeting.

8 Management of conflicts of interest

- 8.1 If the conflict arises owing to a financial transaction between the Trust and a decision makers (or a connected person), or because a decision maker (or a connected person) will or may obtain a benefit from the Trust:
 - 8.1.1 any potential or proposed benefit must be authorised in advance (see section 9 below); and
 - 8.1.2 the conflicted decision maker must:

- (a) withdraw from all discussions and decisions in relation to the matter; and
 - (b) not be counted in the quorum for that part of the meeting.
- 8.2 For all other conflicts, the conflicted decision maker must withdraw from all discussions and decisions in relation to the matter.
- 8.3 Any decision maker who declares a conflict of interest during the course of a meeting should remove themselves from the meeting for the duration of that agenda item.
- 8.4 All decisions relating to conflicts of interest will be recorded in the minutes, including:
 - 8.4.1 whether any decision maker declared a conflict of interest;
 - 8.4.2 the nature of the declared conflict of interest;
 - 8.4.3 that the decision maker removed themselves from the meeting; and
 - 8.4.4 the actions taken to manage the conflict.
- 8.5 If a decision maker benefits from any decisions of the Trust, if the Trust's auditors advise it is necessary, it will be reported in the Trust's annual report and anywhere else that is legally required.

9 Procedure for declaring interests in transactions and arrangements

- 9.1 If a decision maker has a direct or indirect interest in any proposed transaction or arrangement, they must declare the nature and extent of that interest before the transaction or arrangement is entered into.
- 9.2 If a decision maker has a direct or indirect interest in a transaction or arrangement that has already been entered into by the Trust, but they have not declared that interest, they must declare the nature and extent of that interest as soon as is reasonably practicable.
- 9.3 If a declaration made under paragraph 9.1 or paragraph 9.2 proves to be or becomes inaccurate or incomplete, the decision maker must make a further declaration giving correct information about the nature and extent of their interest.
- 9.4 A declaration made under paragraph 9.1, paragraph 9.2 or paragraph 9.3 must be made either at a meeting of the trustees or by sending written notice to the other trustees or Governance and Compliance Manager.

10 Trustee benefits and related party transactions

- 10.1 Articles [6.2 to 6.9] of the articles set out the procedure and circumstances in which the Trust can authorise a transaction or arrangement that is with or that will benefit a trustee.
- 10.2 If a decision maker receives a benefit without proper authority, this will be a breach of trust and they may be liable to repay all or part of the benefit to the Trust.

11 Failure to disclose an interest

- 11.1 The failure by a decision maker to declare a conflict of interest is serious and will be in breach of this policy. They may also be in breach of trust and breach of their statutory duties (for trustees) and may be subject to legal action.
- 11.2 The Trust may also consider the possibility of removing them from office or being subject to disciplinary proceedings in these circumstances.

12 Monitoring, enforcing and reviewing this policy

- 12.1 To ensure that disclosures are kept up-to-date, decision makers will be asked to review and update their disclosures annually as required by section 5.
- 12.2 If a decision maker becomes aware of a breach of this policy, they must report it to the Chair as soon as possible.
- 12.3 The trustees have implemented this policy in order to monitor and manage conflicts of interest. Any failure to comply with the terms of this policy will not, in itself, result in a decision of the trustees being invalidated or in any liability to the Trust's beneficiaries.
- 12.4 The Chair must:
- 12.4.1 report all breaches of the policy of which they are aware to the trustees at the next trustee meeting; and
 - 12.4.2 ensure that all breaches are noted in the minutes of the relevant trustee meeting.
- 12.5 The Audit & Risk Committee will review a random small sample of decisions each year to monitor adherence with this policy. If there are any breaches of this policy found by this review, or raised by anyone else, they will discuss these with the relevant individual in the first instance and if it warrants escalation then with the Chair.
- 12.6 Reports on this policy, including information about any breaches or management of conflicts declared, will be provided at least annually to Audit & Risk Committee and the senior executive team.
- 12.7 If a decision maker is concerned that a conflict exists which has not been dealt with in accordance with this policy, they should raise this with the Chair or Governance Professional or in accordance with the Trust's whistleblowing policy.

13 Review

This policy must be reviewed on a biennial basis by the trustees, or sooner if required.

14 Other relevant policies and further Reading

Other relevant Trust policies include:

- ATLP GDPR Data Protection Policy

- Code of Conduct for Staff Policy
- Governance Code of Conduct
- Finance Policy
- Whistleblowing policy

Anti-Fraud & Corruption Policy Further guidance on the management of conflict of interests can be found here in the Charity Commission guidance "*Conflicts of interest: a guide for charity trustees (CC29)*" which is also referred to by the DfE in its Governance Handbook.

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