

The Four Stones Multi Academy Trust

Conflicts of Interest Policy

Version Control

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Policy approved by: Trust Board
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Version	Date	Details
1.0	14 th Dec 2020	Policy written for The Four Stones Multi Academy Trust
2.0	18 th Oct 2021	General updates-eg 'Academies Financial Handbook' with 'Academy Trust Handbook'.

1 Purpose of the policy

This policy sets out the framework for ensuring that all decisions and decision-making processes of The Four Stones Multi Academy Trust (MAT) are, and are seen to be, free from personal bias and do not unfairly favour any individual, company or other organisation connected with the MAT.

Trustees have an obligation to act in the best interests of the MAT and its constituent schools and, in accordance with the MAT's Articles of Association, 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 MAT. These can inhibit free discussions, result in decisions or actions that are not in the best interest of the MAT, and give rise to the perception that the MAT has acted wrongly.

The MAT is therefore committed to ensuring:

- that every Member, Trustee and Governor understands what constitutes a conflict of interest, and their responsibility to identify and declare any conflicts that might arise; and
- that the conflict and the actions taken are recorded to ensure that the conflict does not affect decision-making at any level within the governance of the MAT.

This policy is to be read and implemented in conjunction with the MAT's *Conflicts of Interest Procedure*.

2 Legal and operational framework

2.1 This policy is framed by the following legislation and statutory guidance and the MAT's governing documents:

- Companies Act 2006
- The MAT's Funding Agreements with the Secretary of State for Education
- The MAT's Articles of Association
- The current DfE *Governance Handbook* and ESFA *Academy Trust Handbook*
- The MAT's codes of conduct for Trustees and Governors, which include reference to the Nolan Principles
- Charity Commission guidance: *The Essential Trustee: What you need to know; Conflicts of Interest: A Guide for Charity Trustees*

3 Definition

3.1 The MAT has adopted the Charity Commission's definition, which states that a conflict of interest is any situation where the personal interests or loyalties of a Member, Trustee or Governor could, or could be seen to, prevent the relevant individual from making a decision in the best interests of the MAT.

4 Identifying conflicts of interest

4.1 The MAT expects individual Members, Trustees and Governors and the Trust Board and its committees (including Local Governing Bodies) to be able to identify any potential conflicts of interest at an early stage.

- 4.2 Individual Members, Trustees or Governors who fail to identify and declare any conflicts of interest are also failing to comply with their personal legal responsibility to avoid conflicts of interest and to act only in the best interests of the MAT and its students.
- 4.3 The MAT must ensure at all times that any conflicts of interest do not prevent it from making decisions that are only in the best interest of the MAT and its students.
- 4.4 The MAT will maintain a register of standing interests, in accordance with the *Conflicts of Interest Procedure*, which is kept by the Clerk to the Trustees/Company Secretary and published and regularly updated on the MAT's website.

5 Interests which should be declared

5.1 In accordance with the current DfE *Governance Handbook* and ESFA *Academy Trust Handbook* the MAT must record relevant business, pecuniary and governance interests of Members, Trustees and the MAT's Accounting Officer, including:

- (i) Any proprietary, shareholding, directorship, partnership, management, membership or employment involvement in businesses or organisations that provide goods, services or funds to the MAT or any of its constituent schools;
- (ii) Proprietary and governance roles at other educational institutions (irrespective of location or whether these have any trading or business relationship with the MAT or its constituent schools); and
- (iii) For each interest: the name of the organisation, the nature of the interest and the date when the interest began.

5.2 The MAT's Local Governing Bodies are committees of the Trust Board, and all the declaration requirements set out at 5.1 above apply equally to Governors. The relevant registers of standing interests will be maintained by the respective Clerks to Local Governing Bodies and published and regularly updated on the websites of the relevant schools.

5.3 In accordance with the current *Governance Handbook* and *Academy Trust Handbook* the MAT must also identify any material interest arising from close family relationships between Members, Trustees or Governors and MAT employees. Close family relationship is defined as arising from: a close member or the family, or member of the same household, who may be expected to influence or be influenced by the person. This includes (but is not limited to) a child, parent, spouse or civil partner.

5.4 Under the Companies Act 2006:

Where there has been a declaration of a conflict of interest that does not involve a proposed financial transaction between a Trustee (director) and the MAT, s.175(1) states that —

- A director of a company must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company;

and s.177(6) provides that a director need not declare an interest —

- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (b) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered —
 - (i) by a meeting of the directors, or
 - (ii) by a committee of the directors appointed for the purpose under the company's constitution.

5.5 If a conflict of interest arises, the *Conflicts of Interest Procedure* should be followed.

6 Transactions with Related Parties

6.1 Where an interest arises from the provision of goods or services to the MAT, the requirements set out in Part 5 of the *Academy Trust Handbook* will determine how these matters are managed.

7 Benefits to Members, Trustees and Governors

- 7.1 Governors, Trustees and Members may only benefit from the MAT where there is an explicit authority in place in the MAT's governing document before any decision is made that confers such a benefit.
- 7.2 Such benefits include any payments or benefits to them or a connected person, apart from their reasonable out of pocket expenses. Such benefits also include situations where they could receive property, loans, goods or services from the MAT.
- 7.3 Where there is a proposed sale or lease of MAT land to a Member, Trustee or Governor, or to a person or company closely connected to them, under the MAT's Funding Agreement this requires authorisation by the Secretary of State for Education even if the disposal is at full market value.
- 7.4 The payment of reasonable expenses to Members, Trustees and Governors is not a benefit, so it does not create a conflict of interest. Such payments are covered by the MAT's policy for *Members', Trustees' and Governors' Allowances* which is published separately on the MAT's website.