



Conflict of Interest Policy

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

Governors, Trustees/Directors, Members and staff of the Academy have an obligation to act in the best interests of the Academy and in accordance with its Articles of Association in order to avoid situations where there may be a potential conflict of interest. For the purposes of this document, Governors, Trustees/Directors and Members will be referred to as governors.

The Academies Financial Handbook 2017 states that:

The board of trustees must understand their statutory duties as company directors as set out in the Companies Act 2006. These comprise the duties to:

- *act within their powers*
- *promote the success of the company*
- *exercise independent judgement*
- *exercise reasonable care, skill and diligence*
- *avoid conflicts of interest*
- *not to accept benefits from third parties*
- *declare interest in proposed transactions or arrangements*

These duties are especially relevant when entering into transactions with connected parties.

The Southwater Junior Academy 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 Southwater Junior Academy.

1. Legal framework

1.1. 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

2.1. Southwater Junior Academy 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 the governor from making a decision in the best interests of the Academy.

3. Identifying conflicts of interest

3.1. Southwater Junior Academy expects individual governors and governing bodies 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 Academy and its pupils.

3.3. The governing body must ensure that any conflicts of interest do not prevent them from making a decision only in the best interests of the Academy and its pupils.

4. Articles of Association

4.1 Southwater Junior Academy Trust Company's Articles of Association (para 97) states:

Any Director 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 Director shall disclose that fact to the Directors as soon as he becomes aware of it. A Director must absent himself from any discussions of the Directors in which it is possible that a conflict will arise between his duty to act solely in the interests of the Company and any duty or personal interest (including but not limited to any Personal Financial Interest).

5. Interests which should be declared

5.1. Governors will be expected to declare the following interests:

- Holding a public office.
- Being an employee, director, advisor or partner of a business or organisation.
- Directorships, partnerships and employments with businesses that provide goods or services to the trust

- Having a beneficial interest in a trust.
- Having received a gift, hospitality, or other benefit from someone / an organisation.
- Trustees or governorships including at other educational institutions and charities irrespective of whether there is a trading relationship with the trust
- 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.
- Any relationship with Academy staff
- Owning any land in the area of the Academy

6. Governor benefits

- 6.1. Governors can only benefit from their Academy where there is an explicit authority in place in the Academy's governing document before any decision conferring governor 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 Academy.
- 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 DfE, 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 should keep an updated record of any conflicts of interest in the Academy's register of interests, which is maintained by the School Business Manager. The Trust must publish on its website the relevant business and pecuniary interests of trustees and members. Trusts have discretion over the publication of interests of other individuals (close family members or friends) relating to trustees and members.

8. Declaring interests

- 8.1. Governors should have a standard agenda item at the beginning of each meeting of the governing body to declare any actual or potential conflicts of interest.
- 8.2. A governor should declare any interest which he / she 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 he / she is conflicted, he / she 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 he / she 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:
 - 9.2.1. Are so acute and extensive that the governors are unable to make their decisions in the best interest of the Academy and its pupils, or could be seen to be unable to do so.
 - 9.2.2. Are present in significant or high risk decisions of the governors.
 - 9.2.3. Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
 - 9.2.4. 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, or any transaction of arrangement involving governor benefit:
 - 10.1.1. The benefit must be authorised in advance by the Finance and Personnel Committees. If there is no Finance and Personnel Committee meetings planned within the time frame of authorisation being required, then the Chairs of the Finance & Premises and People & Pay Committees and one other finance governor can be contacted to authorise the benefit. If the person affected is the Chair of the Finance & Premises or the People & Pay Committee then the Chair of the governing body plus one other finance governor must authorise the benefit.
 - 10.1.2. The governing body expects the affected governor 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 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 governor should declare the interest.
- 10.3. The remainder of the governing body must then decide what level of participation, if any, is acceptable on the part of the conflicted governor. The options might include, but are not limited to, deciding whether the conflicted governor:

- 10.3.1. Having registered and fully declared the interest, can otherwise participate in the decision.
 - 10.3.2. Can stay in the meetings where the decision is discussed and made, but not participate.
 - 10.3.3. 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 Academy and its pupils.
 - 10.4.2. Should always protect the Academy's reputation and be aware of the impression that their actions and decisions may have on those outside the Academy.
 - 10.4.3. Should always be able to demonstrate that they have made decisions in the best interests of the Academy and its pupils, and independently of any competing interest.
 - 10.4.4. Should require the withdrawal of the affected governor from any decisions where the governor's other interest is relevant to a high risk or controversial governor decision or could, or be seen to, significantly affect the governor's decision-making at the Academy.
 - 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 Academy's interest, 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 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 Academy and its pupils.

11. Records of proceedings

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

12. Confidentiality

- 12.1. Governors cannot use information obtained at the Academy 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 governing body of Southwater Junior Academy will carry out continuous monitoring of its activities and members 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 Academy will be expected to explain to the governing body his / her reasons for their omission.
- 13.3. Members may decide to terminate the membership of the relevant governor from the governing body, if he / she is found to have knowingly and deliberately failed to declare an interest and has brought the Academy into disrepute.

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Signed: Headteacher	
Chair of Governors	