

Owlcotes Multi-Academy Trust



Conflict of Interest Policy

January 2019

Last reviewed: December 2024

About Owlcotes Multi-Academy Trust (OMAT)

OMAT is committed to the development of inclusive schools, sharing a common purpose to provide excellent education and improved outcomes for pupils.

OMAT strives to provide high-quality education for all children within our local communities by inspiring innovation, creativity and aspiration through an enriched curriculum.

OMAT is committed to the principles of co-operation, collaboration and sharing best practice with a strong focus on staff development.

OMAT is also committed to the preservation of the unique identity of all schools within the trust: each school will have a Local Governing Board (LGB) which is involved in decision making at school level, with autonomy to make decisions for its own school in line with the scheme of delegation.

Conflict of Interest Policy

1. Background

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

Members, Trustees and Governors have an obligation to act in the best interests of, and in accordance, with any of the Trust's governing policy documents. Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of the Trust. Such conflicts of interest may create problems, they can:

- Inhibit free discussion;
- Result in decisions or actions that are not in the interests of the Trust;
- Risk the impression that the Trust has acted improperly.

For the purpose of this document:

- Members, Trustees and Governors on individual schools' Local Governing boards are all referred to as 'Trustees';
- The Executive Leadership Team and Senior Employees within OMAT are referred to as 'Senior Employees'.
- 'Conflicts of interest' are any situations where an individual's personal interests or loyalties could, or could be seen to, prevent the individual from making a decision in the best interests of the Trust.
- A person is defined as having a 'business or pecuniary interest' if they have a monetary or financially vested interest in a business or service, which could prevent the individual from acting in the Trust's best interests.
- A 'connected person' broadly relates to an individual's family, relatives, or business partner.

The disclosure of conflicts of interest is important as the Trust may face legal action if organisations such as the DfE and ESFA are not made aware of potential conflicts of interest.

This policy has been compiled to ensure that Trustees and Senior Employees understand what constitutes a conflict of interest and understand their responsibility to disclose any conflicts that may arise.

2. Legal Framework

This Policy takes its legal framework from the following legislation, statutory guidance, and Trust documents:

- Companies Act 2006;
- Charities Act 2011;
- Conflicts of Interest: A Guide for Charity Trustees;
- ESFA Academy Trust Handbook;
- Owlcotes Multi-Academy Trust Articles of Association;
- Whistleblowing Policy;
- Data Protection Policy.

The following documents will be compiled from any information that is disclosed in line with this policy:

- Owlcotes Multi-Academy Trust Board of Trustees Register of Business and Personal Interests;
- School Local Governing Board Register of Business and Personal Interests;
- Related Party Transaction Register.

3. What is a Conflict of Interest?

The Trust adopts the definition of the Charity Commission for England and Wales which states that a conflict of interest is any situation where a person is in a position where their duty as a Trustee may conflict with any personal interest that they may have – where a person may not be able to act properly in a particular capacity because of a person or matter with which they are connected, or where a person may profit personally from decisions made in their capacity as Trustee, or from knowledge gained through holding such a position.

Conflicts of interest usually arise in the following situations:

- a) Benefits to Trustees/Senior Employees:** There is a potential financial or measurable benefit directly to a Trustee or Senior Employee, or indirectly through a connected person. Examples of benefits are where the Trustees or Senior Employees decide to:
 - Sell, loan or lease OMAT assets to a Trustee or Senior Employee;
 - Acquire, borrow or lease assets from a Trustee for OMAT;
 - Pay a Trustee for carrying out their volunteer role;
 - Pay a Trustee for carrying out a separate paid post within OMAT, even if that Trustee has recently resigned as a Trustee;
 - Pay a Trustee or Senior Employee, or a person or company closely connected to a Trustee or Senior Employee, for providing a service to OMAT. 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 Trustee's or Senior Employee's spouse or other close relative at OMAT;
 - Make a grant to a Trustee, or a person who is a close relative of a Trustee;
 - Allow a Trustee or Senior Employee to influence service provision to their exclusive advantage.
- b) Conflict of Loyalty:** Trustee's or Senior Employee's duty to OMAT 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 the Trustee or Senior

Employee to decide the issue only in the best interests of OMAT for example, a Trustee's or Senior Employees loyalty to OMAT 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.

It is the responsibility of a Trustee or Senior Employee to disclose any conflicts of interest, in line with sections 3 and 4.

Trustees' personal and professional connections can bring benefits and they often form part of the reason why an individual has been asked to join the Trust Board or Local Governing Board, or may have influenced their decision to apply to be a member of the Trust Board or a Local Governing Board. However, they can give rise to conflicts of interest, to which the Trustees or Senior Employees must respond effectively and disclose.

The existence of a conflict of interest does not reflect on the integrity of the affected Trustee, so long as it is properly addressed and disclosed.

4. Identifying the Conflict of Interest

4.1. Trustees and Senior Employees

From the adoption of this policy, or upon being appointed, all Trustees and Senior Employees will be required to make a full written disclosure of any business or personal relationships held, financial or property interests held, or gifts or hospitality received, that could potentially result in a conflict of interest.

A declaration of interests form is provided and must be used for this purpose. Any question about whether a Trustee or Senior Employee has an interest which should be disclosed should be referred in the first instance to the Chair or Chief Information Officer for determination.

Trustees and Senior Employees are expected to identify any conflicts of interest at an early stage of a conflict being known. Written disclosures will be kept on a register maintained by the governance lead and school office.

All Trustees and Senior Employees will be required to update their disclosure as and when their circumstances change. A standard agenda item is also included at the beginning of each OMAT board meeting, sub-committee meeting, and LGB meeting to enable the declaration of any actual or potential conflicts of interest. All disclosures will be reviewed on an annual basis at the beginning of each year. The register will be accessible by Trustees and OMAT's internal and external auditors.

If a Trustee or Senior Employee 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.

Trustees or Senior Employees should disclose the following interests.

- Holding another public office position;
- Being an employee, director, advisor or partner of another business or organisation;

- Pursuing related business opportunities;
- Having a beneficial interest in a multi-academy trust;
- Having a legal or professional obligation to someone else;
- Having received a gift, hospitality or other benefit from someone else or an organisation;
- Being a member of a club, society or association;
- Owning a debt to someone or an organisation;
- Owning or occupying a piece of land;
- Owning shares or some other investment or asset;
- Being a Trustee or associate member at another educational setting or establishment;
- Being a spouse, partner, relative or close friend of someone who has one of the above interests.

4.2. Identifying low risk conflicts of interest

Deciding that a conflict of interest is low risk, and that the affected Trustee or Senior Employee can participate in the decision, is a judgement for the Trustees and Senior Employees. It is not possible to give definitive criteria of when this is appropriate. It depends on the particular decision and relevant circumstances and the Trustees and Senior Employees must take all relevant factors into account and be ready to explain their approach if asked.

4.3. Finance and Administration Staff – Identifying a Conflict of Interest

Members of staff who are involved in the administration of school level finances should be aware that some transactions may be made with companies/providers that are connected to a Trustee or Senior Employee. These transactions are not necessarily prohibited, but the member of staff must raise the related party transaction with the finance team or CFO before proceeding.

Members of staff who are involved in the administration of school level finances must review the related party transaction register, managed by the Trust Administration Manager, in order to identify any potential related party transactions, prior to making any transactions.

5. Dealing with a Conflict of Interest

After disclosure of any such interest, in the case of a meeting the individual concerned will be asked to leave the room (unless expressly invited to remain, possibly in order to provide information on the matter in hand) whilst the matter is discussed.

The Trustee or Senior Employee will not be counted in the quorum for that part of the meeting and will not be permitted to vote on the question. In the case of all other activities, the Trustee concerned will not be permitted to participate in the consideration or discussion of the matter other than to disclose his or her conflict of interest.

If a Trustee or Senior Employee is aware of an undeclared conflict of interest affecting another Trustee/Senior Employee, they should notify the Chair of Trustees, Chair of the Committee or the Chair of the LGB.

All decisions of OMAT and its committees made following the declaration of a conflict of interest will be reported in the minutes of that meeting. The report will record:

- The nature and extent of the conflict;
- An outline of the discussion;

- The actions taken to manage the conflict.

If a conflict of interest is identified outside of a meeting, the Trustee or Senior Employee must complete a Declaration of Interests form and submit it to the relevant Clerk of the Board of Trustees or LGB.

Where a Trustee or Senior Employee has previously disclosed an interest and the Chair or Clerk is satisfied that the interest is relevant to an item on the agenda for a meeting of the Trustee or Senior Employee concerned will not be sent the papers in respect of that item.

The decision of the Chair as to whether a Trustee or Senior Employee has failed to disclose a relevant interest shall be final. Failure to disclose a conflicting interest may lead to a Trustee or Senior Employee being in breach of this policy. It may also result in that individual being subject to legal action and personal liability for breach of trust and breach of statutory duty under the Companies Act 2006.

Such breaches may lead to the OMAT board of Trustees considering the possibility of suspending or removing the Trustee from office. Such breaches by a senior member of staff may lead to disciplinary action being taken.

5.1. Consider removing the conflict of interest

Trustees or Senior Employees must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated. This means that in cases of serious conflicts of interest they may decide that removing the conflict of interest altogether is the most effective way of preventing it from affecting their decision making and demonstrating that they have acted only in the best interests of the Trust. More information about serious conflicts of interests can be found in Appendix 1.

When deciding the course of action to take, the Board of Trustees/Local Governing Board must consider:

- Whether their decision is in the best interest of the Owlcotes Multi-Academy Trust and its pupils;
- Protecting the reputation of Owlcotes Multi-Academy Trust and its schools;
- Demonstrating that any decision taken is not unduly influenced by competing interests;
- Whether the potential conflict poses a low risk to decision making and allow the affected Trustee to continue to participate in any decisions included on the meeting agenda
- Whether to withdraw the affected Trustee or Senior Employee from any decisions included on the meeting agenda where the potential conflict could affect decision-making;
- During Board of Trustee/Local Governing Board meeting - whether the presence of the affected Trustee could affect trust between other Trustees by inhibiting free and open discussion;
- Whether the decision can be pursued in a different way so that a conflict of interest does not arise;
- Not making a decision, or future Trustee appointments, that would knowingly introduce a conflict of interest.

Trustees who have declared an interest will not be able to vote or make decisions, including any financial activity connected to the matter, regarding the topic that they have declared an interest in.

Trustees or Senior Employees must follow the legal or governance requirements that underpin this policy to decide how the conflict of interest must be handled. Trustees or Senior Employees should be satisfied that their decision was made only in the best interests of the Trust.

5.2. Withdrawing from decision-making where the conflict of interest is associated with trustee benefit.

Withdrawing from decision-making means withdrawing when the initial discussions and decisions take place, and from any subsequent discussion or decision making on the issue.

The exceptional conditions in which a Trustee is permitted to receive a benefit from the Trust is set out in the Owlcotes Multi-Academy Trust Articles of Association sections 6.6 – 6.9.

5.3. Withdrawing from decision-making where there is a conflict of loyalty

Where there is a conflict of loyalty and the affected Trustee or Senior Employee does not stand to gain any benefit; or there are no specific governing document or legal provisions about how the conflict of loyalty should be handled; then the affected Trustee or Senior Employee should declare the interest. The other Trustees or Senior Employees must then decide on what level of participation, if any, is acceptable on the part of the conflicted Trustee or Senior Employee. Options might include, but are not limited to, deciding whether the Trustee or Senior Employee:

- Having declared the interest, can otherwise participate in the decision;
- Can stay in the meeting where the decision is agreed but not participate in discussion or decision making;
- Should withdraw from the decision making process.

6. Non-Compliance

Any Trustee who fails to disclose information that may result in a conflict of interest would be in breach of the Board of Trustee/Local Governing Board code of conduct. Such matters will be addressed on a case-by-case basis. The Board of Trustees/Local Governing Board may consider suspending a Trustee if they fail to declare information that brings Owlcotes Multi-Academy Trust or its schools' reputation into question.

Any Senior Employee found to be withholding information about a conflict of interest may be subject to disciplinary action in line with the Staff Disciplinary Policy.

Any Trustee or Senior Employee who fails to disclose information that may result in a conflict of interest and is then found to be in conflict with their own decision making will be required to explain the reasons for the failure to disclose the relevant information.

7. Policy Circulation

This policy will be published on the Owlcotes MAT website.

This policy will be circulated to every Member, Trustee, Governor and Senior Employee by sending an email to the link on the OMAT website on an annual basis and when a new Member, Trustee/Director, Governor and Senior Employee joins the Trust.

Appendix 1: Serious Conflicts of Interest

The examples listed are not exhaustive and intends to describe the factors that Trustees or Senior Employees should consider when considering how to deal with a serious conflict of interest.

1. Significant or high-risk decisions of the Trustee

This could be where there is a conflict of loyalty where the Trust is in a significant dispute with another organisation and a Trustee or Senior Employee is a member of that organisation's governing body.

In this situation, the Trustees or Senior Employees must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated – this may mean the Trustees or Senior Employees deciding to remove serious conflicts of interest.

If they wish to proceed without removing the conflict of interest, the Trustee or Senior Employee should consider:

- Obtaining independent expert advice about how they should respond to the conflict, including advice on whether any elements of conflict of interest or benefit to a Trustee or Senior Employee require authority.
- Getting advice from the Charity Commission for England and Wales, in high risk cases, including advice on whether any elements of conflicts of interest or trustee benefit should be authorised.
- Appointing new Trustees or Senior Employees, who are not conflicted, to help decide the issue and demonstrate that the decision is being taken only in the best interests of the charity.
- Not making Trustee or Senior Employee appointments which would risk introducing further conflicts of interest.

2. Effective decision making undermined

This could be where a situation develops at the Trust which means that:

- A large proportion of Trustees or Senior Employees have interests which conflict with those of the Trust – this might be where several of the Trustees or Senior Employees, or people or companies connected with them, have links with each other.
- The interests of one or more of the Trustees or Senior Employees is regularly in competition with those of the Trust.

Irrespective of the form a Trustee body takes, it must make its decisions based on consideration of the Trust's best interests alone.

Where conflicts of interest become too acute or extensive they can lead to serious problems. The need for individual Trustees or Senior Employees to withdraw regularly from discussions can mean that the Trust loses the benefit of a rounded trustee contribution and also poses a challenge to quorate decision making.

Here the Trustees or Senior Employees must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated – this may mean the Trustee or Senior Employee deciding to remove serious conflicts of interest.

3. Inappropriate trustee or senior employee benefits

This could be where:

- A Trustee or Senior Employee borrows money from, or lends money to, the Trust on terms that cannot be justified in the Trust's interests.
- The number of Trustees or Senior Employees, or people or organisations connected to Trustees or Senior Employees, benefitting from the Trust in some way is too high.

Here the Trustees or Senior Employees must consider:

- The issue of the conflict of interest so that any potential effect on decision making is eliminated – this may mean the Trustees or Senior Employees deciding to remove serious conflicts of interest.

If they wish to proceed without removing the conflict of interest, the Trustees or Senior Employees must:

- Ensure that prior authority is in place for any Trustee benefits.

They should, to avoid serious problems:

- Ensure, where any Trustees are receiving a benefit, that each of the arrangements affecting Trustees and the overall balance and extent of payments is clearly justifiable in the interests of the Trust.
- Consider reducing the number of Trustees, or people or organisations connected with Trustees, in receipt of benefit.

This Conflict of Interest Policy was adopted by Owlcotes Multi Academy Trust on 31/01/2019

Chair of Trustees: Mrs Judith Norfolk		
Signature:		Judith Norfolk
Frequency of review:	2 years	
To be reviewed and approved by:	OMAT Full Board	
Date of next review:	December 2026	

REVIEW RECORD

Date of review	Reason for review	Date of next review
09/12/2020	Agreed review schedule	December 2022

Name:		Signature:	
-------	--	------------	--

on behalf of OMAT Full Board

Date of review	Reason for review	Date of next review
07/12/2022	Addition of section 4.1, 5.1, 5.2, 5.3, and Appendix 1, in line with UK Charity Commission guidance.	December 2024

Name:		Signature:	
-------	--	------------	--

on behalf of OMAT Full Board

Date of review	Reason for review	Date of next review
12/12/2024	Amendments to section 1, 2, 4 and 5.1 and addition of section 6.	December 2026

Name:		Signature:	
-------	--	------------	--

on behalf of OMAT Full Board