



Durham &  
Newcastle  
Diocesan  
Learning  
Trust

**Durham and Newcastle Diocesan Learning Trust  
(DNDLT)  
Company Number 10847279**

**Conflicts of Interest Policy**

**Policy Reviewed and Adopted by Board of Directors: 17 November 2021  
Version: 5  
Date of Next Review: Annual**

## Vision Statement:

At the heart of our vision is our commitment to ensure all of our schools are places where children and young people develop and thrive academically, socially, culturally and spiritually. The drive for excellence and effectiveness in our schools is paramount, but not merely because the Government says so. The enabling of every child to flourish in their potential as a child of God is a sign and expression of the Kingdom and is at the heart of the Trust's distinctive mission. This vision statement will be taken into account in all of our policies and their implementation.

## Statement of Intent

This policy sets out the framework for ensuring that the decisions and decision-making processes at the Durham and Newcastle Diocesan Learning Trust (**the MAT**) are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the MAT or the schools within the MAT.

Directors of the MAT have an obligation to act in the best interests of the MAT and in accordance with its Articles of Association, in order 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 or the schools within the MAT. Such interests may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of the MAT/ schools, and risk the impression that the MAT has acted improperly.

The Durham and Newcastle Diocesan Learning Trust has created this policy in order to:

- Ensure that every director/trustee 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 the MAT.

## **1. Legal framework**

- 1.1 This policy has due regard to statutory legislation, including but not limited to, the following:
- Companies Act 2006(strategic Report and Directors' Report) Regulations 2013
  - Data Protection Act 2018
  - UK General Data Protection Regulation
  - The Charities Act 2011
- 1.2 This policy also has due regard to guidance, including but not limited to, the following:
- Charity Commission 'Conflicts of Interest: a guide for charity trustees' 2014
  - DfE 'Governance handbook' 2020
  - The Charity Commission (2020) 'Managing conflicts of interest in a charity'
  - Academy Trust handbook 2021

## **2. What are conflicts of interest?**

- 2.1. For the purpose of this policy, "conflicts of interest" are any situation where a director's personal interests or loyalties could, or could be seen to, prevent the individual from making a decision in the best interests of the MAT.

## **3. Identifying conflicts of interest**

- 3.1. The MAT expects directors to be able to identify any conflicts of interest at an early stage.
- 3.2. Individual directors 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 MAT and its pupils.
- 3.3. The MAT board will ensure that any conflicts of interest do not prevent them from making a decision that would be only in the best interests of the MAT and its pupils.

## **4. Interests that will be declared**

- 4.1. Directors of the MAT will declare the following interests:
- Holding another public office
  - Being an employee, director, advisor or partner of another business or organisation
  - Pursuing a business opportunity
  - Being a member of a club, society or association
  - Having a professional or legal obligation to someone else

- Having a beneficial interest in a trust
- Owning or occupying a piece of land
- Owning shares or some other investment or asset
- Having received a gift, hospitality, or other benefit from someone/an organisation
- Owing a debt to someone/an organisation
- 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

## **5. Articles of association**

- 5.1. Any director who has, or can have, a direct or indirect personal interest which could conflict with their duties, will declare that interest to the rest of the MAT board as soon as he/she becomes aware of it.

## **6. Director's benefits**

- 6.1. Conflicts of interest can arise where there is a potential or measurable financial benefit to a director of the MAT board, or to a person connected to a director.
- 6.2. Directors of the MAT can only benefit from the MAT or a school within the MAT where there is an explicit authority in place from the MAT board.
- 6.3. Governing body benefits include any payments or benefits to Directors, or a connected person, apart from their reasonable out-of-pocket expenses.
- 6.4. Benefits also include situations where a Director could receive property, loans, good or services from the school.
- 6.5. Where there is a proposed sale or lease of land to a director, or to a person or company closely connected with a director, this will require authorisation from the DfE before it is granted, even if the disposal is at full market value.
- 6.6. The payment of reasonable expenses to a director is not a benefit, and therefore, does not create a conflict of interest or require authorisation.

## **7. Conflicts of loyalty**

- 7.1. Conflicts of interest can also arise, even if the individual does not gain any financial benefit, when their decision-making as a director could be influenced by their other interests.
- 7.2. Directors will be required to declare any interest which may conflict with their loyalty to:
- Another organisation, such as their employer.

- A member of their family.
- Another connected person or organisation.
- Another governing body or committee of which they are a member.
- The individual that appointed them to the governing body.

7.3. Directors will also be required to declare any conflicts of interest where their religious, political or personal views could interfere with their ability to make decisions in the best interest of the school.

## **8. Declaring interests**

- 8.1. Directors will be provided with a standard agenda item at the beginning of each meeting, in order to declare any actual or potential conflicts of interest.
- 8.2. Directors will be required to declare any interest which has been outlined as an item to be discussed, at the earliest possible opportunity and before any discussion of the item itself.
- 8.3. If a Director is unsure whether or not they are conflicted, they are required to declare the issue and discuss it with the rest of the MAT board.
- 8.4. If a Director is aware of an undeclared conflict of interest affecting another director, they are required to notify the rest of the MAT board for appropriate action.
- 8.5. All Directors are required to declare any conflicts of interests they have using the Register of Interests Form, which is at the end of this policy and available from the clerk to the MAT board.

## **9. Removing conflicts of interest**

- 9.1. The MAT board will consider any conflict of interest declared, ensuring that any potential effect on decision-making is eliminated.
- 9.2. If an individual has declared an interest, they will be required to leave the room when the matter is being discussed.
- 9.3. Where there is a conflict of loyalty and the affected member does not stand to gain any benefit, they will be required to declare the interest.
- 9.4. The rest of the MAT board will decide on what level of participation in decision-making, if any, is acceptable on the part of the conflicted member.
- 9.5. The MAT board will decide whether the affected member:

- Can participate in the decision, after having registered and fully declared their interest.
  - Can stay in the meetings where the decision is discussed and made, but not participate.
  - Must be withdrawn from the decision-making process.
- 9.6. When deciding which course of action to take, the MAT board will:
- Always make their decisions in the best interests of the school and its pupils.
  - Always protect the school's reputation and be aware of the impression that their actions and decisions may have on others.
  - Always be able to demonstrate that they have made decisions in the best interests of the school and its pupils, and independently of any competing interest.
  - Require the withdrawal of the affected member from any decisions where their other interest is relevant to a high-risk or controversial decision, or could significantly affect the member's decision-making.
  - Allow a member to participate where the existence of their other interest poses a low risk to decision-making in the school's interest, or is likely to have only an insignificant bearing on their approach to an issue.
  - Be aware that the presence of a conflicted member can affect trust between other members of the MAT board, could inhibit free discussion, and might influence decision-making in some way.
- 9.7. If the MAT board is discussing the appointment of a post, or making decisions that may lead to a staff vacancy, regarding a role for which a governor could apply, the member in question will be required to leave the discussion, as this is classed a conflict of interest.
- 9.8. Members of the MAT board who have declared an interest will not be able to vote or make decisions regarding that topic, including any financial activity connected to the matter, and will not be present when the vote is taken.
- 9.9. The Clerk to the MAT board will record an entry in the minutes when an individual withdraws from a meeting.
- 9.10. Declarations will be clearly recorded so that there can be no potential for misunderstandings.

9.11. In circumstances where participation is unavoidable, the chair of the MAT board will consider the risks associated with the situation and advice will be sought from the MAT's HR advisors. An entry of the situation, including the outcome, will be recorded in the minutes.

9.12 The MAT board will follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, decide that removing a conflict of interest itself is the most effective way of preventing it from affecting their decision-making.

9.13 Serious conflicts of interests include, but are not limited to, those which:

- Are so acute and extensive that the member is unable to make their decision in the best interests of the school and its pupils.
- Are present in significant high-risk decisions of the trustees.
- Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
- Are associated with an inappropriate governing board benefit.

9.14 To remove a conflict of interest, the MAT board will undertake appropriate action, including:

- Not pursuing the course of action.
- Proceeding with the issue in a different way so that a conflict of interest does not arise.
- Securing the resignation of the member affected by a conflict of interest.
- Not making member appointments that would knowingly introduce a conflict of interest.

## 10. Records of proceedings

10.1. Each time a declaration has been made during a meeting or an individual has withdrawn from a discussion, a record will be kept in the meeting minutes.

10.2. At a minimum, the following information will be recorded:

- The nature of the conflict
- Which members were affected
- Whether the conflicts of interest were declared in advance

- Whether anyone withdrew from the discussion
  - How the trustees reached the decision made
  - A description of what was disclosed and in what circumstances
- The Chair of the Trust will sign and date the recording

## **11. Non-compliance**

- 11.1. Any member of the MAT board who fails to reveal information to enable the board to fulfil its responsibilities might be in breach of the Trustee Code of Conduct and, as a result, be bringing the MAT board into disrepute.
- 11.2. The MAT board will consider suspending a Trustee if they fail to declare information that brings the governing board's reputation into question.
- 11.3. Any member of staff found to be withholding information about a conflict of interest may be subject to disciplinary action in line with the Disciplinary Policy.

## **12. Related party transactions**

- 12.1. The MAT will be even-handed in their relationship with related parties by ensuring:
  - Compliance with their statutory duties to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements.
  - A register of interest has been completed by the clerk to the MAT board.
  - No member of the MAT uses their connections to the trust for personal gain.
  - All payments are permitted by the articles of association or by authority from the Charity Commission.
  - The Charity Commission approves payments to a trustee where there is a significant advantage to the academy.
  - Any payment provided to a person satisfies the 'at cost' requirement.
- 12.2. All related party transactions will be reported to the ESFA in advance of transactions taking place, using the ESFA's online reporting form.
- 12.3. The ESFA's prior approval will be obtained, using the online form, for contracts for the supply of goods or services to the academy by a related party where any of the following limits apply:

- A contract exceeding £20,000
  - A contract of any value that would take the total value of contracts with the related party beyond £20,000 in the same financial year ending 31 August
  - A contract of any value if there have been contracts exceeding £20,000 individually or cumulatively with the related party in the same financial year ending 31 August
- 12.4. For the purposes of reporting to the ESFA, transactions with related parties will not include salaries and other payments made by the academy to a person under a contract of employment through the academy's payroll.
- 12.5. The MAT will declare, but not seek approval for, eligible transactions to the ESFA where they are for services that can only be delivered by the diocese. A single upload of evidence relating to the payment of levy for these services will be completed where they are not included in any other report under 12.3 to the ESFA.
- 12.6. When completing the ESFA's online form, all the information required to complete the form will be collected – it is not possible to partially complete a form and then return to it.
- 12.7. The following information is needed to create a record for the supplier:
- The name of the supplier
  - The supplier's address
  - The supplier's company number which can be found using the Companies House website(for limited companies)
  - The statement which best describes the relationship between the supplier and the academy
  - Confirmation that the supplier is listed on the academy's register of interests
  - Confirmation that the academy has a statement of assurance from the supplier
  - Confirmation that the academy has an open-book agreement with the supplier
- 12.8. The following information is needed about the related party transaction:
- A short description of the goods or services
  - Details of the proposed cost
  - The start and end date of any contract or agreement

- 12.9. When seeking approval for a related party transaction, evidence including the following is required:
- How the academy agreed to the related party transaction
  - That the academy followed its Finance Policy in relation to the procurement where relevant
  - That the academy tested the market before making a decision
  - How the academy managed any conflicts of interest
  - A copy of the agreement and proposed contract
- 12.10. The board of trustees and accounting officer will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.
- 12.11. The chair of the board of trustees and the accounting officer will ensure their capacity to control and influence does not conflict with requirements.
- 12.12. The academy recognises that some relationships with related parties may attract greater public scrutiny, such as:
- Transactions with individuals in a position of control and influence, including the chair of the board and the accounting officer
  - Payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
  - Relationships with external auditors beyond their duty to deliver a statutory audit
- 12.13. The academy will keep up-to-date records and make sufficient disclosures in their annual accounts to show accordance with the high standards of accountability and transparency required within the public sector.
- 12.14. The academy's register of interests will include business and pecuniary interests, 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 other interests deemed relevant by the MAT board.

- 12.15. The register of interests will identify any relevant material interests from close family relationships between the academy's members, trustees and governors. It will also identify relevant material interests arising from close family relationships between those individuals and employees.
- 12.16. Relevant business and pecuniary interests of members, trustees, governors and the accounting officer will be published on the academy's website.

### **13. Monitoring and review**

- 13.1. This policy will be reviewed on an annual basis, or when new legislation/guidance regarding the subject is published and requires the approval of the MAT board as it cannot be delegated to a committee.
- 13.2. The next scheduled review date will be in November 2020.
- 13.3. The MAT board will carry out continuous monitoring of its and members' activities to ensure that any conflicts of interests are identified and mitigated as soon as possible.
- 13.4. Any staff member or member of the MAT board who fails to declare an interest and is found to be in conflict with their decision-making will be required to explain the reasons for their omission to the rest of the MAT board.
- 13.5. The MAT board will review the Conflicts of Interest Register on an annual basis and this will be published on the MAT website.

## Register of Interests Form

**Name:** ..... **Position:** .....

Directors of academies are required to maintain a register which lists for each director, including the CEO/Executive Head Teacher, any interests that they, their partner or member of their immediate family have, that might affect their relationship with the school and/or their decision making i.e. employment and election to political bodies or corporate boards

Name of business or organisation	Nature of business or organisation	Brief description of the conflict of interest declared	Is the declared conflict of interest an actual conflict or a potential conflict of interest?	Date of appointment or acquisition	Date of cessation of Interest

### Declaration

I hereby certify I understand that it is my responsibility to declare the nature of all business or personal interests, whether direct or indirect, of myself, my partner and/or members of my immediate family that could unfairly benefit from my relationship and connection with the MAT.

I also understand that it is a criminal offence to:

- Withhold information relating to conflicts of interest.
- Provide falsified information.
- Fail to notify the governing body of any changes which might invalidate this declaration.

I agree to inform the governing body of any changes to the above mentioned interests at the earliest possible opportunity

<b>Name:</b>	
<b>Signed:</b>	

<b>Date:</b>	

**Managing the conflict of interest**

Identified conflict of interest	Agreed process for managing the identified conflict of interest	Person completing on behalf of the MAT board		
		Name	Role	Date
	<p><i>E.g. All governing board and committee meeting agendas will include an opportunity for existing and new conflicts of interests to be declared at the start of the meeting.</i></p> <p><i>Trustee to leave the meeting at any point a discussion or vote is taken relevant to the conflict of interest declared.</i></p> <p><i>Tendering and Procurement Policy In place which ensures a transparent process.</i></p>			