



# Conflict of Interest Policy

*October 2021*

~~Review Date December 2016~~

Signed by: .....

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CUL Academy Trust

## Conflict of Interest Policy

### 1. Policy Statement

This Policy sets out the detailed process that needs to be followed by all CUL Academy staff and Board Members to avoid any potential Conflict of Interest.

The Trust is committed to undertaking, and being seen to undertake, all of its activities to the highest possible standards of propriety and integrity expected of a public body. The Academy staff and Board Members will act fairly, honestly and with integrity in all aspects of what they do. The Academy's Staff and Board Members must uphold the highest standards of public conduct and, at all times, act in the interests of the Trust.

All Academy staff and Board Members are specifically expected to apply the Seven Principles of Public Life established by the Nolan Committee:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

The Trust's Travel and Subsistence Policy sets out the entitlement to expenses properly incurred during the conduct of business. Other than entitlement to expenses in line with that Policy, Academy staff and Board Members are expressly not entitled to any form of remuneration or other financial reward or benefit for undertaking their role.

This Policy sets out the detailed process that needs to be followed by Academy staff and Board Members to avoid any potential conflict of interest.

Conflicts of interest (whether real or perceived) cannot always be eliminated but they need to be identified so that they can be avoided or managed appropriately in accordance with this Policy.

### 2. Application of the Policy

This Policy applies to all Academy staff and Board Members and sets out the minimum requirements that must be met. On any occasions where Academy staff and Board Members are concerned that a particular circumstance or event, whilst complying with this Policy, may still lead to a potential or actual Conflict of Interest (whether real or perceived), they should consult with the Chair of Governors to seek further advice.

### 3. Conflicts of Interest

A Conflict of Interest exists where an Academy staff member or Board Member's personal interests or loyalties could, or could be seen to, prevent them making a decision which is in the best interest of the Academy.

A Conflict of Interest will occur when there is a divergence between an individual's private

interests or loyalties (or those of any Connected Parties) and the interests of the Academy that an independent observer might reasonably question whether the individual's actions or decisions are determined by considerations of personal gain, whether financial or otherwise. This policy should therefore be read in conjunction with the Academy's Avoidance of Gain Policy.

A Conflict of Interest is a set of circumstances that creates a risk that an individual's ability to discharge their duty to act in the best interests of the Academy is compromised because their judgement could be impaired or influenced by a secondary interest.

Conflicts might occur due to the possibility of individuals or Connected Parties having:-

- direct or indirect financial interests;
- non-financial or personal interests;
- conflicts of loyalty where decision makers may have competing loyalties between the Trust and the other person or entity.

#### 4. Declaration of Interests

This Policy sets out the requirements which Academy staff members and Board Members must comply with in respect to making appropriate Declaration of Interests where those interests could potentially conflict with the interests of the Academy. Academy staff and Board Members have a duty to make a Declaration of Interest in accordance with this Policy.

All Academy Staff and Board Members are required to make an annual Declaration of Interests. Any changes during the course of the year must be notified in a new Declaration of Interest, within 28 days of the interest being known.

For Board Members the annual declaration should be completed at the Academy's Annual General Meeting. For Staff Members the annual declaration should be made at their first meeting of the academic year.

Annual and updated Declarations should be made on the Declaration of Interests form at Appendix 1. Other declarations should be made during the course of the day to day business of the Academy, for example during Board meetings and meetings of its sub-committees or as part of a procurement process.

Individual Declaration of Interests will be collated to form a Register of Interests. The Register will be managed by the Finance Manager.

The Register of Interests will be used to identify any potential, actual or perceived Conflicts of Interest in order to enable the Academy to avoid or appropriately manage them. For example, it will be used to ensure that the Academy's procurement and trading activity is fair to all parties involved and to help the Academy ensure that the highest standards of propriety and conduct are met, especially in respect of Connected Party transactions.

An extract of the Register will also be provided to the Principal and Vice Principal(s).

If an Academy staff or Board Member believes that there is a potential Conflict of Interest which is inappropriate to be shown on the Register for personal reasons he/she must set out a case to the Principal who will decide, in conjunction with the Vice Principal(s),

whether that interest should not be included on the Register shared with the Finance Manager. There will be a presumption that all declarations are shared unless there are circumstances that apply which would make this inappropriate and if the redaction from the Register cannot lead to a potential Conflict of Interest occurring or would prevent it from being managed appropriately. It should be noted that it would be a disciplinary offence for any member of staff who legitimately has access to the Register to disclose the contents of it except where this is necessary for them to properly discharge their duties.

Academy Staff and Board Members should have a standard agenda item at the beginning of each meeting to declare any actual or potential Conflict of Interests. Academy Staff and Board Members should declare any interest which he/she has in an item to be discussed, before the item is discussed. If a Staff or Board Member is uncertain if he/she is conflicted then he/she should declare the issue and discuss it with the other Staff and Board Members. If a Staff or Board Member is aware of an undeclared Conflict of Interest affecting another Staff or Board Member or a Connected Party he/she should declare this to the other Staff and Board Members.

Where there is a declared Conflict of Interest the relevant Staff or Board Member should withdraw from the meeting, discussion, decision making or voting that takes place concerning that Conflict of Interest or a Connected Party's interest(s).

## 5. Pecuniary and Non-Pecuniary Interests

There are a variety of potential interests that Staff Members and Board Members may have that could potentially conflict with their duty to always act in the best interests of the Academy. Those listed below must be declared by Academy staff and Board Members if they have such an interest or if any Connected Party has such an interest. However, there may be other potential interests or conflicts that exist not listed below which should also be declared.

### 5.1 Pecuniary Interest

Pecuniary (monetary/financial/business) interests include, but are not restricted to:  
a financial interest in a company or organisation if he/she or any nominee of his/hers is the beneficial owner of more than 1% of the issued capital (e.g. shares, bonds etc.);  
employment in any business that provides goods, services or consultancy to the Academy.

### 5.2 Non-Pecuniary Interests

Non-pecuniary (non-monetary/financial) interests include, but are not restricted to:-

Academy Staff and Board Members being the partner or related to other members of Staff or Board Members;

pursuit of a business interest/opportunity which is in potential conflict with the best interests of the Academy;

where any Board Member or Board Member's partner or relative would have a pecuniary interest, as set out in 5.1 above, if they were a member of staff;

a professional or legal responsibility to someone else or some other body which is in potential conflict with the best interests of the Academy;

having a beneficial interest in a trust which is in potential conflict with the best interests of the Academy;

having received/or about to receive a gift, hospitality or other benefit

from an organisation that has or is likely to do business with the Academy;  
 membership of a society or other organisation which is in potential conflict with the best interests of the Academy; including Trusteeships and Governorships at other educational institutions or charities (irrespective of whether there is a trading relationship with the Academy);  
 holding another public office;  
 close personal relationships with people or organisations that may, or do, undertake business with the Academy.  
 a potential benefit in the future, such as the offer of employment or other benefits, from an organisation that undertakes or could undertake work on behalf of the Academy.

All pecuniary and business interests of Academy Staff and Board Members will be published on the Academy's website as required by the EFA.

## 6. Connected Parties

For the purposes of this policy a Connected Party is defined as any individual or organisation connected to an Academy Staff or Board Member. For these purposes the following persons are connected to a Staff or Board Member:-

a relative of the Staff or Board Member. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but may not be limited to, a child, step-child, parent, step-parent, spouse or civil partner;

an individual or organisation carrying on business in partnership with the Staff or Board Member or a relative of the Staff or Board Member;

a company in which a Staff or Board Member or the relative of a Staff or Board Member (taken separately or together) holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company;

an organisation which is controlled by a Staff or Board Member (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes;

any individual or organisation that is given the right under the Academy's articles of association to appoint a Staff or Board Member; or anybody related to such an individual or organisation;

any individual or organisation recognised by the Secretary of State as a sponsor of the Academy; or anybody related to such individual or organisation.

A body is related to another individual or organisation if it:

is controlled by the individual or organisation

controls the organisation; or

is under common control with the individual or organisation

For these purposes control means:

holding more than 20% of the share capital (or equivalent interest);

having the equivalent right to control management decisions with regard to the body; or

having the right to appoint or remove a majority of the board or governing body.

In the case of Connected Parties, the interests of a Connected Party are deemed also to

be the interest of the Academy Staff or Board Member. Declarations of Interest must include those of the Connected Party where the interest may cause the Academy Staff or Board Member to have a conflict of interest.

#### 7. Personal Relationships and Family Members

Academy staff and Board Members should declare if they are related to or have a partner who is a Staff or Board Member.

Academy Staff and Board Members who have declared a partner or family member who is a member of staff must not be involved in the recruitment, selection, appraisal, promotion or other processes involving the member of staff or where conflict of interest may exist.

Applicants for jobs within the Academy will be asked to declare whether they are related to, or are closely acquainted with any Staff or Board Members.

#### 8. How Information will be Processed

All information supplied by Academy staff and Board Members will be held centrally and the details collated and recorded on a Register of Interests. This will remain confidential subject to the provisions of the Data Protection Act, the Freedom of Information Act and the requirements of the EFA.

The Vice Principal will be the Data Controller and will maintain the Register of Interests for all Academy staff and Board Members. He will ensure that the staff specified in section 4 of this Policy receive full copies of relevant extracts of the Register as required.

The Academy will publish on its website(s) details of relevant business and pecuniary interests of Staff and Board Members. The Academy has discretion over the publication of the interests of other individuals including parent, spouse, civil partner, cohabitee and child in accordance with EFA requirements.

As a public authority, the Academy may be subject to requests made under the Freedom of Information Act 2000 either to provide this Policy or for information from the Register of Interests. Wherever possible, the Academy will answer any such requests without revealing the names of any individual who has made a declaration unless this information is part of the extract of the Register of Interests published on the Academy's website. If personal details of those who have made declarations are requested that are not already in the public domain, the Academy will, where appropriate, consult with those individuals before disclosing any additional personal information that may be in the public interest to disclose in accordance with this Act.

All Academy Staff and Board Members are assured that any Declaration of Interest will be processed in compliance with the data protection principles as set out in the Data Protection Act 1998. The data will be processed to identify any potential, actual or perceived Conflicts of Interest in order to enable the Academy to avoid or appropriately manage them and to help protect the Academy's interests and also to protect the individuals concerned against allegations of acting in their own interests, rather than those of the Academy. In general terms, if in any doubt, all Staff and Board Members are advised to declare an interest or potential interest for their protection.

The data declared will primarily be used for the purposes outlined above and to ensure that the Academy's procurement and trading activity is fair to all parties involved and to help the Academy ensure that the highest standards of propriety and conduct are met, especially in respect of Connected Party transactions.

However, Academy Staff and Board Members should be aware that, in accordance with the Data Protection Act 1998, personal data may be disclosed to external parties without needing specific consent during the normal course of the Academy's business activities, including where such purposes have been registered with the Information Commissioner's Office. This may be for accounting, analysis and audit purposes and also to prevent or detect crime, for example.

A person making a Declaration of Interests may at any time request a copy of their current declarations on application to the Vice Principal. The data contained within Declarations of Interest forms and the Register of Interests or extracts thereof will be kept securely either in electronic or hard copy formats. Relevant extracts published on the Academy's websites will be made accessible to the general public as required by the EFA as noted above.

## 9. Decision Making

Where there is a Conflict of Interest, for example a proposed transaction between an Academy Staff or Board Member or Connected Party, and the Academy, the applicable Staff or Board Member must follow the procedure set out in the Academy's Articles of Association for absencing themselves from the decision making process.

However, there will be a presumption against recommending any proposed transaction with an Academy Staff or Board Member. Recommendations to enter the transaction would be made to the Board by the Principal in only two circumstances:-

- i) if the arrangements not to enter the transaction would contravene Public Contracts Regulations or EU Procurement law;
- ii) in the unlikely event that the goods and/or service are so unique that they cannot be secured from another source and there is no other solution that offers the same value for money.

In the event of a decision being made to award a contract to an Academy Staff or Board Member or Connected Party (please note this excludes Academy Council members), the Academy can only enter the contract if it has been properly procured in a fair and open process and if the Staff or Board Member, or Connected Party, can provide:-

- a statement of assurance from that individual or organisation to the Academy confirming that their charges do not exceed the cost of the goods or services; and;
- an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services. The full cost includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services); and
- indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads).

Full cost must not include an element of profit.

In the event of the above requirements being met in full, before a decision to enter a transaction with an Academy Staff or Board Member or Connected Party is made the Board must consider whether the transaction could be seen to be 'Novel or Contentious'. If so it must be referred to the EFA for its explicit prior approval.

#### 10. Failure to Follow this Policy

Academy staff and Board Members who do not follow this policy may be in breach of their duties and may be subject to internal action within the Academy, including being removed from their post. In certain circumstances Academy Staff and Board Members may also be subject to external sanction, including being barred from undertaking the role of a company director or Trustee and in exceptional cases being subject to criminal prosecution.

The Education Funding Agency may also issue a Financial Notice to Improve (FNtI) to the Academy when there is deemed to be irregular use of public funds or inadequate financial governance and management (including breaches of the duties, principles and requirements governing connected party relationships and transactions). Failure to comply with an FNtI can, in exceptional circumstances, also result in the termination of our funding agreement(s).

If Academy staff and Board Members believe any of their number are undertaking activity that leads to personal gain they should report their concerns under the Academy's Whistle Blowing Procedure.