

Conflicts of Interest and Related Party Transactions Policy

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CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS POLICY

The vision of Westcountry Schools Trust ('WeST') is to create a world class educational experience that enables every young person to reach their full potential, and in particular, their full academic potential.

WeST is committed to the highest standards of governance in delivering this vision. An important part of this relates to the management of conflicts of interest and related party transactions.

What is the Policy for?

In order to provide transparent and open governance, it is important to seek, avoid and manage not only conflicts of interest but also the perception of them. The overall approach taken is to avoid conflicts of interest wherever possible and, where it is not possible, to manage and declare them ensuring WeST is even-handed in its relationships with related parties where they exist.

This policy seeks to ensure both staff and the public are aware that WeST fosters an environment where there are policies and processes in place to avoid conflict of interest and, where any issues should arise, there are procedures to ensure they are dealt with fairly and transparently.

Who is the Policy for?

This policy applies to anyone within WeST who:

- is charged with the responsibility of making a decision with financial implications on behalf of either one of the WeST academies or for WeST as a whole;
- can influence the career progression of another member of WeST staff; or
- can influence the appointment of an external candidate.

As such it applies to members, trustees, Hub Advisory Board (HAB) members, the executive leadership team (ELT), Principals, Headteachers and those managers who may be charged with any kind of procurement or who line manage another member of staff with procurement responsibility either in an academy or as part of the Core WeST team.

Policy Standards

General Principles

1. What Constitutes a Conflict of Interest?

1.1 A conflict of interest, or the perception of conflict, arises when:

- a person has influence over, or decision-making authority about, career progression, compensation, benefits or other such matters concerning another person with whom they have a close relationship; or
- a member of staff has influence or decision rights over purchasing or other transactions where a close relationship is involved, i.e. related party transactions.

2. Definition of a Related Party

2.1 For the purposes of this policy, a related party is classed as:

- 2.1.1 all WeST members, trustees or any of its HAB members;
- 2.1.2 all key management personnel either in the Core ELT or an individual academy including Principals, Headteachers and those senior managers and other members of staff who may be charged with any kind of procurement or who line manage another member of staff with procurement responsibility either in an academy or as part of the Core WeST team;
- 2.1.3 a relative of those referred to in 2.1.1 and 2.1.2 above. 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 is not limited to, a child, parent, spouse or civil partner, brother or sister, grandparents and grandchildren;
- 2.1.4 an individual or organisation carrying on business in partnership with those referred to in clause 2.1.1 to 2.1.3 above;
- 2.1.5 a company in which those referred to in 2.1.1 and 2.1.2 above and/or those in 2.1.3 above (taken separately or together) hold 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;
- 2.1.6 an organisation which is controlled by those referred to in 2.1.1 and 2.1.2 above and/or those in 2.1.3 above (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;
- 2.1.7 any individual or organisation given the right under WeST's articles of association to appoint a member or trustee of the academy trust; or anybody connected to such individual or organisation;
- 2.1.8 any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or anybody connected to such individual or organisation.

3. Declarations of Interest

- 3.1 All those who are deemed a related party in accordance with clause 2.1 above must declare any interests they may hold at the start of each academic year but no later than **30 September** each academic year as follows:
 - via completion of the declaration of interests section on GovHub where possible or by completing and signing a WeST Register of Related Parties form (see Appendix 1) in the case of members, trustees, HAB members and ELT; or
 - a Staff Declaration of Pecuniary Interest form (see Appendix 2) in the case of those senior managers and other members of staff who may be charged with any kind of procurement or who line manage another member of staff with procurement responsibility.
- 3.2 Details of any WeST Register of Related Parties form will be entered onto GovHub upon receipt of the completed and signed form by the Governance Officer in order to populate the Register of Interests.
- 3.3 Original Staff Declaration of Pecuniary Interest forms should be kept by the individual academies and a summary of all positive declarations from each individual academy should be sent to WeST's Governance Officer by no later than **October half term** each academic year.
- 3.4 Original Register of Related Parties forms for members, trustees, HAB members and ELT will be kept by the Governance team.

- 3.5 Declarations of Interest for any newly appointed member, trustee, HAB or ELT member, Principal, Headteacher, senior manager or anyone who has budgetary responsibility for any procurement, within the academic year should be completed by the individual **within one month** of their being appointed, filed in the appropriate place and copied to the Governance Officer, if appropriate.
- 3.6 All those who are deemed a related party in accordance with clause 2.1 above must notify any changes (additions or cessation) to their declared interests as soon as reasonably practicable to:
- the Governance Officer (in the case of members, trustees and the Executive Leadership Team);
 - the Clerk of their respective HAB; or
 - the Headteacher or his/her nominee (for those senior managers and other members of staff who may be charged with any kind of procurement responsibility in each academy).
- 3.7 Declarations of Interest made by members, trustees, HAB members and ELT members must include the following information:
- the name and nature of any business/financial interest
 - the nature of the interest held – i.e the individuals role/ownership status at the business
 - the date the interest began (and ceased, where applicable)
 - all of the above for any personal interests held – i.e business interests held by any close family members/dependents or any relationships between individuals and an employee of the Trust.
- 3.8 Declarations of interest should be made even in cases where there are no interests to declare. This is known as a nil return and is important as it will still need to be reported as such on the Trust's Register of Interests in accordance with the Academy Trust Handbook.
- 3.9 The Declarations of Interest for members, trustees, HAB members and the ELT should be included on the WeST website and updated whenever any changes occur.
- 3.10 Upon receipt of the annual Declaration of Interest returns, the summary of HAB and academy interests received from each HAB and academy in accordance with clause 3.3 above, and any notifications of changes thereto, the Chief Financial Officer will undertake a management review with the Governance Officer to determine which if any interests are required for disclosure to the ESFA and/or in the statutory accounts; and will report their findings to the Audit and Risk Committee ('ARC').

4. Related-Party Transactions

- 4.1 WeST follows the policy for related-party transactions laid out in the Academy Trust Handbook. This deals with goods or services provided by individuals or organisations connected to WeST and/or its academies.
- 4.2 WeST's Financial Procedures Manual should be followed and adhered to for any financial transactions by all WeST staff members, both Core and at the individual academies. These state that wherever possible, related-party transactions should be avoided. Accordingly, neither WeST nor any of its academies should trade with any entity in which a member, trustee, HAB or ELT member has a business interest unless agreed by the ARC. Likewise no senior managers nor other members of staff who may be charged with any kind of procurement or who line manage another member of staff with procurement responsibility either in an academy or as part of the Core WeST team shall procure goods or services, nor encourage others to procure goods and services from any entity in which he/she or his/her close family members have a business interest unless agreed by the ARC.
- 4.3 Where as a result of the review undertaken by the Chief Financial Officer referred to in clause 3.8 above, any

related parties are identified (other than those with a staff contract of employment) that does not have ARC approval, an account will be created in the Trust's Purchase Ledger at a level 9 security setting such that the supplier cannot be used without administrator approval.

- 4.4 Where for any reason it is felt a related-party transaction is unavoidable, the potential transaction must be reported to the Chief Financial Officer immediately for approval. He/she will consult with the ARC and/or Trust Board to seek their approval or otherwise. No related party transaction should be entered into without the prior written approval of the Chief Financial Officer or Chief Executive Officer. Failure to comply with this pre-approval requirement could lead to disciplinary action against the member/s of staff in breach.

5. Managing Conflicts of Interest

- 5.1 Once a conflict, or potential conflict of interest has been identified, the procedures outlined in Appendix 3 should be followed at all times.

Appendix 1: Register of Related Parties - Individuals

Company Name:	Westcountry Schools Trust
Date of completion of declaration:	
Individual's name:	
Connection to company/role:	
<i>(insert description of relationship or interest, e.g. member, trustee, HAB member, ELT role)</i>	

Name of Entity to which you would be considered a party to or hold interest in	Role at the Entity	Nature of the business	Date of commencement of interest and date of cessation (where applicable)

Close family member name	Relationship to you *	Age, where dependent (and reason for dependency if not due to age)	Interest held	Date of commencement of interest and date of cessation (where applicable)

* spouse, domestic partner, children, children of domestic partner, parent, brother, sister, nephew, niece, other – please specify

Signed	
Name	
Date	

Appendix 2: Declaration of Pecuniary Interest - Staff

Name of academy	
Name of member of staff	
Position held in school	
Date of declaration	

Members of staff are asked to record any pecuniary interests held either personally or through a company or relative or partner.

An 'interest' is a situation where a member of the staff may be affected personally or financially, directly or indirectly, or in some other way by a decision made at a meeting where the member of staff is present.

Please complete this form and return it to the Finance Office as quickly as possible, but no later than 30 September.

Declaration	
Are you a Company Director, Partner, Owner of any Business?	YES/NO
If YES , please name business and the commencement date:
Is a close family member, a Company Director, Partner Owner of any Business?	YES/NO
If YES , please name business and the commencement date:
Is there any other interest you wish to declare?	YES/NO
Please add information if YES , including commencement date:

Signed:
 Name:
 Date:

Staff and volunteers are reminded that completion of this form does not remove the requirement upon them to disclose orally any interest at any specific meeting and to withdraw.

Appendix 3: Managing conflicts of interest

1. Conflicts of Interest during Governance Meetings

- For the purposes of this policy, governance meetings are deemed to include:
 - Members' meetings
 - Board of Trustee meetings
 - ELT meetings
 - HAB meetings
 - Any committee meetings from the above bodies
 - Senior Leadership meetings
 - Recruitment Panels
 - Formal HR Meetings/Panels

This is not an exhaustive list and should always include any bodies set up around procurement arrangements.

- Attendees of any governance meeting should be asked at the start of the meeting to declare any interests in items on the agenda or any changes to their previously disclosed declared related party interests.
- It is up to the Chair of the meeting to decide whether it would be in the best interests of any decision making for the person with the declared interest to stay for the discussion of that particular item. This should be clearly noted in the Minutes with the explanation as to why that person was asked to stay.
- Anyone with a declared conflict of interest will not have any voting rights whatsoever on that item.
- Should a conflict occur unexpectedly during a meeting, e.g. through Any Other Business, it should be declared immediately to the Chair of the meeting. The Chair can then make the decision whether to ask the person to leave or to make a note of the declaration and withdraw any voting rights from that person.

2. Line Management Structure

- Unless approved by the Trust Board, the direct line management structure of any academy or of Core WeST should not include people who are in a close relationship. Where two people in the same line management structure subsequently enter into a close relationship, one or other may be moved to a different line management structure. Advice should be sought from WeST's Director of People before any action is taken.
- Where someone has a close relationship that could affect decisions taken, the Principal/Headteacher must be advised. If that person is a Principal/Headteacher or is a member of the Senior Management team, it should be declared to the Chief Executive Officer. If that person is to the Chief Executive Officer, it should be declared to the Chair of Trust.
- All reasonable steps should be taken to avoid people being in the direct line-management structure with someone with whom they have a close relationship. This will include considering appointing one of the people with the relationship to an equivalent role in a different line management structure. In cases where this cannot be avoided, a member of staff more senior than both members in the close relationship will make decisions about areas which would otherwise lead to a conflict of interest. Advice should be sought from WeST's Director of People in the first instance.
- If one of the parties is the Principal/Headteacher, the Chief Executive Officer will be involved in making decisions which otherwise would lead to a conflict of interest.

APPENDIX 3 (continued)

- Such decisions mentioned above would include (but not be limited to), those relating to salary, promotion, taking on extra responsibilities, opportunities for career progression, continuing professional development opportunities, appraisal, complaints and any formal HR proceedings outcomes e.g. disciplinary, capability, grievance.
- Conflicts of interest must be considered as part of any appointment process and management of the issue must be identified before any appointment is made which could lead to a conflict of interest or the perception of it.
- A close relation cannot be appointed to a role which reports directly to the Principal/Headteacher. In the event the Principal/Headteacher enters into a relationship with a direct report, unless approved by the Trust Board one or other must leave the school or take a position that reports into some else among the academy staff. Advice should be sought from WeST's Director of People before any action is taken.

4.2 Performance Development Review (PDR)

- A staff member's PDR must not be conducted by a person with whom they are in a close family relationship.
- Where it has been impossible to avoid a line manager directly managing someone with whom they have a close relationship, the PDR will be done by someone who is senior to the direct line manager, having first discussed the PDR with them.
- Where this cannot be avoided if the direct line manager is a Principal/Headteacher, the PDR should be conducted by the Chief Executive Officer or his/her nominee after having discussions with the Principal/Headteacher.

4.3 Promotional / Additional Paid Responsibilities

- The procedures for staff applying for any post/extra responsibilities will follow the same procedures as above.
- Any staff involved in the recruitment process will be asked to declare any close relationships they may have with any of the candidates and, if so, will not be involved in any stage of the recruitment process e.g. shortlisting, interviewing, etc.
- In cases where a conflict of interest may arise, (other than a Principal/Headteacher), a member of staff more senior than both members in the close relationship will replace the person in the close relationship in the recruitment process and on the interview panel.
- Where this concerns a Principal/Headteacher, the Chief Executive Officer or his/her nominee will replace them in the recruitment process.

4.4 Training / CPD / Time Off Work

- For any decisions around such requests which could cause a conflict of interest, a more senior member of staff than those in the close relationship will make the decision.
- In the case where one of the parties is the Principal/Headteacher, the Chief Executive Officer or his/her nominee will make the decision.

APPENDIX 3 (continued)

4.5 Complaints / Grievances / Disciplinary / Capability / Sickness Cases involving a Member of Staff in a Close Relationship

The relevant Trust policies should be referred to at all times.

Where any proceedings are instigated under staff policies and one of the members is in a close relationship with the member involved, these shall be referred to the Principal and/or WeST's Director of People to determine the appropriate person to be involved. For the avoidance of doubt, such proceedings could include:

- Chairing a grievance hearing;
- Chairing a disciplinary hearing;
- Handling a complaint;
- Being a member of an Appeals Panel;
- Chairing a sickness meeting;
- Conducting a disciplinary / grievance investigation; and
- Chairing a capability hearing.

This is not an exhaustive list and other instances may be relevant.

A staff member shall suffer no adverse repercussions from raising a complaint or grievance against someone who is in a close relationship with another member of staff or HAB member.

4.6 Confidentiality

- The senior member within the close relationship is expected to maintain the highest professional standards, including not passing on confidential information to the other member within that close relationship. This includes all information which is shared at management levels above those to which the less senior member would normally have access.
- If a staff member suspects that information is being shared inappropriately, it should be reported to, and investigated by, a more senior member of staff.
- Where one of the parties is a Principal/Headteacher and the other is suspected of receiving confidential information from, the Chief Executive Officer or his/her nominee should handle the complaint.