



INSPIRE MULTI-ACADEMY TRUST

Conflicts of Interest Policy

Version	V 3.1
Approved by:	InMAT Board of Trustees
Approval Date:	06/09/2021
Review Frequency:	Every Two Years
Review Date:	

Inclusion – Improving education for everyone.

Integrity – We are consistently open, honest, ethical, and genuine.

Initiative – We have the courage to always seek a better way to a better future.

Involvement –We encourage our community to take ownership and responsibility.

Inspiration – We use our drive and commitment to energise, engage and inspire.

Table of version reference: -

Revision	Date	Comments
3.0	04/2021	Added appendices 1,2 & 3 Added InMAT DOI Pro-forma Added class of people required to complete DOI form Added ESFA definition of 'related party'
3.1	08/2021	Added paragraph to 'Managing potential conflicts' re Articles etc Added SBM as persons required to complete DOI annually and at appointment 'Responsibilities' clarified.

Introduction

InMAT is a charitable company limited by guarantee and governed by its Articles of Association. The Trustees of InMAT are both company Directors and charity Trustees.

Trustees and staff have a legal obligation to act in the best interests of InMAT, to act in accordance with its governing documents and to avoid situations where there may be a potential conflict of interest.

This policy applies to InMAT Members, InMAT Trustees, Local Academy Committee governors, consultants engaged by InMAT and InMAT members of staff.

Legislation and regulation

The following legislation and regulations apply in respect of this policy:

- Companies Act 2006
- Education and Skills Funding Agency Academy Trust Handbook
- ESFA Academies Accounts Direction
- Charity Commission guidance

Data protection

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 2018. Data will be processed only to ensure that Trustees, Members, local governors and senior staff act in the best interests of InMAT. The information provided will not be used for any other purpose

What is a conflict of interest?

A conflict of interest is a situation in which your personal interests conflict, or may conflict, with the interests of InMAT. A conflict of duty is where a conflict arises as a result of you owing duties to other organisations under company and/or charity law (for example, as a result of being a Trustee or member of another organisation).

A conflict of interest may arise as a result of circumstances affecting a person connected with you. 'Connected persons' include individuals who are family members and other bodies in which you or your family members have certain interests. These are fully explained in Appendix 1.

Trustees, as Directors of the company, are subject to a number of statutory duties which are set out in the Companies Act 2006. One of these statutory duties is to avoid actual and potential conflicts of interest. The duty to avoid conflicts also arises under charity law. Local Academy Committees and Staff members have similar duties.

Importantly, as the duty extends to avoiding potential conflicts, conflicts should be declared in advance; you should not wait until a situation of conflict has actually arisen. As a result, Trustees and staff need to be conscious of conflicts at all times. You should consider whether there is anything, or any connection, which could potentially divert your mind from giving sole consideration to promoting the success of InMAT.

Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of InMAT. Such conflicts may create problems that:

- inhibit free discussion;
- result in decisions or actions that are not in the interests of InMAT; or
- risk the impression that InMAT has acted improperly.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety

What is a related party transaction?

ESFA's Academies Accounts Direction sets out that, for academy Trusts, related parties include:

- Parties with control over, or controlled by, the entity (for example parent and subsidiary companies)
- Parties having significant influence over the entity
- Key management personnel of the entity, including any director, whether executive or otherwise
- Close family member of any of the above
- Others subject to control or significant influence by any individual referred to above.

Such transactions are permitted under company law, charity law and under the Academy Trust Handbook, provided that open and transparent procurement procedures have been followed, and any potential conflicts of interest are adequately and appropriately managed.

Therefore, any related party transactions and potential conflicts between the interests of InMAT and the interests of an individual must be:

- Identified
- Declared
- Managed in accordance with the Articles; and
- Minuted

Managing potential conflicts of interest

InMAT will manage potential conflicts of interest by ensuring that:

- There is systematic capturing of declarations of interest
- Conflicted individuals/organisations are removed from the decision-making process. This will include, but is not limited to, the original decision to enter into a contract with the related party, periodic contract performance reviews and/or contract renegotiation/renewal.
- Competitive procurement procedures are followed in line with InMAT's procurement policy
- Decision making is based on a value for money assessment.

Management of conflicts, or potential conflicts, will be undertaken with reference to the Companies Act 2006 and 2011, Charity Commission guidance and the SORP, InMAT's Articles of Association and any Terms of Reference in place. Where Terms of Reference, or the Scheme of Delegation conflict with the Articles, the Articles will take precedence.

Declaration of interests

Members of the Trust, Trustees, members of the Executive Team, consultants engaged by InMAT, Head teachers, senior leaders within the academies, School Business Managers and members of Local Academy Committees are required to declare their interest in connection with their role in InMAT. A Declaration of Interests Form is attached at Appendix 1, listing the types of interest that should be declared. This form is in line with the academy Trust Handbook, which requires Trusts to maintain a register of interests which '**must** capture relevant business and pecuniary interests of members and trustees of academies within a multi-academy trust and senior employees'.

The Register of Interests for Trustees and the ET should be available for information in all formal Board and Committee meetings in order to ensure that members are aware of existing interests and potential conflicts at all meetings.

The Declaration of Interest Form – or other such form that meets statutory requirements should be completed:

- By all new Members of the Trust, new Trustees, new members of the Executive Team, new Head Teachers, new members of staff appointed at senior leadership level within the academies, new consultants engaged by InMAT, new School Business Managers and new Local Academy Committee members, and taken into consideration prior to appointment;
- Annually by all existing Members, Trustees, members of the Executive Team, Head teachers, staff at senior leadership level within the academies, consultants engaged by InMAT, School Business Managers and Local Academy Committee members;
- When any existing person named above becomes aware of a new interest.

These details will be entered in the central Register of Interests. Trustees shall be made aware of any possible conflicts of interest involving prospective Trustees or staff members.

Each agenda for Trustee meetings will include an item for declaration of interests and identification of any conflicts or potential conflicts of interest that have not already been recorded in the Register of Interests. Any new interests declared in this way will be entered in the Register of Interests.

If there is any uncertainty about whether an interest gives rise to a conflict, the other members have the right to determine by a majority decision (without the interested Trustee, staff member or Local Academy Committee member being present) whether a conflict exists in the circumstances. Any determination regarding the existence of a conflict will be made by a vote of unconflicted members based on an objective evaluation. In the event of a split vote, the Chair of the Board or committee will decide if a conflict or potential conflict exists where conflicts cannot be resolved through a vote.

Once it has been established that a situation exists in which the interests of a Member of the Trust, Trustee, Executive Team member, Head teacher, staff member of the senior leadership team within an academy, consultant engaged by InMAT or Local Academy Committee member, or a person connected by them, might conflict with the interests of InMAT, that situation must be managed by:

- a) Absenting the person from any discussions in relation to the matter;
- b) The person not taking part in any vote on the matter; and
- c) The person not being counted in the quorum in relation to that decision.

Minutes of the meetings of Trustees at which conflicts are an issue will record:

- The nature of the conflict and determinations regarding the conflict;
- The relevant person's non-participation with respect to consideration of the matter;
- Any limitation on the person's ability to act with respect to such matter;
- Any alternatives that were discussed;

- The names of persons present for discussion; and
- The votes taken regarding the conflict.

There are situations where you may participate in discussions from which you could indirectly benefit, for example where the benefits are universal to all users, or where your benefit is minimal. This action will be agreed by the Chair and minuted accordingly.

If you fail to declare an interest that is known to governance professional and/or the Chair, the governance professional or Chair will declare that interest.

Where a Trustee benefits from a Board/committee decision, this will be reported in the annual report and accounts in accordance with the current Charities SORP and the accounting directions from ESFA.

All payments or benefits in kind to Trustees will be reported in the trust academy's accounts and annual report, with amounts for each Trustee listed for the year in question.

Where a member of InMAT's staff is connected to a party involved in the supply of a service or product to the academy trust, this information will be fully disclosed in the annual report and accounts.

Related Party Interest Disclosure requirements

Accounting standards require related party transactions to be disclosed when reporting the Trust's financial statements so that users can gain a full understanding of the transactions which have taken place, and any factors that might have influenced them.

A related party transaction is another form of conflict of interest and is covered by this policy, except in situations where the Trust board have decided that contracting with a related party is in the best interests of the academy trust in furthering its charitable objects.

In which case, such decisions will:

- be made in accordance with transparent and robust procurement policies;
- require the prior approval from ESFA;
- evidence value for money and 'at cost' principles;
- be subject to proper scrutiny and quality control over the goods and services provided for the duration of the contract or agreement;
- be disclosed in the register of interests and disclosed online and in the annual report and accounts.

All other aspects of managing a conflict of interest in line with this policy will remain in place for the duration of the conflict of interest.

Where related party transactions have occurred, the Academies Accounts Direction stipulates that disclosure must be made and should include:

- The names of the related parties;
- A description of the relationship between the parties;
- A description of the transactions;
- The amounts involved;
- The amounts due to or from related parties at the balance sheet date, and any provisions for doubtful debts or amounts written off.

The Department for Education also requires related party transactions, as defined in the Academy Trust Handbook, to be at cost only, Any connected party supplying goods or services to InMAT **must** complete the statement of assurance provided by the Chief Finance Officer of the Trust to confirm that the goods and services are being supplied 'at cost' only.

Any related party transactions over £20K must be referred to ESFA for prior approval, cumulative or one off.

Reference should be made to the most recent edition of the Academy Trust Handbook to ensure compliance with ESFA, Charity SORP and DfE requirements.

Managing contracts

If you have a conflict of interest, you must not be involved in managing or monitoring a contract in which you have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

Additional considerations where interests arise from potential benefits to a Trustee

As a charitable company, only the Members of the Company may authorise conflicts, but this is only permissible if there is an express provision in the InMAT Articles. When authorising conflicts, Trustees must always consider their own statutory duties by, for example, considering whether authorising the conflict is in the best interest of the Trust.

Reporting and notification

The Governance Team will keep a Register of Interests declared by Members of the

Trust, Trustees, the Executive Team, Head teachers, LAC governors, School Business Managers and academy senior leadership team members, and shall ensure that the register is updated at least annually. The Governance Team will annually issue the declaration of interest forms to all Members, Trustees, Executive Team, Head teachers, LAC governors, School Business Managers and academy senior leadership team members and will collate a central register of interests. All Members, Trustees, Executive Team members, Head teachers, LAC governors, School Business Managers and academy senior leadership team members should notify the Governance Team of any in-year changes which need to be made to their entry in the register of interests **when those changes occur.**

The Finance, Audit and Risk Committee will review this register of interests annually, before issuing to the Board of Trustees for full oversight. The register will also be placed on InMAT's website for full transparency.

Full registers will be kept, both of any conflicts declared, and any conflicts actively managed within meetings, and/or benefits which the board has authorised, including the date such authority expires (if relevant) and any restrictions or limitations on the authority. This will include such benefits as payment for contract of services.

Responsibilities

All Members, Trustees, Staff members of the Executive Team, Head Teachers, staff members of the senior leadership team within academies, School Business Managers and LAC governors are responsible for ensuring they complete their own Declaration of Interests form annually.

For new starters to the Executive Team, the COO will be responsible for ensuring the Declaration of Interests form is completed and declared to the Trust Governance Lead.

For Members and Trustees the Trust Governance Lead will ensure annual submission of declarations and ensure new conflicts are suitably recorded.

For LAC governors, the Governance Professional to the LAC will ensure all governors make a declaration on GovernorHub or by submitting the prof-forma at the back of this policy.

The Head teacher of a Trust academy, is responsible for ensuring compliance with related party transactions requirements. The Head teacher of a Trust Academy will ensure all members of SLT and the SBM have completed the DOI pro-forma and returned to the Trust Governance Lead.

The Accounting Officer is responsible for ensuring compliance with RPT requirements for Trust procurement.

Accounting

All transactions with Trustees and persons connected with them shall be reported to the auditors and noted in InMAT's annual accounts as related party transactions in accordance with the Statement of Recommended Practice on charity accounting.

Policy review

This policy will be reviewed every two years by the Finance, Audit & Risk Committee.

APPENDIX 1: CONFLICTS AND THE COMPANIES ACT 2006

Conflicts and the Companies Act 2006

Companies Act Duties

Under the Companies Act 2006, the Directors/Trustees have the following duties in respect of conflicts of interest. All staff have similar duties.

- to avoid situations in which they have, or can have, a direct or indirect interest that conflicts, or might conflict, with the interests of InMAT (section 175)
- to declare an interest in proposed transactions or arrangements (section 177). There is also a separate requirement to disclose interests in an existing transaction or arrangement (section 182).
- not to accept benefits from third parties (section 176). This duty is not infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest

The duty to avoid conflicts of interest will not be infringed if:

- the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- provisions in the Articles for dealing with conflicts of interest have been complied with; or
- the other Trustees have authorised the situation (in a permitted manner). In a charitable company, the Articles must give the Trustees power to authorise conflicts.

Identifying connected persons

'Connected person' includes any person falling within one of the following categories:

- any spouse, civil partner, parent, child, step child, brother, sister, grandparent or grandchild of a Director;
- any other person in a relationship with a Director which may reasonably be regarded as equivalent to such a relationship; or
- any company or firm of which a Director is a paid director, partner, consultant or employee, or shareholder holding 1% or more of the issued capital.

APPENDIX 2: Key Questions for Trustees

The following provides trustees with a useful checklist to help assess whether a proposed decision or transaction is in the best interests of the academy trust.

Key questions:

- What is the potential cost of the proposed transaction or agreement? If it is above £5,000, do we need to register it with ESFA? If it is above £20,000, do we need to seek prior approval from ESFA?
- Does the size and nature of the proposed transaction or agreement fulfill the requirement for a full formal procurement process to be run, in line with the academy trust's adopted policies?

In considering a tender from a related party:

- Does the academy trust have the power to authorise the related party transaction proposed? Where is that power derived from?
- How will the academy trust demonstrate that a transparent and robust selection process was followed?
- Is there anything in the proposed transaction which is not offered to other potential suppliers? If so, why?
- What is the benefit to the academy trust of entering a contract or agreement with the related party, as opposed to an independent and non-related third party? How does that benefit outweigh the potential impact of any adverse publicity of the contract or agreement?
- What processes were followed to ensure that undue influence was not exercised in the decision-making process?

- How will the proposed contract or agreement be monitored to ensure continued value for money and other benefits to the academy trust are delivered?
- What mechanisms will be in place to resolve any issues pertaining to quality or performance for the duration of the contract or the agreement?
- How will ongoing conflicts of interest be managed, if the contract is awarded?
- Are there a majority of trustees that remain 'independent' and 'conflict-free' for the purpose of making objective decisions in the best interests of the academy trust?
- How will the board present this decision to its stakeholders and how will they perceive it? If it is likely to not be received well, is the decision still in the best interests of the academy trust? If so, why?

APPENDIX 3: Legal definitions of 'related' or 'connected' persons

The table below covers the major aspects of the definitions of the different terms of related or connected persons in charity and company law and the Charities SORP

<p>The Charities Act 2011 s. 188 defines a 'connected' person as:</p>	<p>Charities Act 2011, s118 offers a further definition of 'connected persons' in relation to the buying and selling of land</p>	<p>Companies Act 2006 s.252 defines 'connected persons' as:</p>	<p>Charities SORP defines 'related parties' as:</p>
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<p>a) a child, parent, grandchild, grandparent, brother or sister of a trustee;</p> <p>b) spouse or civil partner of trustee, or of (a) above;</p> <p>c) business partner of trustee or (a) or (b);</p> <p>d) institution controlled i) by trustee or (a), (b), or (c) above or ii) by two or more persons falling within i) when taken together;</p> <p>e) a body corporate which i) the trustee or connected person in (a) to (c) has a substantial interest or, ii) two or more persons falling within i) when</p>	<p>(a) a charity trustee or trustee for the charity,</p> <p>(b) a person who is the donor of any land to the charity (whether the gift was made on or after the establishment of the charity),</p> <p>(c) a child, parent, grandchild, grandparent, brother or sister of any such trustee or donor,</p> <p>(d) an officer, agent or employee of the charity,</p> <p>(e) the spouse or civil partner of any person falling within any of paragraphs (a) to (d),</p>	<p>(a) members of the director's family (the director's spouse or civil partner; any other person with whom the director lives as partner in an enduring family relationship; the director's children or step-children; any children or step-children of a partner and who are not children or stepchildren of the director who live with the director and have not attained the age of 18; the director's parents);</p> <p>(b) a body corporate with which the director is connected (as defined in section 254);</p>	<p>'Natural' persons include:</p> <p>A. any charity trustee and custodian trustee of the charity;</p> <p>B. a person who is the donor of any land to the charity (whether the gift was made on or after the establishment of the charity); and</p> <p>C. any person who is: 1. a child, parent, grandchild, grandparent, brother or sister of any such trustee (A) or donor (B) of land; 2. an officer, agent or a member of the key management personnel of the charity; 3. the spouse or civil partner of any of the above persons (A, B, C1 and C2);</p>
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<p>The Charities Act 2011 s. 188 defines a 'connected' person as:</p>	<p>Charities Act 2011, s118 offers a further definition of 'connected persons' in relation to the buying and selling of land</p>	<p>Companies Act 2006 s.252 defines 'connected persons' as:</p>	<p>Charities SORP defines 'related parties' as:</p>
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<p>taken together have a substantial interest.</p>	<p>(f) a person carrying on business in partnership with any person falling within any of paragraphs (a) to (e),</p> <p>(g) an institution which is controlled - (i) by any person falling within any of paragraphs (a) to (f), or (ii) by two or more such persons taken together, or</p> <p>(h) a body corporate in which - (i) any connected person falling within any of paragraphs (a) to (g) has a substantial interest, or (ii) two or more such persons, taken together, have a substantial interest.</p>	<p>(c) a person acting in his capacity as trustee of a trust - (i) the beneficiaries of which include the director or a person who by virtue of paragraph (a) or (b) is connected with him, or (ii) the terms of which confer a power on the trustees that may be exercised for the benefit of the director or any such person, other than a trust for the purposes of an employees' share scheme or a pension scheme;</p> <p>d) a person acting in his capacity as partner - (i) of the director, or (ii) of a person who, by virtue of paragraph (a), (b) or (c), is connected with that director; (d) a person acting in his capacity as partner - (i) of the director, or (ii) of a</p>	<p>4. carrying on business in partnership with any of the above persons (A, B, C1, C2 and C3); 5. a person, or a close member of that person's family, who has control or joint control over the reporting charity; 6. a person, or a close member of that person's family, who has significant influence over the reporting charity (close member - a. that person's children or spouse; b. the children, stepchildren or illegitimate children of that person's spouse or domestic partner; c. dependants of that person; and d. that person's domestic partner who lives with them as husband or wife.</p>
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<p>The Charities Act 2011 s. 188 defines a 'connected' person as:</p>	<p>Charities Act 2011, s118 offers a further definition of 'connected persons' in relation to the buying and selling of land</p>	<p>Companies Act 2006 s.252 defines 'connected persons' as:</p>	<p>Charities SORP defines 'related parties' as:</p>
		<p>person who, by virtue of paragraph (a), (b) or (c), is connected with that director;</p> <p>(e) a firm that is a legal person under the law by which it is governed and in which- (i) the director is a partner, (ii) a partner is a person who, by virtue of paragraph (a), (b) or (c) is connected with the director, or (iii) a partner is a firm in which the director is a partner or in which there is a partner who, by virtue of paragraph (a), (b) or (c), is connected with the director.</p>	



Inspire Multi Academy Trust

Register of Interests Form for Members, Trustees, Senior Academy Staff (inc HT), LAC and AIB members

1st September 20XX to 31st August 20XX

Name: _____

Position: _____

Academy: _____

Category of potential interest	Please give details of the interest and whether it applies to you, or where appropriate, a connected person
Any directorships, partnerships and/or employments with businesses that could provide goods or services to the Trust, including any of its academies	
Any trusteeships and governorships within the Trust, and other educational institutions and charities, irrespective of whether there is a trading relationship with the Trust	
Any other conflicts that are not covered above where there could be perceived to be conflicts of interests	

- For each interest give the name of the business, the nature of the business, the nature of the interest, and the date the interest began.
- Include the interests of yourself and any connected person, e.g. close family member, where appropriate. **If in doubt the presumption should be toward inclusion.**
- The register must be updated annually, and throughout the year if there are any changes.

Signed: _____

Dated: _____