

CONFLICT OF INTEREST POLICY

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1. Introduction

- 1.1 The Board of Trustees of The Two Counties Trust, a Multi Academy Trust, takes its financial responsibilities seriously and has formulated this policy in order to develop and maintain the very highest standards of financial management and governance in regard to conflicts of interest across the Trust.
- 1.2 This policy applies to:
- Trust Executive Leaders
 - Members
 - Trustees
 - Academy Senior Leadership Teams
 - Local Governors
 - Other staff within the central office and academies who have access to budgets and purchasing rights including the ability to influence purchasing decisions.
- 1.3 The Two Counties Trust's funding agreement confirms that the Trust must avoid conflicts of interest. Those listed in 1.2 must not accept gifts, or benefits from third parties and must declare both pecuniary and non-pecuniary interest in proposed transactions.
- 1.4 No individual should use their connection to the Trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the Trust.

2. Conflict of Interest

- 2.1 A conflict of interest is any situation in which a person has a pecuniary or non-pecuniary (personal interest) or loyalty which could be perceived to prevent them from making a decision only in the best interests of the Trust or an academy.
- 2.2 Pecuniary Interest: A pecuniary interest is one which relates to monetary/financial business. Some examples of pecuniary interests are set out below:
- A financial interest in a company or organisation
 - Directorships, partnerships and employments with businesses irrespective of whether or not they trade with the Trust/

3. Non-Pecuniary Interest

- 3.1 A non-pecuniary interest is one which is not related directly to monetary or financial business. Some examples of non-pecuniary interests are set out below:
- A Trustee having a position of influence at another Trust.
 - The class teacher of a parent governor's child being subject to a disciplinary hearing.
 - 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 Trust.
 - Close personal relationships with people or organisations that may, or do, undertake business with the Trust or its academies.

4. Disclosure of Interests

- 4.1 The Two Counties Trust requires that each person identified in section 1.2 must complete a Declaration of Interest Form at the beginning of each academic year.
- 4.2 A copy of the form must be provided to the Trust's Lead Governance Professional by 30 September annually. If there are no declarations, a nil return must be made.
- 4.3 New Members, Trustees, Governors and staff as set out in 1.2 will be required to complete the form on appointment.



- 4.4 Disclosures will be kept on a register of interests, and individual details must be updated if circumstances change. A copy of the register will be kept in the Trust's Finance Department and may be used prior to processing orders.
- 4.5 The information provided in disclosures will be processed in accordance with data protection regulations. It will be processed only to ensure that individuals act in the best interests of The Two Counties Trust and will not be used for any other purpose.

5. Management of conflicts during meetings

- 5.1 Declarations of interest in any items on the agenda must be declared at the beginning of any Trust or Local Governing Body meeting. The interest may be relating to a financial transaction, or a personal gain to the individual, their family, relative, or employer. Anyone who may have an interest must be absent from that part of the meeting and they will not count towards quoracy for that agenda item.
- 5.2 If there is a failure by an individual to declare an interest that is known to the Chair and/or Governance Professional, the interest will be referred to. After disclosure of any such interest, in the case of a meeting, the individual concerned will be asked to leave whilst the matter is discussed.
- 5.3 The Governance Professional must make reference to the declared interest in the minutes of the meeting.

6. Related Party Transactions

- 6.1 Related parties include persons and entities with control or significant influence over the Trust and any subsidiary companies.
- 6.2 The Companies Act 2006 states that a Director of a company must avoid a situation in which they have or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Trust. The Academy Trust Handbook also refers to Trustees who must not accept benefits and who must declare interests in transactions.
- 6.3 Any related party transaction must comply with 'at cost' requirements where the Trust must pay no more than the cost for good or services provided to it by related persons.

7. Approval and reporting of Related Party Transactions

- 7.1 There is a limit of £2,500 at which the 'at cost' requirements need to apply to related party transactions. Where cumulative annual total exceeds £2,500 the element above this must be no more than at cost.
- 7.2 Trusts must obtain approval for any proposed related party transactions from the ESFA for the supply of goods or services:
- Where the contract exceeds £40,000.
 - The contract takes the total value of contracts with the related party transaction beyond £20,000 in the same financial year, and
 - There have been contracts with related party exceeding £40,000 individually or cumulatively in the same financial year.
- 7.3 Full details on Related Party Transaction are detailed in the Academy Trust Handbook.

8. General Data Protection Regulation

All data within this policy will be processed in line with the requirements and protections set out in the General Data Protection Regulation.

