

# Conflict of Interest & Loyalties Policy

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<b>Legislation or regulation:</b>	The Charities Act 2011 The Companies Act 2006

<sup>1</sup> The Review Period and the Target Review Date refer to our internal policy review process. The published policy is current and is the most recent approved version

## Version Control Document

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	<b>0.1</b>	<b>Policy Creation</b>	
<b>Sept 2018</b>	<b>1.0</b>	<b>Policy Approval</b>	<b>J.Mitchell</b>

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## 1. Purpose

The purpose of this Policy is to identify and prevent conflicts of interest and loyalties affecting decision making and to promote best practice in order to comply with the Charities Act 2011 and to be in line with the Charity Commission's guidance; Conflicts of Interest: a guide for charity trustees. In addition, this policy aims to protect the integrity of the TEN Group's decision-making process, to enable our stakeholders to have confidence in our integrity, and to protect the veracity and reputation of volunteers and the TEN Group as a whole. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

## 2. Policy Statement

Transforming Education in Norfolk (TEN) Group Trustees and Directors and Governors of TEN Group organisations must make their decisions only in the best interests of their respective Charity, Trust, Company or Corporation.

Trustees, Directors and Governors must avoid putting themselves in a position where their duty to act only in the best interests of the Charity, Trust, Company or Corporation could conflict with any personal interest they may have. This means that they should handle conflicts of interest using the following steps:

1. **Identify** conflicts of interest.
2. **Prevent** the conflict of interest from affecting the decision.
3. **Record** conflicts of interest.

The TEN Group requires that all organisations within the TEN Group, regardless of whether they are a charity, an exempt charity or neither, recognise and comply with this policy.

## 3. Scope

This policy applies to all TEN Group Trustees, Directors of Norfolk Academies (NA) and Norfolk Educational Services (NES), Governors of City College Norwich (CCN) and University Technical College Norfolk (UTCN).

## 4. Legal requirements

The TEN Group and its organisations are obliged to ensure they identify and prevent conflicts of interest and loyalties affecting decision making and to promote best practice in order to comply with the Charities Act 2011, Companies Act 2006 and to be in line with the Charity Commission's guidance; Conflicts of Interest: a guide for charity trustees.

## 5. Definitions

**Board:** the Board of Trustees in respect of the TEN Group; the Board of Directors in respect of NA and NES; and the Board of Governors in respect of CCN and UTCN.

**Breach of Duty:** a breach of any Trustee, Director or Governor's duty under the Charities Act, the Companies Act and/or the relevant Articles of Association for the respective organisation.

**Charities Act:** the Charities Act 2011.

**Companies Act:** the Companies Act 2006.

**Conflict of Interest:** any situation in which a Trustee, Director or Governor's personal interests or loyalties could, or could be seen to prevent them from making a decision only in the best interests of their respective Charity, Trust or Corporation.

**Connected Person:** in broad terms this means family, relatives or business partners of a Trustee, Director or Governor as well as businesses in which a Trustee, Director or Governor has an interest through ownership or influence. The term includes a Trustee, Director or Governor's spouse, unmarried or civil partner, children, siblings, grandchildren and grandparents, as well as businesses where a Trustee, Director or Governor or family member holds at least one-fifth of the shareholding or voting rights.

**Conflict of Loyalty:** a particular type of conflict of interest in which a Trustee, Director or Governor's loyalty or duty to another person or organisation could prevent them from making a decision only in the best interests of their respective Charity, Trust or Corporation.

**Governing Document:** the legal document setting out the organisations objects and how it is administered, to include a trust deed, constitution, articles of association, instrument and articles of government or any other formal document.

**Trustee:** TEN Group Trustee.

**Director:** a member of the NA Board or the NES Board.

**Governor:** a member of the CCN Corporation or the UTCN Board of Governors.

## 6. Our Objectives

Objectives	Outcomes
<b>1. Identifying conflicts of interest</b>	<ul style="list-style-type: none"><li>Conflicts of interest are considered as a pre-appointment issue with prospective appointees being requested to reflect on any potential conflicts or perceived conflicts before appointment, and to declare these at the earliest opportunity.</li><li>Individuals should have a clear understanding of the circumstances in which they may find themselves in a position of conflict of interest by considering this policy, the organisations governing document and any relevant legislation and statutory guidance.</li></ul>

<p><b>2. Declare conflicts of interest</b></p>	<ul style="list-style-type: none"> <li>Individuals should understand their personal duty to declare any conflict of interest and, where in doubt, should raise any potential or perceived conflict of interest with the Chairman or, if the Chairman is conflicted, the Vice Chairman of the Board at the earliest opportunity.</li> <li>It is the TEN Group's policy that at the start of all Board meetings, the attendees are asked whether there are any new declarations of interests and these are recorded (if any) on the minutes. This is a standing agenda item. If there are none, the minutes should clearly state that there were no new declarations of interests declared at that meeting.</li> <li>At the first meeting of the academic year, each Board member is asked whether there are any new declarations to make and they are requested to sign their Declarations of Interest.</li> </ul>
<p><b>3. Preventing conflicts of interest from affecting decision making</b></p>	<ul style="list-style-type: none"> <li>Individuals sitting on a Board should always declare any conflicts of interest which affect them at the earliest opportunity.</li> <li>Any failure to declare a conflict of interest is a serious issue and will be treated by the Board as such.</li> <li>The non-conflicted members of the Board should consider whether serious conflicts of interest should be removed or require authority, with reference to the organisation's Articles of Association and the relevant legislation.</li> <li>Affected individuals should not participate in any decisions where they stand to gain, whether directly, or indirectly through a connected person.</li> <li>Where there is a conflict of loyalty, the Board should carefully handle any participation by a conflicted individual.</li> <li>Irrespective of the approach the Board take to prevent a conflict of interest from affecting their decision making, they should be able to demonstrate that their decision was made only in the best interests of the organisation.</li> </ul>
<p><b>4. Consider removing the conflict of interest</b></p>	<ul style="list-style-type: none"> <li>The Board should consider the issue of the conflict of interest so that any potential effect on decision making is eliminated.</li> <li>The Board should remove the conflict of interest in the most effective way to prevent it from affecting decision making.</li> </ul>
<p><b>5. Withdrawing from decision making where there is a conflict of loyalty</b></p>	<ul style="list-style-type: none"> <li>The affected Trustee, Director or Governor should declare the interest. The other Board members must then decide what level of participation, if any, is acceptable on the part of the conflicted member. Ultimately it is for the Chairman to decide whether withdrawal is in the best interests of the Charity, Trust, Company or Corporation. The options might include, but are not limited to, deciding whether the affected individual: <ul style="list-style-type: none"> <li>can otherwise participate in the decision;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• can stay in the meetings where the decision is discussed and made but not participate in the decision-making process; or</li> <li>• should withdraw from the decision-making process.</li> </ul> <p>In deciding which course of action to take the Board:</p> <ul style="list-style-type: none"> <li>• must always make their decisions only in the best interests of the respective Charity, Trust, Company or Corporation with reference to the governing document and be able to demonstrate this.</li> <li>• should always protect the organisation's reputation and be aware of the impression that their actions and decisions may have on those outside of the organisation.</li> <li>• can allow a member to participate where the existence of their other interest poses a low risk to decision making in the organisation's interests, or is likely to have only an insignificant bearing on their approach to an issue.</li> <li>• should be aware that the presence of a conflicted individual can affect trust between Board members which could inhibit free discussion and might influence decision making in some way.</li> </ul>
<p><b>5. Record the conflict of interest</b></p>	<ul style="list-style-type: none"> <li>• Individuals are to record at the start of each academic year all known conflicts of interest and/or loyalty on their individual Declaration of Interest form.</li> <li>• All Declaration of Interest forms are recorded and published on the TEN Group websites.</li> <li>• Any interests declared during a meeting are recorded.</li> <li>• When anyone withdraws from the discussion the meeting minutes must record: <ul style="list-style-type: none"> <li>○ the person/s withdrawing; and</li> <li>○ the time which they withdraw and returned.</li> </ul> </li> <li>• Any decision made by non-conflicted members of the Board as to whether a conflicted member could participate in a discussion or decision, should be clearly minuted to set out the reasoning as to why the decision was reached and that it was in the best interests of the group for the decision to be made.</li> </ul>

## 7. Organisation Responsibilities

### Professional Services

- Monitor and control all registers of declarations.
- Monitor and control distribution of meeting papers and minutes where a known conflict exists.

### Chairman

- Have knowledge of their Board and committee members declared conflicts of interest and loyalties.
- Chair meetings to actively control any conflicts of interest and loyalties.

## 8. References to related TEN Group policies

- Data Protection Policy
- Financial Regulations

## 9. Contact

Please contact Professional Services for advice on any aspect of this Policy.

## 10. Equal Opportunities Statement

This policy and procedure has been assessed against the nine protected characteristics outlined in the Equality Act 2010 and no apparent disadvantage to equal opportunities has been determined.

If you have any comments or suggestions in relation to equal opportunities of this policy or procedure please contact the policy holder.