



The Three Rivers

Learning Trust

Name of Policy	Declaration and Conflict of Interest
Policy Number	F9
The Three Rivers Learning Trust	
Named Person(s)	Mark Tait
Review Committee	Full Board
Last review date	Autumn 2018
Next review date	Autumn 2021

Purpose	
Key Changes	<ul style="list-style-type: none">• incorporating definitions and criteria set out in the Academies Financial Handbook 2018• clarification on recording and meeting procedures• new forms and registers have been created to improve records and sharing of relevant information
Sources	(DfE, School Bus, etc)
Statutory/Non-Statutory	

1. **Definitions**

"Academy"	means an individual school within the Trust. A comprehensive list of schools can be found at https://www.the3rivers.net/our-schools .
"Academy Councillor"	means a person who serves as a local governor of an Academy.
"Chair"	means the Chair of a meeting of the Board of Trustees or a subcommittee of the Board of Trustees.
"Charity Commission"	means the Charity Commission for England and Wales, an independent, non-ministerial government department accountable to Parliament. The Charity Commission is the regulator of charities and also the registrar responsible for maintaining an accurate and up-to-date register of charities.
"Clerk"	means the Clerk to the Board of Trustees, alternately, the Company Secretary of the Trust.
"Member"	means a member of the Trust.
"the Policy"	means this policy, the Declaration and Conflict of Interest Policy of The Three Rivers Learning Trust.
"Related Individuals"	means any individual or organisation related to an Academy Councillor, a Member, a Senior Employee or a Trustee. For the purposes of the Policy the following persons are related: <ul style="list-style-type: none">· a relative. 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;· an individual or organisation carrying on business in partnership with the Academy Councillor, Member, Senior Employee or Trustee; or a relative of the Academy Councillor, Member, Senior Employee or Trustee;· a company in which an Academy Councillor, a Member, a Senior Employee a Trustee and/or their relative (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; and

- an organisation which is controlled by an Academy Councillor, a Member, a Senior Employee a Trustee and/or their relative (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.

"Senior Employee"

means a person who forms part of the senior leadership team that actively participates in the daily supervision, planning and administrative processes of the Trust to help it meet its objectives. Such as the:

- Chief Executive Officer
- Chief Operations Officer
- Headteacher
- Finance Director

"the Trust"

means The Three Rivers Learning Trust, a registered company in England and Wales with company number 7838203.

"Trustee"

means a trustee of the Trust.

2. **Introduction**

2.1 This policy applies to Trustees as well as the following persons:

- 2.1.1 Members;
- 2.1.2 Academy Councillors;
- 2.1.3 Senior Employees; and
- 2.1.4 Members of a Committee.

2.2 The policy sets out practical guidance for identifying, monitoring and managing actual and potential conflicts of interest.

2.3

2.4 The Charity Commission considers it good practice to implement a policy setting out the procedures the trustees have adopted to enable conflicts to be identified and managed. [The Commission has published formal guidance on conflicts which is available on its website.](#)

3. **Identifying Conflicts**

- 3.1 Within the Academy and Trust context, persons, to who the Policy applies, have a legal duty to:
 - 3.1.1 act in the best interests of the Trust;
 - 3.1.2 further the Trust's objects;
 - 3.1.3 act in accordance with the Trust's governing document;
 - 3.1.4 avoid situations where there may be a potential conflict of interest (Companies Act 2006 s.175); and
 - 3.1.5 declare any interest, whether direct or indirect, in any existing or proposed transaction or arrangement with the Trust (Companies Act 2006 ss.177, 182).
- 3.2 If there is a decision to be made where a person has a personal or other interest, this is a conflict of interest and prevents them from complying with their stated duties unless they follow certain steps set out later in the policy.
- 3.3 For example, a person would have a conflict of interest if the Trust is thinking of making a decision that would mean:
 - 3.3.1 A person could benefit financially or otherwise from the Trust, either directly or indirectly through Related Individuals
 - 3.3.2 A person's duty to the Trust competes with another duty or loyalty they have to another organisation or person
- 3.4 In making decisions about the Trust's funds or its legal relationships, persons, to whom the Policy applies, must be alert to the possibility that they, or their colleagues, could be affected by a conflict of interests.
- 3.5 While it is impossible to set out every situation which may result in a conflict, the following situations are examples to assist you identify possible areas where a conflict may arise:
 - 3.5.1 making payments or other benefits available to trustees;
 - 3.5.2 entering into a loan arrangement with a trustee;
 - 3.5.3 letting or hiring premises from a trustee or letting or hiring out premises to a trustee;
 - 3.5.4 using the Trust's name, logo or reputation to secure advantage for a third party;
 - 3.5.5 entering into a transaction or arrangement with the Trust or a company connected to a trustee, including its associated companies; or
 - 3.5.6 setting investment strategy and reviewing investment choices.
- 3.6 The Trust is committed to providing the necessary training and instruction in respect of the Policy. Should a Trustee or a person, to who the Policy applies, require further assistance, guidance or the application for the Policy, kindly direct these queries to clerk@the3rivers.net.

3.7 The trustees will consider whether any conflicts are likely to arise in relation to decisions to be made over the coming year and plan how they will manage such conflicts.

4. **Recording Declarations of Interest and Maintenance of the Register of Interests**

4.1 On appointment, all Trustees or persons, to whom the Policy applies, will be required to complete the relevant Declaration of Interests Form.

4.2 This information contained on the Declaration of Interests Form will be recorded in the Register of Interests.

4.3 The Declaration of Interest Form will establish the following information:

4.3.1 any personal interests or positions that may potentially give rise to a conflict of interests;

4.3.2 any interest or positions held by Related Individuals that may potentially give rise to a conflict of interests;

4.3.3 alternately, an expression that to the best of their knowledge no conflict of interest exists either directly or indirectly.

4.3.4 the date when the interest commenced;

4.3.5 the date, if applicable, when the interest ceased;

4.3.6 an undertaking to provide information annually for the duration of the office held confirming that they will update the form annually; and

4.3.7 an undertaking to provide updated interests or positions that may arise after completing the form and prior to annual review.

4.4 The Trust will perform an annual review of the Declarations of Interest and the relevant Registers of Interests.

4.5 It is for the person concerned, acting reasonably and in good faith, to decide which matters to declare but, if in doubt, they should make a declaration.

4.6 The information provided by persons will be held by the Trust and processed in accordance with data protection principles, law and regulation applicable to England and Wales.

4.7 The Clerk will be responsible for maintaining the registers of interests, and will:

4.7.1 record in the register all conflicts, interests, gifts and hospitality declared; and

4.7.2 circulate amendments or additions (if any) to the register to the Trustee board at the start of each Trustee Meeting.

4.8 The Registers of Interests will be available for inspection by any person on request.

5. **Declaration of interest during meetings and Managing conflicts of interest**

5.1 In keeping with a duty under charity law, a Trustee or persons, to who the Policy applies, a must declare a conflict of interest immediately once they are aware of any possibility that their personal or wider interests could influence their decision-making. Accordingly, the Trust will have a standard agenda item at the beginning of each relevant meeting to allow Trustees or persons, to who the Policy applies, to declare any actual or potential conflicts of interest.

5.2 During the allotted time in a meeting a Trustee or person, to whom the Policy applies, may supplement the information contained in the Declaration of Interest Form. Such declarations will be recorded by the Clerk and the relevant entries made in the relevant register.

5.3 Once a conflict of interest is identified, in a meeting, it will be prevented from affecting decision-making during the meeting by:

5.3.1 finding an alternative way forward which doesn't involve the conflict of interest (particularly if the issue is serious); or

5.3.2 taking appropriate steps to manage the conflict (if it's less serious), which will usually mean that the person affected doesn't take part in discussions about the issue.

5.4 If the conflict of interest is particularly serious:

5.4.1 the Trustee or person, to whom the Policy applies may asked to be excused for the meeting or that portion of the meeting where their interest may impact on the business to be transacted;

5.4.2 Similarly, the Chair may ask the Trustee or person, to whom the Policy applies to absent themselves for the meeting or that portion of the meeting where their interest may impact on the business to be transacted;

5.4.3 In certain circumstances the attendees of the meeting or the Trustees will have to devise an alternative way forward to prevent the conflict from affecting proper decision making.

5.5 If the conflict of interest is less serious:

5.5.1 the Trustee or person, to whom this the Policy applies may remain present during the meeting but remain silent and not participate in the decision making where their interest may impact on the business to be transacted.

5.6 If the Chair is declaring a conflict, they shall inform their colleagues and in the absence or non-participation of the Chair a new person will be chosen from the remaining persons to Chair the meeting.

5.7 If it is difficult to determine what action must be take the following process can be utilised to manage the conflict:

- 5.7.1 The meeting will be informed of the conflict;
- 5.7.2 The conflict will be recorded;
- 5.7.3 The person(s) who are conflicted will be excused;
- 5.7.4 The non-conflicted persons will then:

- 5.7.4.1 assess the nature of the conflict;
- 5.7.4.2 assess the reputational risk or threat to meetings decision-making;
- 5.7.4.3 decide whether the conflict is serious (that is, it is material or has the potential to be detrimental to the conduct or decisions taken by the trustees); and
- 5.7.4.4 decide what steps to take to avoid or manage the conflict.

5.8 In assessing the conflict, the non-conflicted persons must act reasonably and in good faith. If necessary, the non-conflicted persons should consult the Commission's guidance document or take legal advice on whether the conflict is serious and/or on how to manage the conflict declared.

5.9 If the non-conflicted trustees decide that the interest or duty is material or may otherwise reasonably be regarded as likely to give rise to a conflict of interests with the Trust, the conflicted trustee must not:

- 5.9.1 take part in the discussion (except to inform the meeting);
- 5.9.2 take part in any vote or decision on the matter;
- 5.9.3 be counted when determining whether the trustee meeting is quorate; and
- 5.9.4 be counted in any vote on the matter.

5.10 Please note that, unless the trustees decide otherwise, the guidance set out above will not apply in relation to:

- 5.10.1 any expenses to which a Trustee is properly entitled;
- 5.10.2 any decision to make a payment to a Trustee under an indemnity to which a Trustee is properly entitled under the Trust's articles of association;
- 5.10.3 any decision to purchase Trustee indemnity insurance.

That is because these types of benefit are generally available to all Trustees and are usually not considered to be sufficiently material to constitute a conflict of interests with the Trust.

5.11 The Chair will inform the conflicted person(s) of the non-conflicted persons' decision. The Clerk will note in the minutes of the meeting the conflict declared, an outline of the discussion and the actions taken to manage the conflict.

6. **Authorisation of Conflicts**

6.1 Where a Trustee is in a situation where they have or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests

of the Trust (other than a transaction or arrangement with the Trust permitted under the Articles), the trustee is technically in breach of their duty under s.175 of the Companies Act 2006. This means that they would be potentially liable to account to the Trust for any loss suffered by the Trust as a result of the breach.

6.2 It may therefore be appropriate for the Trust to authorise the conflict under s.175(4)(b) and thereby discharge the person's duty. This authorisation can be given by:

6.2.1 a decision of the non-conflicted Trustees in accordance with the Articles;

6.2.2 an ordinary resolution of the non-conflicted members in general meeting or by written resolution;

6.2.3 unanimous agreement of all the members; or

6.2.4 an order of the Commission or the court.

6.3 If the non-conflicted Trustees consider that the conflict is serious, the non-conflicted trustees will determine what action is appropriate in light of the nature and extent of the conflict. A number of steps can be taken to deal with the conflict, including:

6.3.1 excluding the conflicted Trustee from discussions in relation to the matter to avoid inadvertently influencing the non-conflicted trustees (except insofar as this is necessary to properly inform the discussions);

6.3.2 excluding the conflicted Trustee from ongoing decision-making and reviews in relation to the matter while the conflict exists and remains;

6.3.3 seeking independent advice to help with a decision, if necessary;

6.3.4 appointing an independent Trustee (perhaps for a limited duration or restricted to a particular decision-making process) who is not conflicted;

6.3.5 resignation of the conflicted Trustee where the conflict is acute or pervasive.

7. Confidential Information

7.1 If a Trustee becomes aware, or is in possession, of information which they consider may be relevant to the exercise of the Trustees' duties, they should generally disclose such information to their colleagues subject to the data protection laws and regulations applicable to England and Wales subject to any of duty of confidentiality owed to a third party.

7.2 If a Trustee is in any doubt over whether to disclose information to their colleagues they should seek out independent legal advice in their personal capacity.

8. Monitoring Compliance and Reviewing this Policy

- 8.1 Any trustee who becomes aware of a breach of this policy should report it to the Chair or the Clerk as soon as possible.
- 8.2 The Clerk will:
 - 8.2.1 report all breaches of the policy of which they are aware to the Trustees at the next meeting of the Board of Trustees; and
 - 8.2.2 record all breaches of this policy in the relevant minutes of meetings.
- 8.3 The Trustees have implemented this policy in order to monitor and manage conflicts of interest. Any failure to comply with the terms of this policy will not, in itself, result in a decision of the Trustees being invalidated or in any liability to the Trust.
- 8.4 This policy will be reviewed annually or sooner if required.