

Business Interests Policy



Proverbs 18:15

An intelligent heart acquires knowledge and the ear of the wise seeks knowledge.

The Governors are committed to supporting the school in its endeavours and to ensuring that this policy is achieved in the light of its vision,

Derby Cathedral School is a community that welcomes students, families and visitors of all faiths and none. The diversity and richness of such a family brings depth and a vibrancy to our core. Underpinning and permeating our community are fundamental Christian values, of which we are proud. In line with the teachings of the Church of England we ask; “for individuals to be the best they can be”.

We ask that all stakeholders of Derby Cathedral School uphold this philosophy through
their ACTIONS,
their ASPIRATIONS,
and their ACHIEVEMENTS.

Through our curriculum, our enrichment opportunities, our pastoral House programme, our guidance and our role modelling, we aim to enable all members of our community to fulfill and exceed their potential.

Policy Status	Date	Chair of Governors	Review Date
Approved by LGB	17/10/2019		Autumn Term 20

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Statement of intent

This policy sets out the framework for ensuring that the decisions and decision-making processes at Derby Cathedral School are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the school.

Members of the governing board and school staff have an obligation to act in the best interests of the school community to avoid situations where there may be a potential conflict of interest.

Situations may arise where family interests or loyalties conflict with those of the school. Such interests may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of the school, and risk the school's reputation.

The school has created this policy to:

- Ensure that every governor and staff member understand what constitutes a conflict of interest, and that they have a responsibility to identify and declare any conflicts that might arise.
- Record the conflict and the actions taken to ensure that the conflict does not affect the decision-making of the school.

1. Legal framework

- 1.1. This policy has due regard to all relevant legislation including, but not limited to, the following:
 - The Companies Act 2006 (strategic Report and Directors' Report) Regulations 2013
 - Data Protection Act 2018
 - General Data Protection Regulation
- 1.2. This policy has due regard to all relevant guidance, including, but not limited to, the following:
 - DfE (2019) 'Governance handbook'
 - Charity Commission (2014) 'Conflicts of Interest: a guide for charity trustees'
 - DfE (2018) 'Academies financial handbook'
- 1.3. This policy operates in conjunction with the following school policies:
 - **DDAT Financial Procedures Policy**
 - **Whistleblowing Policy**
 - **Anti-Fraud Policy**
 - **Declared Business Interests Register**
 - **GDPR Policy**

2. Definitions

- 2.1. For the purpose of this policy, a person is defined as having a '**business or pecuniary interest**' if they have a monetary or financially vested interest in a business or service, which could prevent the individual from acting in the school's best interests.
- 2.2. '**Conflicts of interest**' are any situations where an individual's personal interests or loyalties could, or could be seen to, prevent the individual from making a decision in the best interests of the school.
- 2.3. The term '**significant shareholder**' refers to any individual or relative of an individual holding more than 20 percent of the share capital or exercising more than 20 percent of the voting power in an organisation.
- 2.4. An '**interested party**' is defined as a person who has a close relation to a person with a vested interest, e.g. a spouse.
- 2.5. '**At cost**' refers to the cost of a good or service (not including contracts of employment), without profit.

3. Roles and responsibilities

3.1. The **governing board** is responsible for:

- Ensuring that all members of staff, including volunteers, act in accordance with this policy at all times.
- Identifying any conflicts of interests that have not been previously declared.
- Making complete declarations on an annual basis, and ensuring they are up-to-date.
- Ensuring there are measures in place to manage any conflicts of interest.
- Operating and making decisions in the best interests of pupils.

3.2. The chair of the governing board is responsible for:

- Ensuring, in liaison with the headteacher, that all members of the governing board have declared any conflicts of interest, in accordance with the Declared Business Interests Register.
- Considering the risks associated with an individual who has declared a conflict of interest participating in any decision-making or voting and seeking advice from the School Business Manager.

3.3. The clerk to the governing board is responsible for:

- Keeping an accurate and up-to-date record of interests for all governors, staff and volunteers, which is reviewed annually, and can be accessed by relevant people, e.g. the headteacher.
- Keeping accurate meeting minutes.

3.4. The headteacher is responsible for:

- Ensuring, in liaison with the chair of the governing board, that all members of the governing board have declared any conflicts of interest, in accordance with the Declared Business Interests Register.
- Ensuring that any staff member who is responsible for proposing a course of action or handling the school's budget has declared any business interest.
- Deciding who else is considered an 'interested party', and ensuring they declare any business interest.

3.5. Staff, including volunteers, are responsible for:

- Declaring any business interest.
- Acting in accordance with this policy at all times.

- Identifying any conflicts of interests that have not been previously declared.
- Following the school's Whistleblowing Policy where there are concerns that a conflict of interest has not been declared, and an individual might have subsequently benefitted.
- Ensuring that all individuals in a discussion do not have a vested interest in the subject.

4. Identifying conflicts of interest

- 4.1. All staff (including volunteers) will be able to demonstrate that they do not have a vested interest in any decision-making or budget spending.
- 4.2. All staff (including volunteers) will remain objective and act within the best interests of the school and its pupils.
- 4.3. Members of the governing board will declare any conflicts of interest at an early stage and inform the relevant people, e.g. the headteacher.
- 4.4. Members of the governing board will ensure that any conflicts of interest do not prevent them from making a decision that would be in the best interests of the school and its pupils.
- 4.5. Members of the governing board and relevant staff will declare the following interests:
 - Holding another public office
 - Being an employee, director, adviser or partner of another business or organisation
 - Pursuing business opportunities
 - Being a member of a club, society or association
 - Having a legal or professional obligation to someone else
 - Having a beneficial interest in a trust
 - Owning or occupying a piece of land
 - Owning shares or some other investment or asset
 - Having received a gift, hospitality or other benefit from someone/an organisation
 - Owing a debt to someone/an organisation
 - Holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue
 - Being a governor, associate member or trustee at any other educational establishment

- Being a spouse, partner, relative or close friend of someone who has one of these interests
- 4.6. All interests and connections that could influence the school's reputation with the public will be declared.
 - 4.7. If staff (including volunteers) have a relative whom they know to have a declarable interest, this information will be declared.
 - 4.8. If the academy trust's members, trustees or local governors have a relative whom they know to have relevant interests, this will be declared.
 - 4.9. Only relevant interests will be declared, e.g. the spouse of the owner of a catering service when the school is seeking a new catering company. Any interests that do not directly benefit individuals or their relatives do not need to be declared – for example, being a small shareholder in a large national company rather than a significant shareholder.

5. Conflicts of loyalty

- 5.1. Conflicts of interest can also arise, even if the individual does not gain any financial benefit, when their decision-making as a staff member or a member of the governing board could be influenced by their other interests.
- 5.2. Members of the governing board and relevant staff will be required to declare any interest that might conflict with their loyalty to:
 - Another organisation, such as their employer.
 - A member of their family.
 - Another connected person or organisation.
 - Another governing board or committee of which they are a member.
 - The individual that appointed them to the governing board.
- 5.3. Members of the governing board will also be required to declare any conflicts of interest where their religious, political or personal views could interfere with their ability to make decisions in the best interests of the school.

6. The declaration registers

- 6.1. Each declaration of interest will be recorded on the school's Declared Business Interests Register.
- 6.2. This register will allow all governors and relevant employees to identify any business, commercial, financial or personal interests they have.
- 6.3. Details of each interest will be recorded on the register, including the following:
 - The nature of the business/interest
 - The name of the business/interest

- The date the interest began
 - A brief description of duties or responsibilities
 - The date of cessation of interest
 - The date of entry onto the register
- 6.4. The declaration registers will be stored in the school office, where they can be accessed by the headteacher and chair of the governing board, as well as inspected by Ofsted or anyone else who has a right to it to carry out their statutory duties.
- 6.5. The DPO will ensure that the registers are protected in accordance with the school's Data Protection Policy.
- 6.6. The governing board is responsible for deciding who else has access to the registers, including other staff members, governors and parents.
- 6.7. If an individual has no interest to declare, they will indicate this by stating 'nil' on their conflicts of interest form, before signing and dating the declaration.
- 6.8. If an individual is unsure whether they have a conflict of interest, the headteacher will advise the individual to declare any possible interests until they can confirm their interests at a later date.
- 6.9. Any conflicting interests or relationships will be described in sufficient detail using appropriate language to clarify under what circumstances an individual's position might be brought into question.
- 6.10. If a new interest becomes applicable during the school year, it will be the responsibility of the individual concerned to amend the Declared Business Interests Register.

7. Governing board benefits

- 7.1. Conflicts of interest can arise where there is a potential or measurable benefit to a member of the governing board, or to a person connected to a member.
- 7.2. Members of the governing board can only benefit from the school where there is an explicit authority in place in the school's governing document.
- 7.3. Governing board benefits include any payments or benefits to members, or a connected person, apart from their reasonable out-of-pocket expenses.
- 7.4. Benefits also include situations where a member of the governing board could receive property, loans, goods or services from the school.
- 7.5. Where there is a proposed sale or lease of land to a member of the governing board, or to a person or company closely connected with a member, this will require authorisation from the DfE before it is granted, even if the disposal is at full market value.

- 7.6. The payment of reasonable expenses to a member of the governing board is not a benefit and therefore does not create a conflict of interest or require authorisation.

8. Declaring interests

- 8.1. Wherever possible, the headteacher and chair of the governing board will make arrangements to avoid a conflict of interest arising.
- 8.2. The stipulations below apply to all members of the governing board, the headteacher and any others in attendance at meetings, including the SLT.
- 8.3. The governing board will be provided with a standard agenda item at the beginning of each meetings, to declare any actual or potential conflicts of interest.
- 8.4. Declarations will be made in writing, unless they are made at a meeting where official minutes are being taken.
- 8.5. All members of the governing board will be required to declare any interest that has been outlined as an item to be discussed, at the earliest possible opportunity and before any discussion of the item itself.
- 8.6. If a member is unsure whether they are conflicted, they will declare the issue and discuss it with the rest of the governing board.
- 8.7. If a member is aware of an undeclared conflict of interest affecting another member, they will be required to notify the rest of the governing board for appropriate action.
- 8.8. If the person making the declaration is only one of a number participating in the governing board's discussion and decision-making process, the declaration will be made to the other participants.
- 8.9. If the person making the declaration is the only person making a decision on behalf of the governing board, the declaration will be made to the headteacher.
- 8.10. If the person making the declaration is the headteacher, the declaration will be made to the chair of the governing board.
- 8.11. Staff will declare conflicts of interests to the headteacher and ensure that this information is up-to-date.
- 8.12. If new conflicts of interest arise for governors or staff, they will inform the chair of the governing board or the headteacher and the registers will be updated.

9. Removing conflicts of interest

- 9.1. The governing board will consider any conflict of interest declared, ensuring that any potential effect on decision-making is eliminated.

- 9.2. If an individual has declared an interest, they will be required to leave the room when the matter is being discussed.
- 9.3. Where there is a conflict of loyalty and the affected member does not stand to gain any benefit, they will be required to declare the interest.
- 9.4. The rest of the governing board will decide on what level of participation in decision-making, if any, is acceptable on the part of the conflicted member.
- 9.5. The governing board will decide whether the affected member:
 - Can participate in the decision, after having registered and fully declared their interest.
 - Can stay in the meetings where the decision is discussed and made, but not participate.
 - Must be withdrawn from the decision-making process.
- 9.6. When deciding which course of action to take, the governing board will:
 - Always make their decisions in the best interests of the school and its pupils.
 - Always protect the school's reputation and be aware of the impression that their actions and decisions may have on others.
 - Always be able to demonstrate that they have made decisions in the best interests of the school and its pupils, and independently of any competing interest.
 - Require the withdrawal of the affected member from any decisions where their other interest is relevant to a high-risk or controversial decision, or could significantly affect the member's decision-making.
 - Allow a member to participate where the existence of their other interest poses a low risk to decision-making in the school's interest, or is likely to have only an insignificant bearing on their approach to an issue.
 - Be aware that the presence of a conflicted member can affect trust between other members of the governing board, could inhibit free discussion, and might influence decision-making in some way.
- 9.7. If the governing board is discussing the appointment of a post, or making decisions that may lead to a staff vacancy, regarding a role for which a governor could apply, the member in question will be required to leave the discussion, as this is classed a conflict of interest.
- 9.8. Members of the governing board who have declared an interest will not be able to vote or make decisions regarding that topic, including any financial activity connected to the matter, and will not be present when the vote is taken.
- 9.9. The clerk to the governing board will record an entry in the minutes when an individual withdraws from a meeting.

- 9.10. Declarations will be clearly recorded so that there can be no potential for misunderstandings.
- 9.11. In circumstances where participation is unavoidable, the chair of the governing board will consider the risks associated with the situation and advice will be sought from the School Business Manager. An entry of the situation, including the outcome, will be recorded in the minutes.
- 9.12. The governing board will follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, decide that removing a conflict of interest itself is the most effective way of preventing it from affecting their decision-making.
- 9.13. Serious conflicts of interests include, but are not limited to, those which:
- Are so acute and extensive that the member is unable to make their decision in the best interests of the school and its pupils.
 - Are present in significant high-risk decisions of the trustees.
 - Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
 - Are associated with an inappropriate governing board benefit.
- 9.14. To remove a conflict of interest, the governing board will undertake appropriate action, including:
- Not pursuing the course of action.
 - Proceeding with the issue in a different way so that a conflict of interest does not arise.
 - Securing the resignation of the member affected by a conflict of interest.
 - Not making member appointments that would knowingly introduce a conflict of interest.

10. Records of proceedings

- 10.1. Each time a declaration has been made during a meeting or an individual has withdrawn from a discussion, a record will be kept in the meeting minutes.
- 10.2. At a minimum, the following information will be recorded:
- The nature of the business interest
 - Which members were affected
 - Whether the business interest were declared in advance
 - Whether anyone withdrew from the discussion
 - How the trustees reached the decision made
 - A description of what was disclosed and in what circumstances

- The chair of the governing board or headteacher will sign and date the recording

11. Non-compliance

- 11.1. Any member of the governing board who fails to reveal information to enable the governing board to fulfil its responsibilities might be in breach of the Governor Code of Conduct and, as a result, be bringing the governing board into disrepute.
- 11.2. The governing board will consider suspending a governor if they fail to declare information that brings the governing board's reputation into question.
- 11.3. Any member of staff found to be withholding information about a conflict of interest may be subject to disciplinary action in line with the Disciplinary Procedures Policy.

12. Related party transactions

- 12.1. The academy will be even-handed in their relationship with related parties by ensuring:
 - Compliance with their statutory duties to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements.
 - A register of interest has been completed by the clerk to the governing board.
 - No member of the academy uses their connections to the trust for personal gain.
 - All payments are permitted by the articles of association or by authority from the Charity Commission.
 - The Charity Commission approves payments to a trustee where there is a significant advantage to the academy.
 - Any payment provided to a person satisfies the 'at cost' requirement.
- 12.2. All related party transactions will be reported to the ESFA in advance of transactions taking place, using the ESFA's [online form](#).
- 12.3. The ESFA's prior approval will be obtained, using the online form, for contracts for the supply of goods or services to the academy by a related party where any of the following limits apply:
 - A contract exceeding £20,000
 - A contract of any value that would take the total value of contracts with the related party beyond £20,000 in the same financial year ending 31 August

- A contract of any value if there have been contracts exceeding £20,000 individually or cumulatively with the related party in the same financial year ending 31 August
- 12.4. For the purposes of reporting to the ESFA, transactions with related parties will not include salaries and other payments made by the academy to a person under a contract of employment through the academy's payroll.
- 12.5. The academy will declare, but not seek approval for, eligible transactions to the ESFA where they are for services that can only be delivered by the diocese. A single upload of evidence relating to the payment of levy for these services will be completed.
- 12.6. When completing the ESFA's online form, all the information required to complete the form will be collected – it is not possible to partially complete a form and then return to it.
- 12.7. The following information is needed to create a record for the supplier:
- The name of the supplier
 - The supplier's address
 - The supplier's company number which can be found using the [Companies House website](#) (for limited companies)
 - The statement which best describes the relationship between the supplier and the academy
 - Confirmation that the supplier is listed on the academy's register of interests
 - Confirmation that the academy has a statement of assurance from the supplier
 - Confirmation that the academy has an open-book agreement with the supplier
- 12.8. The following information is needed about the related party transaction:
- A short description of the goods or services
 - Details of the proposed cost
 - The start and end date of any contract or agreement
- 12.9. When seeking approval for a related party transaction, evidence including the following is required:
- How the academy agreed to the related party transaction
 - That the academy tested the market before making a decision
 - How the academy managed any conflicts of interest
 - A copy of the agreement and proposed contract

- 12.10. The board of trustees and accounting officer will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.
- 12.11. The chair of the board of trustees and the accounting officer will ensure their capacity to control and influence does not conflict with requirements.
- 12.12. The academy recognises that some relationships with related parties may attract greater public scrutiny, such as:
- Transactions with individuals in a position of control and influence, including the chair of the board and the accounting officer
 - Payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
 - Relationships with external auditors beyond their duty to deliver a statutory audit
- 12.13. The academy will keep up-to-date records and make sufficient disclosures in their annual accounts to show accordance with the high standards of accountability and transparency required within the public sector.
- 12.14. The academy's register of interests will include business and pecuniary interests, including:
- Directorships, partnerships and employments with businesses.
 - Trusteeships and governorships at other educational institutions and charities.
 - For each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began.
 - Any other interests deemed relevant by the board of trustees.
- 12.15. The register of interests will identify any relevant material interests from close family relationships between the academy's members, trustees and governors. It will also identify relevant materials arising from close family relationships between those individuals and employees.
- 12.16. Relevant business and pecuniary interests of members, trustees, governors and the accounting officer will be published on the academy's website.

13. Monitoring and review

- 13.1. This policy will be reviewed on an annual basis, or when new legislation/guidance regarding the subject is published and requires the approval of the full governing board as it cannot be delegated to a committee.
- 13.2. The governing board will carry out continuous monitoring of its and members' activities to ensure that any conflicts of interests are identified and mitigated as soon as possible.

- 13.3. Any staff member or member of the governing board who fails to declare an interest and is found to be in conflict with their decision-making will be required to explain the reasons for their omission to the rest of the governing board.
- 13.4. The governing board will review the Declared Business Interest Register on an annual basis, or when circumstances have changed.

Declaration of Business Interest Form for Governors and Staff of Derby Cathedral School

Declaration

I hereby certify I understand that it is my responsibility to declare the nature of all business or personal interests, whether direct or indirect, of myself, my partner and/or members of my immediate family, that could unfairly benefit from my relationship and connection with the school.

I also understand that it is a criminal offence to:

- Withhold information relating to business interests.
- Provide falsified information.
- Fail to notify the governing board of any changes which might invalidate this declaration.

I agree to inform the governing board of any changes to aforementioned interests, or new business interests, at the earliest possible opportunity.

I confirm I do not have any actual or potential conflicts of interest to declare:

I wish to declare an actual or potential conflict of interest and have included further details below:

Name:	
Role:	
Signature:	
Date:	

Details of the declared conflict of interest	Nature of business or organisation	Brief description of the conflict of interest declared	Is the declared conflict of interest an actual conflict or a potential conflict of interest?	Date of appointment or acquisition	Date of cessation of interest

Managing the conflict of interest

Identified conflict of interest	Agreed process for managing the identified conflict of interest	Person completing on behalf of the governing board		
		Name	Role	Date

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