

Conflict of Interest Policy

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1 Policy at a glance

- 1.1 Purpose: The policy aims to ensure that decisions made by the Trust are free from personal bias and conflicts of interest. It outlines procedures for identifying, declaring, and managing potential conflicts.
- 1.2 Key Points:
- Definition of Conflict of Interest: A situation where a Member, Trustee, Governor, or Senior Employee's personal interests could influence their decisions;
 - Types of Conflicts:
 - Benefits: Financial or measurable gains for the individual or a connected person;
 - Loyalty: Competing duties to other organisations or individuals;
 - Identification: Individuals must declare conflicts of interest at the beginning of meetings or submit a form to the CFO;
 - Management: The Trust will assess the severity of the conflict and determine appropriate actions, which may include recusal from decision-making or seeking external advice;
 - Recording: A Register of Interests will be maintained and published on the Trust's website;
 - Monitoring: The Finance Audit and Personnel Committee will monitor compliance with the policy;
 - Consequences: Failure to declare a conflict of interest could result in disciplinary action.
- 1.3 Overall, the policy seeks to maintain the Trust's integrity and ensure that decisions are made solely in its best interests.

2 Introduction

- 2.1 Our vision, underpinned by co-operative values¹, is threefold; to work in partnership with the community we serve to combat social exclusion and deprivation, to build a sustainable and vibrant community and local economy, and to provide learners with a global perspective helping them to become responsible and articulate citizens in a global economy. We will achieve this by delivering the highest possible standards of education, and for this we rely on the appropriate conduct of all our employees and volunteers.

3 Purpose and intent

- 3.1 This policy will assist the Trust in upholding the Cooperative Ethical Values of honesty and openness and will support Trustees and senior staff in upholding the [Seven Principles of Public Life](#) (also known as the Nolan Principles).
- 3.2 This Policy sets out the Framework for ensuring that the decisions and decision-making processes are seen to be free from personal bias and do not unfairly favour any individual or company connected to the Trust.
- 3.3 Members, Trustees, Governors and staff have an obligation to act in the best interests of the Trust and in accordance with its Articles of Association in order to avoid situations where there may be a conflict of interest.
- 3.4 Situations may arise where business, family or other interests or loyalties conflict with those of the Trust. This policy gives guidance on how these will be recorded, declared and monitored.

¹ self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others

- 3.5 'Senior employees' refers to The Chief Executive Officer, Chief Financial Officer, and Development Team.
- 3.6 Separate guidance will be given to staff members who are not Members, Trustees, Governors or Senior Staff on how to register business and other pecuniary interests.

4 Legal Framework

- 4.1 This Policy takes its legal framework from the following legislation and statutory guidance:
- Companies Act 2006;
 - Conflicts of Interest: A Guide for Charity Trustees;
 - The Academy Trust Handbook;
 - The Articles of Association of the Thrive Cooperative Learning Trust.

5 What is a Conflict of Interest?

- 5.1 The Trust adopts the definition of the Charity Commission which states that a Conflict of Interest is any situation where a Member, Trustee, Governor or Senior Employee's personal interests or loyalties could, or could be seen, to prevent them from making a decision in the best interests of the Trust.

- 5.2 Conflicts of interest usually arise in the following situations:

5.2.1 Benefits

There is a potential financial or measurable benefit directly to a Member, Trustee, Governor or senior employee, or indirectly through a connected person. Examples of benefits are where the Trustees or senior employees decide to:

- sell, loan or lease Trust assets to a Trustee or senior employee;
- acquire, borrow or lease assets from a Trustee for the Trust;
- pay a Trustee for carrying out their Trustee role;
- pay a Trustee for carrying out a separate paid post within the Trust, even if that Trustee has recently resigned as a Trustee;
- pay a Trustee, or a person or company closely connected to a Trustee or senior employee, for providing a service to the Trust. This covers anything that would be regarded as a service and includes legal, accountancy or consultancy services through to painting or decorating the;
- Trust's premises, or any other maintenance work;
- employ a Trustee's or senior employee's spouse or other close relative at the Trust;
- make a grant to a Trustee, or a person who is a close relative of a Trustee;
- allow a Trustee or senior employee to influence service provision to their exclusive advantage;

5.2.2 Conflict of Loyalty

A Member's, Trustee's, Governor's or senior employee's duty to the Trust may compete with a duty or loyalty they owe to another organisation or person. A conflict of loyalty could also arise where the religious, political or personal views could interfere with the ability to decide the issue only in the best interests of the Trust. For example loyalty to the Trust could conflict with his or her loyalty to:

- another organisation, such as their employer
- another charity or Trust of which they are a Trustee/director
- a member of their family
- another connected person or organisation

5.2.3 Conflict of Interest Test

The test is always that there is a conflict of interest if the other interest could, or could be seen to, interfere with the Trustee's or senior employees ability to decide the issue only in the best interests of the Trust

6 Identifying the Conflict of Interest

- 6.1 Members, Trustees, Governors and Senior Employees are expected to identify any conflicts of interest at an early stage and bring these to the attention of the CFO who is responsible for ensuring conflicts of interest are recorded, declared and monitored.
- 6.2 A standard agenda item must be included at the beginning of each meeting of Members, Trustees and Governors to enable the declaration of any actual or potential conflicts of interest:
- if a Member, Trustee, Governor or senior employee is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it in the meeting or previously via seeking advice from the CFO;
 - if a Member, Trustee, Governor or senior member of staff is aware of an undeclared conflict of another they should notify the meeting or CFO.
- 6.3 If a conflict of interest is identified outside of a meeting, the Member, Trustee, Governor or Senior Employee must complete a Conflict of Interest Form and submit it to the CFO at the earliest opportunity.
- 6.4 On an annual basis, or when a Trustee or Senior Employee joins the Trust, a Conflict of Interest Form must be completed to enable the Register of Interest to be kept up to date.

7 Dealing with the Conflict of Interest

- 7.1 Members, Trustees, Governors and senior members of staff must consider the conflict of interest so that any potential effect on decision making is eliminated.
- 7.2 Where available, legal or governing document requirements on how a conflict of interest must be handled is to be used, however, in serious cases, it can be decided that removing the conflict of interest itself is the most effective way of preventing it from affecting the decision-making.
- 7.3 Examples of Important legal or governing document requirements are:
- Academy Trust Handbook
 - The Trust's Articles of Association
- 7.4 Serious conflicts of interest include, but are not limited to, those which:
- are so acute and extensive that an individual is unable to make their decisions in the best interest of the Trust, or could be seen to be unable to do so;
 - are present in significant or high risk decisions;
 - mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach;
 - are associated with inappropriate benefits.

- 7.5 Benefits to Members, Trustees, Governors and senior employees - Where there is a proposed financial transaction between a Member, Trustee, Governor or senior employee and the Trust, or any transaction of arrangement:
- the benefit must be authorised in advance by the Finance Audit and Personnel Committee. If there is no Committee meeting planned within the time frame of authorisation being required, then the Chair of the Finance Audit and Personnel Committee and one other Trustee must be contacted to authorise the benefit. If the person affected is the Chair of the Finance Audit and Personnel Committee then the Chair of the Trustees plus one other Trustee must authorise the benefit. Where the Chair of the Finance Audit and Personnel Committee is affected then the Chair of the Trust and one other Trustee must authorise the benefit;
 - the Members, Trust Board and Local Governing body expects the affected Member, Trustee, Governor or senior employee to be absent from any part of any meeting where the issue is discussed or decided;
 - the affected individual should not vote or be counted in deciding whether a meeting is quorate.
- 7.6 **Conflicts of Loyalty** - Where there is a conflict of loyalty and the affected Member, Trustee, Governor or senior employee does not stand to gain any benefit and there are no specific governing documents or legal provisions about how the conflict of loyalty should be handled, the affected person should declare the interest. The remainder of the Members or Trustees must then decide what level of participation, if any, is acceptable on the part of the conflicted person. The options might include, but are not limited to, deciding whether the conflicted person:
- a. having registered and fully declared the interest, can otherwise participate in the decision.
 - b. can stay in the meetings where the decision is discussed and made, but not participate.
 - c. should withdraw from the decision-making process in the way described above.
 - d. if a conflict of interest is raised outside of a meeting and there is no meeting planned within the time frame of the conflict needing to be reviewed, the Chair of the Trust plus one other Trustee or Chair of Governors, plus one Governor, can be contacted to consider the conflict of interest and determine the resolution. If the person affected is the Chair of Governors then the Chair of the Trustees plus one other Trustee must consider the conflict of interest and determine the resolution. Where the Chair of the Trust is affected then a Member and one other Trustee must consider the conflict of interest and determine the resolution. The resolutions must be recorded on the Conflict of Interest Log.
- 7.7 In deciding which course of action to take regarding a Conflict of Interest, all parties:
- must always make their decisions only in the best interest of the Trust;
 - should always protect the Trust's reputation and be aware of the impression that their actions and decisions may have on those outside the Trust;
 - should always be able to demonstrate that they have made decisions in the best interest of the Trust and independently of any competing interest;
 - should require the withdrawal of the affected person from any decisions where their other interest is relevant to a high risk or controversial decision or could, or be seen to, significantly affect decision-making at the Trust;
 - can allow the conflicted person to participate where the existence of the other interest poses a low risk to the decision-making in the Trust's interest, or is likely to only have an insignificant bearing on their approach to an issue;
 - should be aware that the presence of a conflicted person can affect trust, could inhibit free discussion,

and might influence decision-making in some way.

8 Recording the Conflict of Interest

- 8.1 The Trust must keep a Register of Interests for Members, Trustees, Governors and senior employees which must be published on their website. This Register of Interest must be kept up to date through regular review. A copy of the Register of Interest Form is in Appendix A and the Register of Interest is in Appendix B.
- 8.2 The Academy Trust Handbook covers what must be captured in the Register of Interest and what must be published on the website and is extracted below:
- 8.3 The Academy Trust's Register of Interests **must** capture relevant business and pecuniary interests of members, trustees, local governors and senior employees, including:
- Directorships, partnership and employments with businesses;
 - Trusteeships and governorships at other educational institutions and charities;
 - for each interest: the name and nature of the business, the nature of the interest and the date the interest began.
- 8.4 The register **must** identify relevant material interests from close family relationships between the academy trust's members, trustees or local governors. It **must** also identify relevant material interests arising from close family relationships between those individuals and employees.
- 8.5 For these purposes the following persons are related to a member, or trustee:
- a relative of the member or trustee. 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 member, trustee or a relative of the member or trustee;
 - a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (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;
 - an organisation controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes.
- 8.6 A Declaration of Interest Log must be kept by each Board of Trustees and Local Governing Body, which details the potential conflicts, the discussions and the resolutions. A copy of the Log is at Appendix B.
- 8.7 Logs will be monitored by the Trustees Finance Audit & Personnel Committee to ensure that actions forming part of the resolution are appropriate, are following legal requirements and have been implemented correctly.

9 Confidentiality

- 9.1 Trustees or Senior Employees cannot use information obtained from the Trust for their own benefit or that of another organisation if it has been obtained in confidence or has special value such as commercial sensitivity.

10 Monitoring and Enforcement

- 10.1 The Trust's Finance Audit and Personnel Committee will undertake continuous monitoring of its activities and the Members, Trustees, Governors and senior employees to ensure that any conflicts of interest are identified and mitigated as soon as possible.
- 10.2 Members, Trustees and senior employees who fail to declare an interest and are found to be in conflict with the best interests of the Trust will be expected to explain to the Finance Audit and Personnel Committee their reasons for their omission.
- 10.3 Members reserve the right to terminate the membership of the relevant Trustee, if they are found to have knowingly and deliberately failed to declare an interest and brought the Trust into disrepute.
- 10.4 It will be treated as a serious disciplinary matter if a Senior Employee is found to have knowingly and deliberately failed to declare an interest and brought the Trust into disrepute.

11 Policy Circulation

- 11.1 This Policy will be published on the Trust's website and included in the Trust's Policy Monitoring Schedule.
- 11.2 This Policy will be circulated to every Member, Trustee, Governor and senior by sending an email to the link on the Trust's website on an annual basis and when each new Member, Trustee/Director, Governor and Senior Employee joins the Trust.
- 11.3 The Trustees, in consultation with the Local Governing Bodies, are responsible for overseeing, reviewing and organising the revision of the Conflict of Interest Policy