



Humber Education Trust

Directors Code of Conduct Policy

Version:	1.3
Created on:	17 October 2017
Amended on:	November 2021
Next review date:	November 2023

Contents

Introduction	Page 3
Application of the code	Page 3
General duties	Page 4
Statutory Accountability	Page 4
Public Service values	Page 5
Skill, care and diligence	Page 5
Powers	Page 5
Conflicts of interest	Page 5
Collective responsibility	Page 7
Confidentiality	Page 8
Attendance at meetings	Page 9
Governance development	Page 9
Breach of this Code of Conduct	Page 9
Sign off	Page 10
Annex 1 – Governance Structure	Page 11

1. Introduction

- 1.1. It is important that confidence in the good governance and probity of academies generally and Humber Education Trust (“the Trust”) in particular is maintained. Those controlling an organisation are responsible for safeguarding the interests of all its stakeholders and it is appropriate that they should have formal duties around their conduct and accountability as well as a good understanding of their role. Ultimate responsibility for the appropriateness of conduct as a trustee and for any act or omission in that capacity rests with the individual trustee. In Humber Education Trust we call directors the ‘trustees’.
- 1.2. This code of conduct (“the Code”) is aimed at promoting effective, accountable, independent and diverse governance, and is not intended to be definitive or an authoritative statement of the law or good practice. If any trustee is in doubt about the provisions of this Code, the Clerk should be consulted and, if necessary, professional advice should be obtained.
- 1.3. Trustees provide good governance and leadership by understanding their role and responsibility collectively and individually. In addition to this Code, they should familiarise themselves with:
 - (a) the Trust’s Articles of Association (“the Articles”);
 - (b) the Terms of Reference from time to time of the Board and its Committees;
 - (c) the Funding Agreement between the Trust and the Secretary of State for Education and any Supplemental Funding Agreements thereto (“the Funding Agreement”);
 - (d) the six core principles of good governance for public bodies laid down by the Independent Commission on Good Governance in Public Services, namely;
 - focusing on the organisation's purpose and on outcomes for citizens/young people and service users;
 - performing effectively in clearly defined functions and roles;
 - promoting values for the whole organisation and demonstrating the values of good governance through behaviour;
 - taking informed, transparent decisions and managing risk;
 - developing the capacity and capability of the governing body to be effective; and
 - engaging stakeholders and making accountability real.
 - (e) the current Humber Education Trust governance model attached in Annex 1.

2. Application of the Code

- 2.1. This Code applies to all trustees and to every Committee or working party of the Board when exercising any powers of the Board delegated to it under the Articles.

- 2.2. By accepting an appointment to the Board, each trustee agrees to be bound by this Code.

3. General Duties

- 3.1. As trustees of a limited company and trustees of an exempt charity, trustees have ultimate responsibility for directing the affairs of the Trust and ensuring that it is solvent, well-run, and is delivering the charitable outcomes for the benefit of the public for which it was set up.
- 3.2. Trustees owe a fiduciary duty to the Trust. They must show it the highest loyalty and act in good faith in its best interests. Each trustee should act honestly, diligently and (subject to the provisions appearing in paragraph 9 of this Code relating to collective responsibility) independently. The actions of trustees should promote and protect the good reputation of the Trust and the trust and confidence of those with whom it deals.
- 3.3. Trustees must comply with any rules or bye laws they make, to ensure that the Trust conducts itself in an orderly, fair, open and transparent manner and in accordance with its Articles. They must keep any rules and/or bye laws under periodic review.

4. Statutory Accountability

- 4.1. Trustees must ensure that the Trust complies with all company and charity law requirements, as well as the requirements of the Secretary of State for Education as its Principal Charity Regulator and of any other legislation or regulators which govern its activities. They must procure that all statutory records are maintained as required and, in particular, that all Companies House and HM Revenue and Customs' reporting requirements are satisfied.
- 4.2. Trustees must understand their duties as company trustees as set out in the Companies Act 2006. These comprise the duties to:
 - (a) act within their powers;
 - (b) promote the success of the company;
 - (c) exercise independent judgement;
 - (d) exercise reasonable care, skill and diligence;
 - (e) avoid conflicts of interest;
 - (f) not to accept benefits from third parties; and
 - (g) declare interest in proposed transactions or arrangements.

These duties are especially relevant when entering into transactions with connected parties.

- 4.3. Trustees are collectively responsible for observing the duties set out in the Trust's Funding Agreement. Although the Trust will receive most of its funding from

central government, trustees should note that they are also responsible for the proper use of income derived from other sources, such as the Trust's Academy Sponsor or trading income, and for the control and monitoring of expenditure of such income, in order to meet the requirements of the relevant funding body and public audit.

5. Public Service Values

- 5.1. Public service values are at the heart of the education sector. High standards of personal and corporate conduct, based on the principles set out in paragraph 1.3(d) of this Code, and the recognition that students and other users of the Trust's services come first, are a requirement of being a trustee, and should underpin all decisions taken by the Board.

6. Skill, Care and Diligence

- 6.1. Trustees are expected to promote the success of the Trust to the best of their ability, using such reasonable care skill and diligence as would be expected from a reasonable person in the circumstances to ensure it is well-run and efficient. This will be particularly relevant when trustees act as agents of the Trust, for example, when functions are delegated to a committee of the Board or to the Chair. Trustees should be careful to act within the terms of reference of any Committees on which they serve.
- 6.2. Trustees must avoid undertaking activities that might place the Trust's endowment, funds, assets or reputation at undue risk and take special care when investing the funds of the Trust, or borrowing funds for the Trust to use.
- 6.3. Trustees must regularly identify and review the major risks to which the Trust is exposed and ensure that it has systems in place to manage those risks. They must ensure they have access to professional advice on all matters where there may be material risk to the Trust, or where the trustees may be in breach of their duties.

7. Powers

- 7.1. Trustees are responsible for taking decisions which are within the powers delegated to them by the Trust in accordance with the Articles. If a trustee considers that the Board is likely to exceed its powers by taking a particular decision, he or she should immediately refer the matter to the accounting officer or the Clerk for advice.

8. Conflicts of Interest

- 8.1. A conflict of interest is a set of circumstances that creates a risk that an individual's ability to exercise judgement or act in one role is, or could be,

impaired or influenced by a secondary interest (National Audit Office - NAO). Conflicts might occur due to the possibility of individuals having:

- (a) direct or indirect financial interests;
- (b) non-financial or personal interests; or
- (c) conflicts of loyalty where decision-makers may have competing loyalties between the organisation to which they owe a primary duty and some other person or entity.

8.2. Conflicts of interest cannot be eliminated but need to be identified and managed appropriately. Failure to adequately manage conflicts of interest may lead to the issue of a Financial Notice to Improve or even criminal proceedings.

The Academy Trust Handbook makes the responsibilities of trust boards clear in relation to conflicts of interest and connected party transactions and sets out the systems and processes that must be in place to manage this ('the musts'). For example, para 5.38 states: "The board of trustees must ensure requirements for managing related party transactions are applied across the trust. The board chair and the accounting officer must ensure their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with The 7 principles of public life."

8.3. All Trustees, members, members of any local governing body of any academy and all staff are required to disclose to the Trust their interests, including (but not limited to):

- (a) trusteeships, partnerships and employments with businesses that provide goods or services to the Trust;
- (b) trusteeships and governorships including at other educational institutions and charities irrespective of whether there is a trading relationship with the Trust; and
- (c) for each interest: the name of the business, the nature of the business, the nature of the interest, and the date the interest began.

and any gifts or hospitality of a value over £50 received in connection with their role in the Trust. A declaration of interests form is provided for this purpose. All interests must be notified to the Clerk, who will maintain a Register of Interests for the Trust.

8.4. The Board should consider whether to include the interests of other individuals in the Register of Interests, with a presumption in favour of disclosure to support transparency and accountability.

8.5. To be effective, individuals' declarations of interests must be updated at least annually and also when any changes occur. The information provided will be processed only to comply with legal requirements, including the requirement that

the Trust publish on its website relevant business and pecuniary interests of its trustees and members; and to ensure that trustees, governors and all staff act in the best interests of the Trust.

- 8.6. Any trustee who has a direct or indirect interest in:
- (a) a proposed transaction with the Trust; or
 - (b) any transaction or arrangement entered into by the Trust which has not previously been disclosed;
- must disclose the nature and extent of that interest, whether or not he or she will receive any actual benefit as a consequence of the interest. A trustee may have an indirect interest in a matter if a family member or friend has an interest in the matter.
- 8.7. Every trustee should declare any private interest which he or she has in an item to be discussed at the beginning of every meeting, and certainly before any discussion of the item itself.
- 8.8. Trustees must withdraw from that part of the meeting at which the matter giving rise to the interest is to be discussed, and on no account may vote in relation to the matter.
- 8.9. If a trustee fails to declare an interest that is known to the Clerk and/or the Chair of the Board or the local governing body, the Clerk or Chair will declare that interest.
- 8.10. In the event of the Board having to decide upon a question in which a trustee, governor or member of staff has declared an interest, they will do so by vote, with a simple majority required. The conflicted individual may be present when the matter is discussed but must not take part in the discussion or vote on any matter relating to the discussion and a quorum must otherwise be present for the discussion and decision.
- 8.11. All decisions made where there has been a declared conflict of interest will be recorded by the Clerk and reported in the minutes of the meeting. The report will record:
- (a) the nature and extent of the conflict;
 - (b) an outline of the discussion; and
 - (c) the actions taken to manage the conflict.
- 8.12 Trusts must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:
- a contract or other agreement exceeding £20,000
 - a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or

continues to exceed, £20,000 in the same financial year ending 31 August.

9. Collective responsibility

- 9.1. The Trust operates by trustees taking majority decisions in a corporate manner at quorate meetings. Therefore, a decision of the Trust, even when it is not unanimous, is a decision taken by the trustees collectively and each individual trustee has a duty to stand by it, whether or not he or she was present at the meeting of the Trust when the decision was taken.
- 9.2. If a trustee disagrees with a decision taken by the Trust, his or her first duty is to have any disagreement discussed and minuted. If the trustee strongly disagrees, he or she should consult the Chair and, if necessary, then raise the matter with the Trust when it next meets. If no meeting is scheduled, the trustee should refer to the power of any three trustees under the Articles to requisition a meeting and, if appropriate, exercise it, requesting the Clerk to circulate the trustee's views in advance to the other trustees. Alternatively, as a final resort, the trustee may decide to offer his or her resignation from office, after consulting the Chair.

10. Confidentiality

- 10.1. Because of the Trust's public accountability, trustees should ensure that a copy of the agenda for every meeting of the trustees; the draft minutes of every such meeting once approved by the person acting as the chair of that meeting; the signed minutes of every such meeting; and any report, document or other paper considered at any such meeting and, as soon as is reasonably practicable, made available at every Academy to persons wishing to inspect them.
- 10.2. There will be occasions when the record of discussions and decisions will not be made available for public inspection, for example, when the Board considers sensitive issues or named teaching staff or other staff and for other good reasons. Such excluded items, will be kept in a confidential folder by the Clerk, and will be circulated in confidence to trustees.
- 10.3. It is important that the Board and its committees have full and frank discussions in order to take decisions collectively. To do so, there must be trust between trustees with a shared corporate responsibility for decisions. Trustees should keep confidential any matter which, by reason of its nature, the Chair or members of any committee of the Board are satisfied should be dealt with on a confidential basis.
- 10.4. Trustees should not make statements to the press or media or at any public meeting relating to the proceedings of the Board or its committees without first having obtained the approval of the Trustee of School Improvement or Chair in his or her absence. It is unethical for trustees publicly to criticise, canvass or reveal the views of other trustees which have been expressed at meetings of the

Board or its committees. Trustees must use social networking sites responsibly and ensure that the Trust's reputation is never compromised by inappropriate postings.

11. Attendance at Meetings

- 11.1. Accepting office as a trustee involves the commitment of significant amounts of time and energy. Board meetings must take place at least three times a year and business may only be conducted where meetings are quorate. A high level of attendance at meetings of the Board is expected so that trustees can perform their functions properly. Where trustees cannot attend meetings, they should send apologies for absence in advance, explaining why they cannot attend. Apologies will be formally recorded in the minutes of the meetings.
- 11.2. A trustee shall cease to hold office if he or she is absent without the permission of the Board from all meetings held within a six-month period and the other trustees resolve that his or her office should be vacated (as stated in our articles).
- 11.3. Sponsor nominated Trustees can be removed by those appointing them 'the members' if there is a concern about attendance levels or quality of the contribution.

12. Governance Development

- 12.1. Trustees must obtain a thorough grounding in their duties and responsibilities by participating in the Trust's governance induction and training programmes, including regular refresher workshops.
- 12.2. In order to promote more effective governance, trustees will carry out an annual review of the performance by the Board of its duties and responsibilities, as part of a continuing and critical process of self-evaluation.
- 12.3. The Board shall seek to ensure that all trustees are appointed on merit, in accordance with an open selection procedure and are drawn widely from the community which the Trust serves, having regard to provisions relating to the membership of the Board in the Articles and the need for continuity, balance and a range of appropriate skills and interests.

13. Breach of this Code of Conduct

- 13.1. If any trustee believes this Code of Conduct has been breached, he or she should raise the issue with the Chair and the Chair will investigate. Any allegation of a material breach of this Code of Conduct by any trustee may be raised at a meeting of the Board and, if agreed to be substantiated by a majority of trustees,

shall be minuted and may result in a Board recommendation to the person or persons who appointed the trustee that he or she should be removed from office. If the breach/issue is involving the Chair the concern should be raised with the Trust Accounting Officer.

14. Sign Off

Approved By (print name):	
Role Title:	
Signature:	
Date:	

**Where everybody counts,
every moment matters.**

Annex 1 – Governance Structure

