

Newham Community Learning: Business and Pecuniary Interests Policy

Last updated: December 2023 as v3.0

Applies to: Newham Community Learning and all our schools

Approved by: Trust Board, February 2024 (further to scrutiny by the Board's Finance and Resources Committee in January 2024)

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1. Overview of the Policy Management Process

1.1. Document history

Date	Revision	Version number (substantive revisions are allocated a new whole number; minor revisions are designated by the addition of a consecutive decimal point)
Sept 2021	NCST Trust level Business and Pecuniary Interests Policy in place	v1.0
Sept 2022	Reviewed, updated and released as a Newham Community Learning Policy	v.1.1
		v2.0 not in use
Dec 2023	Updates made as follows: <ul style="list-style-type: none">- 2.3 - Objectives: clarification added- 2.7 - At Cost requirements: copy of relevant section of the Trust Finance Policy added	v3.0

1.2. Review and approval

The Business and Pecuniary Interests Policy applies to the whole Trust. It is reviewed by the Executive Team (and/or their delegates) and is then presented to the Trust Board for approval (via a relevant board committee if appropriate).

It is reviewed in line with the Trust Policy Review Schedule.

2. Newham Community Learning - Business and Pecuniary Interests Policy

For members, trustees, governors, senior leaders and advisors

2.1. Introduction and purpose

The members, trustees, governors and senior leaders have a responsibility to avoid any conflict between business and personal interests and the interests of the Trust overall and/or the school with which they are associated. To assist in achieving this responsibility and to meet legal requirements, Newham Community Learning (NCL hereafter) must maintain a Register of Pecuniary and Business Interests.

Disclosures of interests should include not only interests of individual members, trustees, governors and staff, but should also include interests of relatives, personal associates or any other person known to the members, trustees, governors or school or Trust leaders who may exert influence.

As per the [Academy Trust Handbook 2023](#), the declaration of interests must include:

- relevant¹ directorships, partnerships and employments with businesses - and date interest commenced;
- trusteeships and governorships at other educational institutions and charities² - and date interest commenced;
- any close family relationships between the Trust's members, trustees or governors - including relevant material interests arising from close family relationships between those individuals and school or Trust staff³.

The declaration form is designed to capture all three categories of interests. As per the Handbook, where there is any doubt, the interest should be declared. When making a decision about what or what not to declare, the individual should consider how he/she may be challenged about their decision not to disclose.

The business and pecuniary interest declaration forms part of the Trust's internal controls, helping ensure that our corporate governance requirements are met. It is designed to provide assurance that the Trust has adopted best practice in this area and fulfils its legal obligations.

2.2. Aims

¹ ie. an organisation from which the Trust or any of its schools does/may purchase goods or services.

² ALL such positions must be declared.

³ ALL such relationships must be declared.

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all members, trustees, governors and school leaders with significant financial or spending powers are required to declare any financial interests they have in companies or individuals *from whom the Trust may purchase goods or services*. The register is open to public inspection on the [Key Documents page](#) of the Trust's website. The way in which these declarations are managed is described in the Trust's separate, publicly available Business and Pecuniary Interests Policy (published on the [Policies page](#) of the website). This policy is supported by a declaration form, published on the Trust's Governance Site, which is hosted on the website.

The register includes all business interests such as directorships, shareholdings or other appointments of influence. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member, trustees, governor or school leader by that person.

The existence of a register of business interests does not, of course, detract from the duties of trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the trustees, the governing body or a committee. Where an interest has been declared, trustees, governors and staff should not attend that part of any committee or other meeting. All Trust governance meetings commence with a question to all participants around declaration of interests regarding any of the agenda items.

2.3. Objectives

The objectives are:

- To comply with legal requirements, and
- To ensure any business and pecuniary interests are identified and appropriately documented - ensuring that all members, trustees, governors and senior executives conduct their roles in a way that keeps any personal interests which may possibly conflict with the interests of the Trust separate.

2.4. Business interests

A business interest is the involvement of an individual or their family members in any trade or professions, along with any direct interest they may have in any company providing goods or services to any school that is part of the Trust. This should include, if appropriate, the company by whom they are employed, directorships, significant shareholdings or other appointments of influence within a business or other organisation, which may have dealings with any school part of the Trust.

Example: a Governor runs their own building company or provides training courses for teaching staff.

2.5. Pecuniary interests

Pecuniary interests include personal financial interests, such as involvement in a trust fund or investment, as well as potential interests.

Example: Where a member of staff's husband is applying for a vacancy in the school or where a teacher governor is involved in the decision over the promotion of a colleague, and where they may be a potential candidate for the post made available.

2.6. Withdrawal from meetings

The general principle is that no-one should be involved in a decision where his or her personal interests may conflict with those of the Trust board or governing body, as appropriate.

Any member, trustee, governor or any senior leader employed to work in any capacity at Newham Community Learning (other than the Headteacher), must withdraw from a meeting where the pay or performance appraisal of any particular person employed to work at the school is under discussion.

The Headteacher must withdraw from any meeting where his/her own pay or performance appraisal is under discussion.

If a person has any business or pecuniary interest, direct or indirect in any contract, proposed contract or any other matter under discussion at a meeting s/he shall at the meeting disclose the fact and:

- withdraw from a meeting during the consideration or discussion of the meeting;
- not vote on any question with respect to that matter.

A person has an indirect business or pecuniary interest if:

- s/he, or any nominee of hers/his, is a member of a company or other body with which a contract is under consideration or has been made;
- s/he is a partner in business with, or in the employment of, a person with whom the contract is made or under consideration.

A person has a direct or indirect business or pecuniary interest in a matter if a relative (including a spouse) living with her/him, has a direct or indirect pecuniary interest.

2.7. At Cost provision of services by members and trustees (and other designated individuals/bodies)

This policy replicates guidance around the 'at cost' principle which is also presented in the Trust Finance Policy.

Newham Community Learning ensures that, in all applicable contexts, the 'at cost' requirement is adhered to. This states that the the Trust must pay no more than 'cost' for goods or services ('services' do not include contracts of employment) provided to it by the following persons (where 'persons' applies to both individuals and organisations:

- Any member of trustee of Newham Community Learning;
- Individuals or organisations related to a member or trustee⁴;
- Any individual or organisation given the right under the trust's articles of association to appoint a member or trustee⁵ - or any body connected to such an individual or organisation; or;
- Any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or any body connected to such individual

The 'at cost' requirement applies to contracts with a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.

For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services and must not include any profit. Full cost includes both (a) all direct costs (costs of materials and labour used directly in producing the goods or services) (b) indirect costs (a proportionate share of fixed and variable overheads).

2.8. New appointments

New members, trustees, governors or members of staff whose role includes the ability to influence financial decisions will be asked to complete a declaration form on joining the Trust. This will form part of the induction process in place.

2.9. Updates and ownership of the process

Every September, all members, trustees, governors and senior leaders are required to complete the declaration form. The results are published on the Trust website and relevant school websites.

Making changes to the declaration is the responsibility of the individual, who is required to complete another copy of the form (available on the website, as applicable).

⁴ The Academy Trust Handbook provides additional detail in this area.

⁵ Not currently applicable for Newham Community Learning but included for completeness.

2.10. Appendix 1 - list of position all trustee, governor and staff positions required to complete the Google Form Declaration annually

Group	Position
NCLmembers	All members of the Trust
NCL trustees AND members of all delegated committees	All trustees, all Resources Committee members, all Standards Committee members
Local governing body members at NCL schools	All members of the relevant local governing body
Trust leaders	CEO Deputy CEO COO CFO
Executive Heads/Headteachers	Executive Heads/Headteachers at all schools