

Handling of Conflicts of Interests & Related Party Transactions Policy and Procedures

Policy Owner:	Head of Governance & Compliance
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Applies to:	NCL and all its schools
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1. Introduction

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.

1.2 What is the Procedure for?

In order to provide transparent and open governance, it is important to seek to avoid and manage not just conflicts of interest but the perception of them. The overall approach taken is to avoid conflicts of interest wherever possible and, where it is not possible, to declare and manage them.

These procedure will seek to ensure both staff and public are aware the Trust fosters an environment where there are policies and processes in place to avoid conflict of interest and, where any issues should arise, there are procedures to ensure they are dealt with fairly and transparently.

1.3 Who is this Procedure for?

These procedures apply to anyone within the Trust who is charged with the responsibility of making a decision with financial implications on behalf of either one of the schools within the Trust or for the Trust as a whole, who can influence the career progression of another member of staff or who can influence the appointment of an external candidate.

As such it applies to Members of the Academy Trust, Trustees, Governors, Trust Central Team, Executive Group (including Headteachers and Head of Schools), Manager who may be charged with any kind of procurement or who line manage another member of staff.

2. Procedure Standards

General Principles

2.1 What Constitutes a Conflict of Interest?

When identifying whether a conflict of interest exists, an individual should ask themselves whether a private, personal or commercial interest is likely to interfere, or appear to interfere, with their objective judgement in performing their trust duties.

If the party believes there may be a conflict of interest, but is unsure, they should assume that there is a conflict and act accordingly. Similarly, if either the Trust's Governance & Compliance, Finance or Risk Management Team becomes aware of a possible conflict of interest, which the relevant parties appear not to have considered, they should bring it to the party's attention for appropriate consideration.

Conflicts of interest can arise in many different circumstances and it is therefore not possible to set these out in a comprehensive list.

However, serious conflicts of interest could occur where a party:

1. Uses their position within the Trust to influence a contract or secure favourable terms for a company in which they, or a relative or friend, have a financial interest;
2. Influences hiring or staff promotions for a relative or friend;
3. Obtains a financial or non-financial benefit for themselves or a relative or friend in return for providing advantage or potential advantage;
4. Uses Trust resources or confidential information obtained through their role for personal financial or non-financial benefit, or benefit to a relative or friend;
5. Conducts business, employment or activity with the Trust, which adversely affects their ability to perform their duties.

2.2 Definitions

Close relationship or friendship: A close relationship or friendship is defined as “a close member of the family, member of the same household or close friend who may be expected to influence or be influenced by the person”.

This would include:

- Husband, wife, civil partner, partner or cohabitee.
- Parent
- Child
- Brother or sister
- Friends

The list is not limited to the above and the assumption should be made that it means “being in a relationship with or are a friend”.

Conflict of interest: A situation in which Members of the Academy Trust, Trustees, Governors, Trust Central Team, Executive Group (including Headteachers and Head of Schools), Managers who may be charged with any kind of procurement or who line manage another member of staff has a private, personal or commercial interest which is likely to appear to influence the objective exercise of their Trust duties.

Perceived conflict of interest: A situation which a reasonable person would consider likely to compromise objectivity.

Potential conflict of interest: A situation that could develop into an actual or perceived conflict of interest.

Private, personal or commercial interest: A financial or non-financial interest of the Members of the Academy Trust, Trustees, Governors, Trust Central Team, Executive Group (including Headteachers and Head of Schools), Manager who may be charged with any

kind of procurement or who line manage another member of staff, or to a relative or friend thereof.

1. **Financial interest** refers to anything of non-trivial monetary value including, but not limited to, pay, commission, consultancy fees, equity interests, forgiveness of debt, property, royalties, and intellectual property rights.
2. **Non-financial interest** refers to any non-financial benefit or advantage, including, but not limited to, enhancement of an individual's career, education or professional reputation; access to privileged information or facilities.
3. **Relative or friend** refers to any member of an employee's close family (i.e., spouse/civil partner, non-married partner, parents, siblings or children); close personal friends; and any other person with whom the employee has a relationship which is likely to appear to influence his/her objectivity.

2.3 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 Local Governing Board, 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.

2.4 Declarations of Interest

- a. All Members of the Academy Trust, Trustees, Governors, Trust Senior Executive Management, Headteachers, Heads of Schools and those Managers who may be charged with any kind of procurement or who line manage another member of staff must complete and submit to the Trust a Declaration of Interests form at the start of each academic year and no later than the 30th September each academic year;
- b. All declarations made by Headteachers, Heads of Schools, Trust Senior Executive Management and Managers to whom these procedures apply shall be kept by the Trust's Director of HR & Chief Finance Officer;
- c. All declarations made by Members of the Academy Trust, Trustees and Governors shall be kept by the Head of Governance & Compliance;
- d. Declarations of Interest for any newly appointed Members of the Academy Trust, Trustees, Governors, Trust Central Team, Executive Group (including Headteachers and Head of Schools), Manager or anyone who may line manage another member of staff within the academic year should be completed by the individual within one month of them being appointed and filed with appropriate custodian;
- e. A Register of Interests for Members of the Academy Trust, Trustees and Governors will be published on the Trust's website no later than the 30th October of each academic year, and revised and republished as appropriate through the year; and
- f. A Register of Interests for Governors will also be published on each academy's website no later than the 30th October of each academic year and revised and republished as appropriate through the year.

2.5 Managing Conflicts of Interest

Once a conflict, or potential conflict of interest has been identified, the procedures set out in **Appendix 1** should be followed.

2.6 Related-Party Transactions

Newham Community Learning (NCL) follows the policy for related-party transactions laid out in the Academy Trust Handbook. This deals with goods or services provided by individuals or organisations connected to the Trust and/or its academies.

For ease of reference, **Part 5, sections 5.34 – 5.54 of the Academy Trust Handbook (2025)** addresses the statutory provisions related to the handling of related party transactions within academies.

The Trust's Procurement Policy and Finance Policy should be followed and adhered to for any transactions by all in the Trust, including the individual schools. Wherever possible, related-party transactions should be avoided. Where there is no practical alternative, the rules outlined in **Appendix 2** must be followed.

2.7 Record Keeping

The following shall be adopted to ensure proper records are kept of all disclosed conflicts of interests (actual or perceived) and related party transactions:

1. All conflicts of interests (actual or perceived) disclosed or identified by Members of the Academy Trust, Trustees (including the Accounting Officer) or Governors shall be kept in a Register compiled and maintained by the Head of Governance & Compliance, and a copy concurrently held by the Chief Finance Officer.
2. All conflicts of interests (actual or perceived) disclosed or identified by Trust Senior Executive Management, Headteacher, Head of School, Manager or anyone who may line manage another member of staff shall be kept in a Register compiled and maintained by the Head of Governance & Compliance, a copy concurrently held by the Chief Finance Officer.
3. All related party transactions involving Members of the Academy Trust, Trustees, Governors, Trust Senior Executive Management, Headteacher, Head of School, Manager or anyone who may line-manage another member of staff shall be outlined in a Register compiled and maintained by the Head of Governance & Compliance and a copy concurrently held by the Chief Finance Officer.

2.8 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 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 trustee
- Any individual or organisation given the right under the trust's articles of association to appoint a member or trustee- or anybody 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 anybody 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).

2.9 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.

2.10 Review and approval

The Handling of Conflicts of Interests & Related Party Transactions Policy & Procedures 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.

APPENDIX 1

MANAGING CONFLICT OF INTEREST

1. Conflicts of Interest during Governance Meetings

- a. Attendees should be asked at the start of any governance meeting to declare any interests in items on the Agenda.
- b. It is up to the Chair of the meeting to decide whether it would be in the best interests of any decision making for the person with the declared interest to stay for the discussion of that particular item. This should be clearly noted in the Minutes with the explanation as to why that person was asked to stay.
- c. Anyone with a declared conflict of interest will not have any voting rights whatsoever on that item.
- d. Should a conflict occur unexpectedly during a meeting, e.g., through Any Other Business, it should be declared immediately to the Chair of the meeting. The Chair can then make the decision whether to ask the person to leave or to make a note of the declaration and withdraw any voting rights from that person.
- e. Governance meetings applicable would include:
 - i. Members' meetings
 - ii. Trust Board meetings
 - iii. Trust Senior Executive Management meetings
 - iv. Local Governing Board meetings
 - v. Any committee meetings from the above bodies
 - vi. Recruitment Panels
 - vii. Formal HR Meetings/Panels

This is not an exhaustive list and should always include any bodies set up around procurement arrangements.

2. Line Management Structure

- a. The direct line management structure will not include people who are in a close relationship or friendship. Where two people in the same line management structure subsequently enter into a close relationship or friendship, one or other must be moved to a different line management

structure. Advice should be sought from the member of the Trust Central Team responsible for HR before any action is taken.

- b. Where someone has a close relationship or friendship that could affect decisions taken, the Headteacher or Head of School must be advised. If that person is a Headteacher or Head of School, it should be declared to the Executive Headteacher responsible for their school and the Chief Executive Officer must also be notified of this.
- c. All reasonable steps should be taken to avoid people being in the direct line management structure with someone with whom they have a close relationship or friendship. This will include considering appointing one of the people with the relationship to an equivalent role in a different line management structure. In cases where this cannot be avoided, a member of staff who is more senior than both members in the close relationship will make decisions about areas which would otherwise lead to a conflict of interest. Advice should be sought from the member of the Trust Central Team responsible for HR in the first instance.
- d. If one of the parties is the Headteacher or Head of School, the Executive Headteacher responsible for their school will be involved in making decisions which otherwise would lead to a conflict of interest.
- e. Such decisions mentioned above would include (but not be limited to), those relating to salary, promotion, taking on extra responsibilities, opportunities for career progression, continuing professional development opportunities, appraisal, complaints and any formal HR proceedings outcomes e.g., disciplinary, capability, grievance.
- f. Conflicts of interest must be considered as part of any appointment process and management of the issue must be identified before any appointment is made which could lead to a conflict of interest or the perception of it.
- g. A close relation cannot be appointed to a role which reports directly to the Headteacher or Head of School. In the event the Headteacher or Head of School enters into a relationship with a direct report, one or other must leave the school or take a position that reports into some else among the school staff. Advice should be sought from the member of the Trust Central Team responsible for HR before any action is taken.

3. Appraisals

- a. A staff member's appraisal will not be conducted by a person with whom they are in a close relationship.
- b. Where it has been impossible to avoid a line manager directly managing someone with whom they have a close relationship, the appraisal will be done by someone who is senior to the direct line manager, have first discussed the appraisal with them.
- c. Where this cannot be avoided if the direct line manager is a Headteacher or Head of School, the appraisal should be conducted by the Executive Headteacher responsible for their school after having discussions with the Headteacher or Head of School.

4. Recruitment, Promotions and Additional Paid Responsibilities

- a. The procedures for staff applying for any post/extra responsibilities will follow the same procedures as above.

- b. Any staff involved in the recruitment process will be asked to declare any close relationships they may have with any of the candidates and, if so, will not be involved in any stage of the recruitment process e.g. shortlisting, interviewing, etc.
- c. In cases where a conflict of interest may arise, (other than a Headteacher or Head of School), a member of staff more senior than both members in the close relationship will replace the person in the close relationship in the recruitment process and on the interview panel.
- d. Where this concerns a Headteacher or Head of School, the Executive Headteacher responsible for their school will replace them in the recruitment process.

5. Training, CPD & Time Off Work

- a. For any decisions around such requests which could cause a conflict of interest, a more senior member of staff than those in the close relationship will make the decision.
- b. In the case where one of the parties is the Headteacher or Head of School, the Executive Headteacher responsible for their school will make the decision.

6. Complaints, Grievances, Disciplinary, Capability, Sickness Cases Involving a Member of Staff in a Close Relationship

The relevant Trust policies should be referred to at all times.

- a. Where any proceedings are instigated under staff policies and one of the members is in a close relationship with the member involved, these shall be referred to the Headteacher and/or the Trust Central Team member responsible for HR to determine the appropriate person to be involved.
- b. For the avoidance of doubt, such proceedings could include:
 - i. Chairing a grievance hearing
 - ii. Chairing a disciplinary hearing
 - iii. Handling a complaint
 - iv. Being a member of an Appeals Panel
 - v. Chairing a Sickness meeting
 - vi. Conducting a disciplinary / grievance investigation
 - vii. Chairing a Capability hearing
- c. This is not an exhaustive list and other instances may be relevant.
- d. A staff member shall suffer no adverse repercussions from raising a complaint or grievance against someone who is in a close relationship with another member of staff or governor.

7. Confidentiality

- a. The senior member within the close relationship is expected to maintain the highest professional standards, including not passing on confidential information to the other member within that close relationship. This includes all information which is shared at management levels above those to which the less senior member would normally have access.
- b. If a staff member suspects that information is being shared inappropriately, it should be reported to, and investigated by, a more senior member of staff.
- c. Where one of the parties is a Headteacher or Head of School and the other is suspected of receiving confidential information from them, the Executive Headteacher responsible for their school should handle the complaint.

APPENDIX 2

RULES ON HANDLING RELATED PARTY TRANSACTIONS

1. Handling Related Party Transactions

All related party transactions should be handled in a manner commensurate with the provisions set out in **Part 5, sections 5.34 – 5.54 of the Academy Trust Handbook (2025)**.

Alongside the rules set out in the Academy Trust Handbook, the following rules apply to the handling of all related party transactions:

- a. All related party transactions involving any Member of the Academy Trust shall be considered and approved by the Trust Board (including its Finance & Resources Committee), reported to the other Members of the Academy Trust, and disclosed on the Register of Related Party Transactions.
 - i. The transaction shall be approved by the Trust Board before it is entered into the aforementioned register.
 - ii. Where exceptional circumstances dictate that the transaction is likely to occur between meetings of the Trust Board and due to the exigency of the resources, material or service for the benefit of the Trust, the Accounting Officer shall bring this to the attention of the Chair of Trustees (or Vice Chair if the transaction relates to the Chair) and agree an approval process commensurate with the provisions set out in these procedures or any other Trust policy and must in any case otherwise compliant with the Academy Trust Handbook .
 - iii. The Head of Governance & Compliance shall be informed of the related party transaction/s.
 - iv. All other transactions that do not meet the criterion set out in 1a (ii) above, shall be tabled for consideration and approval during the normal cycle of meetings of the Trust Board.

- b. All related party transactions involving any Trustee shall be considered and approved by the Trust Board (including its Finance & Resources Committee) and disclosed on the Register of Related Party Transactions.
 - i. The provisions set out in 1a (i-iv) above shall be applied.
 - ii. The named Trustee shall be precluded from taking part in any discussions regarding the transaction and may at the discretion of the Chair of Trustees (or chair of the meeting), withdraw from any part of the meeting discussing or otherwise considering the transaction.
 - iii. The Trustee's right to vote as envisaged by the trust's Articles of Association shall be curtailed when the Finance & Resources Committee or Trust Board makes its decision on the transaction.
- c. All related party transactions involving the Accounting Officer shall be considered and approved by the Trust Board (including its Finance & Resources Committee) and disclosed on the Register of Related Party Transactions.
 - i. The provisions set out in 1a (i-iv) above shall be applied.
 - ii. It is the responsibility of the Accounting Officer and the Chief Finance Officer to inform the Chair of Trustees about this transaction and all related information shall be disclosed.
 - iii. The Head of Governance & Compliance shall also be informed of the related party transactions.
 - iv. The Accounting Officer shall be precluded from approving any contract, agreement or payment arising from any related party transaction.
- d. All related party transactions involving any other member of Trust Central Team or other member of the Executive Group shall be considered and approved by the Trust Board (including its Finance & Resources Committee) and disclosed on the Register of Related Party Transactions.
 - i. The provisions set out in 1c (i-iii) shall apply.
- e. All related party transactions involving a Headteacher or Head of School shall be considered and approved by the Trust Board (including its Finance & Resources Committee) and disclosed on the Register of Related Party Transactions.
 - i. The provisions set out in 1c (i-iii) shall apply.
 - ii. The Chair of the Local Governing Board shall also be informed of this transaction.
 - iii. The Trust Central Team shall carefully consider this transaction before it is tabled for consideration by the Trust Board or its Finance & Resources Committee.