



The Southfield Trust Conflict of Interest Policy

CONFLICTS OF INTEREST POLICY

1. Why we have a Policy

- 1.1 Members and Trustees of a charity have a legal obligation to act in the best interests of the charity. For the purposes of charity law, the trustees are those people who are responsible for the general control and management of the administration of the charity. The Southfield Trust Company (the “Company”) is an “exempt” charity, the Principal Regulator being the Secretary of State for Education. The trustees of the Company are the directors and the charity's governing document, the Articles of Association, explains what the directors must do to avoid situations where there may be a potential conflict of interest.
- 1.2 Conflicts of interests may arise where an individual's personal or family interests and / or loyalties conflict with those of the Company. Such conflicts may create problems; they can:
 - 1.3 inhibit free discussion;
 - 1.4 result in decisions or actions that are not in the interests of the Company; and
 - 1.5 risk the impression that the Company has acted improperly.
- 1.6 The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety. This Policy operates without prejudice to any of the provisions in the Company’s Articles of Association relating to conflicts of interest.

2 The Declaration of Interests

- 2.1 We are asking directors, governors of any local governing body of any academy and all staff to declare their interests, and any gifts or hospitality received in connection with their role in the Company. A declaration of interests form is provided for this purpose, listing the types of interest you should declare. All interests must be notified to the Company Secretary.

- 2.2 To be effective, the declaration of interests needs to be updated at least annually and also when any changes occur.
- 2.3 If you are not sure what to declare, or whether / when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the Company Secretary for confidential guidance.
- 2.4 This register of interests shall also be used to record all gifts of a value over £50 received by the directors, governors and staff.
- 2.5 Interests and gifts will be recorded on the Company's register of interests, which will be maintained by the Company Secretary.

3 Data Protection

- 3.1 The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that directors, governors and all staff act in the best interests of the Company. The information provided will not be used for any other purpose.

4 What to do if you face a Conflict of Interest

- 4.1 If you have a direct or indirect interest in:
- 4.1.1 a proposed transaction with the Company; or
 - 4.1.2 any transaction or arrangement entered into by the Company which has not previously been disclosed;
- 4.2 you must disclose the nature and extent of that interest, whether or not you receive any actual benefit as a consequence of the interest. You may have an indirect interest in a matter if a family member or friend has an interest in the matter.

4.3 As good practice, every director and governor 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.

4.4 You should not be involved in decisions in which it is possible that a conflict will arise. You should declare your interest at the earliest opportunity and withdraw from any subsequent discussion.

4.5 If you fail to declare an interest that is known to the Company Secretary and / or the chair of the board or the local governing body, the Company Secretary or chair will declare that interest.

5 Decisions taken where a Director, Governor or Staff Member has an Interest

5.1 In the event of the board having to decide upon a question in which a director, governor or member of staff has an interest because of a duty or loyalty (however indirect) that they owe to another organisation, 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.

5.2 All decisions made where there has been a declared conflict of interest will be recorded by the Company Secretary and reported in the minutes of the meeting. The report will record:

5.2.1 the nature and extent of the conflict;

5.2.2 an outline of the discussion;

5.3 the actions taken to manage the conflict.

5.4 Where a director benefits from the decision, this will be reported in the annual report and accounts in accordance with the current Charities SORP unless otherwise recognised in this Conflicts of Interest policy.

5.5 All payments or benefits in kind to directors will be reported in the Company's accounts and annual report, with amounts for each director listed for the year in question.

6 Trading with 'related or connected' parties

6.1 Related or connected parties advice is directed at Trustees and Members of the Strategic Board, for guidance when declaring an interest.

6.2 The EFA Financial Handbook 2014, S.3.2 provides guidance on 'related or connected party transactions'. This part of the handbook deals with goods or services provided by individuals or organisations connected to the Trust and its definitions are quoted below.

6.3 Where a company is identified as a 'related or connected party', the Trust must pay no more than 'cost' for goods or services provided to it.

6.4 The following persons are included in the definition of a 'related or connected party' ('services' do not include services provided under a contract of employment):

6.4.1 any member or trustee of the academy trust;

6.4.2 any individual or organisation connected to a member or trustee of the academy trust. For these purposes the following persons are connected to a member, or trustee:

6.4.3

6.4.4 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;

6.4.5 an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee;

6.4.6 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;
- 6.4.7 an organisation which is 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 is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes;
- 6.4.8 any individual or organisation that is given the right under the trust's articles of association to appoint a member or trustee of the academy trust; or anybody related to such individual or organisation;
- 6.4.9 any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or anybody related to such individual or organisation.
- 6.5 A body is related to another individual or organisation if it: is controlled by the individual or organisation; or controls the organisation; or is under common control with the individual or organisation. For these purposes control means:
- 6.5.1 holding more than 20% of the share capital (or equivalent interest); or
- 6.5.2 having the equivalent right to control management decisions of the body; or
- 6.5.3 having the right to appoint or remove a majority of the board or governing body.
- 6.6 Where a member of the Company's staff is related or connected to a party involved in the supply of a service or product to the Company, this information will also be fully disclosed in the annual report and accounts again unless otherwise recognised in this Conflicts of Interest policy.
- 6.7 Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

7 **Managing Contracts**

- 7.1 If you have a conflict of interest, you must not be involved in managing or monitoring a contract or transaction in which you have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.