



Little Way Catholic
Educational Trust

Conflicts of Interest Policy

Approved by: Trust Board **Date:** 5 February 2024

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1. Introduction and aims

The Little Way Catholic Educational Trust (LWCET) is committed to ensuring that the decisions taken by the Trust Board and Local Governance Committees (LGCs) are free from personal bias and don't unfairly benefit any individual or company connected to the LWCET or its schools.

Directors and LGCs will always endeavor to act in the best interests of LWCET and in accordance with the trust's articles of association, to avoid situations where there may be a conflict of interest.

This policy aims to ensure that:

- Everyone to whom the policy applies understands what a conflict of interest is
- Everyone to whom the policy applies understands their responsibility to identify and declare any conflicts of interest
- Every potential relevant conflict of interest, or perceived conflict of interest, is identified, recorded and prevented
- Decision-making isn't affected by conflicts of interest
- There are clear procedures for managing conflicts of interest where these arise

2. Legislation and guidance

This policy is based on:

- [Companies Act 2006](#)
- Guidance from the Charity Commission which explains statutory requirements and good practice regarding [conflicts of interest for charity trustees](#)
- [The Academy Trust Handbook](#)
- [The Governance Handbook](#)

This policy is fully compliant with the LWCET master funding agreement and articles of association.

3. Scope

This policy applies to:

- The LWCET board of Directors ('the Directors')
- Members of the LWCET local governance committees ('local governors')
- Senior trust employees, including the Chief Executive Officer (CEO) and Chief Finance Officer (CFO)

4. Definitions

4.1 Conflict of interest

A conflict of interest is any situation in which a director or local governor has a business or personal interest or loyalty which could, or could be perceived to, prevent them from making a decision only in the best interests of the LWCET or its schools.

It's not possible to provide an exhaustive list of what constitutes a conflict of interest, but some examples include where:

- Directors or local governors work for companies that provide, or have the potential to provide, services to the Trust

- A director or local governor owns their own business, and sometimes is contracted by LWCET
- A director or local governor has a personal relationship with an employee of the Trust
- A director or local governor has a child in a Trust school or class which is being discussed in the meeting

In accordance with paragraph 98A of the articles of association a conflict of interest or conflict of loyalty will not be deemed to occur solely from the fact that any director (or local governor) is also a trustee, charity trustee, governor or director of any Catholic school, Diocese, or religious order, or of any other charity which permits its land to be occupied by a Catholic school or schools or other educational institution(s).

4.2 Trustee benefit

A trustee benefit is any instance where money, or other property, goods or services which have monetary value, are received by a director or local governor from LWCET. This doesn't include where a director or local governor is compensated for proper out-of-pocket expenses.

Directors and local governor can only benefit from the LWCET in such a way, either directly or indirectly, where there is an **explicit authority** in place before any decisions are made.

Examples of trustee benefits include where directors decide to:

- Sell, loan or lease trust assets to a director or local governor
- Acquire, borrow or lease assets from a director or local governor for the LWCET
- Pay a director or local governor for carrying out a separate paid post within LWCET, even if that director or local governor has recently resigned from their post
- Pay a director or local governor for carrying out a separate paid post as a director or employee of the trust's subsidiary trading company
- Pay a director or local governor, or person or company closely connected to a director or local governor for providing a service to the LWCET
- Employ a director or local governor's spouse, partner or other close relative at LWCET or its subsidiary trading company
- Make a grant to a service user trustee, or a service user who is a close relative of a director or local governor
- Allow a service user director or local governor to influence trust activities to their exclusive advantage

Explicit authority will come from either:

- LWCET'S articles of association
- A statutory provision (such as the power in the Charities Act which allows charities to pay for additional services in some circumstances)
- The Charity Commission
- The court

5. Roles and responsibilities

5.1 Chair of the Board of Directors and the Chair of LGCs

The chair of the board or the chair of respective LGCs will:

- Ensure that the register of interests is completed each year
- Make sure declarations of interest are made before each meeting
- Arbitrate decisions about how to deal with conflicts of interest, where appropriate

In addition, the Chair of the LWCET Board will:

- Ensure that the Board will monitor this policy, and seek advice on any necessary changes

5.2 The Clerk to Trust Board and the Clerks to the LGCs

The clerks will:

- Ensure all directors and local governors complete an annual pecuniary interest declaration form
- Maintain the register of interests, and update it when directors and local governors inform them of changes to their circumstances
- Advise the board on how to deal with conflicts of interest, in accordance with this policy and the requirements of legislation and guidance (see section 2)
- Ensure the publication of statutory information on the trust or academy website, as necessary

5.3 Directors and Local Governors

All directors and local governors will:

- Declare their conflicts of interest before or during meetings, and complete the register of interests faithfully
- Make sure they inform their chair and clerk immediately of any changes to their circumstances
- Take appropriate action to remove any conflict of interest, or seek advice on how to do so if necessary

6. What governors must declare

Directors and Local Governors must declare:

- Directorships, partnerships and employments with businesses
- Trusteeships and governorships at other educational institutions or charities
- Material interests arising from relationships with other members, trustees or local governors (including spouses, partners and close relatives)
- Material interests arising from relationships with LWCET employees (including spouses, partners and close relatives)
- Business or personal interests of their spouses, partners and close relatives, where there's a possibility that LWCET will have dealings with that person
- Membership of professional bodies, membership organisations, public bodies or special interest groups where they have a position of general control or management
- Gifts/hospitality associated with holding office

If an individual isn't sure whether something constitutes a conflict of interest, or needs to be declared, they should err on the side of caution and declare it.

Senior trust employees, and Directors and Local Governors who are staff members, must declare an interest in relation to matters of their own pay and appraisal, and must not participate in discussions or decisions about these.

7. Procedures

7.1 Register of interests

The LWCET requires each director and local governor to complete a declaration of pecuniary and personal interest form at the beginning of each academic year (see appendix 1).

New directors and local governors will also be asked to complete a declaration of interests form if they join after the start of the academic year.

The LWCET will publish information about the interests of directors and local governors and the accounting officer (where the accounting officer isn't already included due to being a director).

Senior LWCET employees, directors and local governors who are staff members, are not required to record their employment with LWCET on the register of interests.

If an individual's circumstances change after the pecuniary and personal interest form is completed, they must immediately alert the chair and the clerk that they need to make amendments or further declarations.

7.2 Declaring conflicts of interest and taking action

Agendas of meetings will be circulated in advance. Directors and local governors must review any agenda sent to them and alert the chair of the Board or the chair of the LGC, and the appropriate clerk, as soon as possible if they have a conflict of interest related to any item on the agenda.

Each meeting will also include a standing agenda item to allow declarations to be made.

If a conflict becomes apparent during a meeting and the directors or local governor didn't declare these prior to or at the beginning of the meeting, they must declare these immediately.

Depending on the nature of the meeting or discussion, and the interest in question, the board or local governance committee will decide whether the individual needs to:

- Withdraw from the meeting
- Refrain from contributing to the discussion
- Refrain from voting on a decision

The board or local governance committee may also decide that having declared the interest, the director or local governor is free to participate in the discussion or decision as normal.

When deciding which course of action to take, the Trust board or local governance committee must:

- Always make their decision in the best interests of the LWCET and be able to demonstrate this
- Act to protect the reputation of LWCET and its academies
- Consider the impression that their actions and decisions may have on those beyond LWCET
- Consider the level of risk related to the decision in question, and the risk that the conflict will affect the individual's ability to be impartial, or to act only in the best interests of the LWCET and its academies
- Be aware that the presence of a conflicted director or local governor (even if they cannot participate in the decision or discussion) may inhibit free and open dialogue, and may affect the decision in some way

In cases of **serious conflict of interest**, the board or local governance committee may also choose to avoid the conflict by:

- Not pursuing a particular course of action
- Proceeding with the issue in a different way
- Not appointing a particular local governor or employee
- Securing a resignation from a conflicted director or local governor

A serious conflict of interest includes situations where the conflict:

- Is so acute or extensive that the individual isn't able to make their decisions in the best interests of the LWCET and its academies or could be seen to be unable to do so
- Is present in significant or high-risk decisions
- Means that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach
- Is associated with inappropriate trustee benefit

Details of any conflicts declared, and relevant actions taken, will be recorded in the minutes.

8. Failure to declare a conflict of interest

Failure to declare a conflict of interest is a breach of the LWCET code of conduct.

If the board of LGC becomes aware that a director or local governor hasn't declared a relevant conflict of interest, it will immediately update the register of interests to ensure the record is complete and accurate.

Depending on the nature of the omission, the board may also:

- Vote to suspend the director or governor
- Vote to remove the person from office
- Follow any relevant disciplinary procedures

If a director or local governor is aware of another directors or local governor's undeclared interest, they should alert the chair and the clerk immediately.

9. Review

This policy will be reviewed every 2 years, and approved by the Trust Board, after consultation with the LGCs

10. Appendix 1

Governance Team Declaration of Pecuniary and Personal Interests

| | |
|------------------------|--|
| Name: | |
| Company: | The Little Way Catholic Educational Trust |
| Role titles(s): | Member / Director / Local Governor (DELETE AS APPROPRIATE) |
| Main base: | |

I declare that I hold the following personal and/or pecuniary interest(s):

| INTERESTS | NAME OF BUSINESS OR ASSOCIATED PERSON | NATURE OF INTEREST | DATE STARTED | DATE ENDED IF IN LAST 12 MONTHS |
|---|---------------------------------------|--------------------|--------------|---------------------------------|
| Current employment | | | | |
| Businesses (of which I am a partner or sole proprietor) | | | | |
| Company directorships – details of all companies of which I am a director. Attach a list covering all headings if applicable. | | | | |
| Charity trusteeships – details of all companies of which I am a trustee | | | | |
| Membership of professional bodies, membership organisations, public | | | | |

| INTERESTS | NAME OF BUSINESS OR ASSOCIATED PERSON | NATURE OF INTEREST | DATE STARTED | DATE ENDED IF IN LAST 12 MONTHS |
|--|---------------------------------------|--------------------|--------------|---------------------------------|
| bodies or special interest groups where I have a position of general control or management | | | | |
| Gifts/hospitality offered to you by external bodies while acting in your position(s) and whether this was declined or accepted in last 12 months | | | | |
| Contracts offered by you for the supply of goods and/or services to the trust/school | | | | |
| Immediate family/close connections to any Member/Trustee/Director/ Governor | | | | |
| Close family members/relatives who supply services to the School or Trust | | | | |
| Immediate family of close connections employed within the Trust | | | | |
| Company directorships or trusteeships of family/close connections to Member/Trustee/Director/ Governor | | | | |
| Other School Trust or Governor | | | | |
| Any other conflict | | | | |

To the best of my knowledge the information supplied above is correct and complete. I understand that it is my responsibility to declare any conflict of interest/loyalty, business or personal that relates directly or indirectly to myself or any relation in any contract, proposed contract or other matter when present at a meeting at the Academy or Trust where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it.

I agree to review and update this declaration annually and give consent for the information provided to be used in accordance with the Trust's conflicts of interest policy and statutory publication requirements.

Signed:

Date:

The Charity Commission has produced [guidance on dealing with conflicts of interests](#) which may be useful in helping you complete this form.

Please return this form to the Clerk to Governors. Thank you