

Glebe House



Friends Therapeutic Community Trust

Conflicts of Interest POLICY

June 2021

CONFLICTS OF INTEREST POLICY

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Statement of intent

This Policy sets out the framework for ensuring that the decisions and decision-making processes at Friends Therapeutic Community Trust Residential Children's Home and its Independent School are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the Trust or the School.

Members of the Trustees/governing body have an obligation to act in the best interests of the school community and the Home in accordance with its Articles of Association, in order to avoid situations where there may be a potential conflict of interest. This requires that no Trustee, Governor, employee or related individual uses their connection with the Trust for personal gain.

A conflict of interest is any situation in which a Trustee, Governor or member of staff's personal interest or loyalties could, or could be seen to be, preventing the Trustee, Governor or member of staff in making a decision in the best interests of the Trust.

Friends Therapeutic Community Trust has created this policy in order to:

- Ensure that every Governor/Trustee/Member of Staff understands what constitutes a conflict of interest, and that they have a responsibility to identify and declare any conflicts that might arise.
- Record the conflict and the actions taken to ensure that the conflict does not affect the decision-making of the Trust or the School.
- It is the duty of all Trustees, Governors and Staff to report any malpractice or potential abuse. If you believe there is a conflict of interest for yourself or a colleague, this should be reported through the Finance and Planning Director.
- The Trust does not support the offering or acceptance of personal gifts. Any gifts, favour or hospitality offered to a member of the Trust must be declared to the Finance & Planning Director. Where it would be offensive to refuse, gifts will be raffled and the proceeds donated to charity.

1. Legal framework

- 1.1. This policy has due regard to statutory legislation, including but not limited to, the following:
 - Companies Act 2006
- 1.2. This policy also has due regard to guidance, including but not limited to, the following:
 - Charity Commission 'Conflicts of Interest: a guide for charity trustees' 2014
 - DfE 'Governance handbook' 2017

2. What are conflicts of interest?

- 2.1. For the purpose of this policy, "conflicts of interest" are any situation where a member of the Trustee/governing body or Staff's personal interests or loyalties could prevent, or could be seen to prevent, the individual from making a decision in the best interests of the Trust or the School.

3. Identifying conflicts of interest

- 3.1. The Trust and School expects members of the Trustee/governing body and Staff to be able to identify any conflicts of interest at an early stage.
- 3.2. Individual members of the Trustee/governing body who fail to identify and declare any conflicts of interest, will also fail to comply with their personal legal responsibility to avoid conflicts of interest and act only in the best interest of the Trust, the School and its pupils/residents.
- 3.3. The Trustee/governing body will ensure that any conflicts of interest do not prevent them from making a decision that would be only in the best interests of the Trust, the School and its pupils/residents.

4. Interests that will be declared

- 4.1. Trustees, Governors and Staff have an individual responsibility to declare conflicts, or potential conflicts of interest which may affect them. All Trustees, Governors and Staff will therefore be required to complete a declaration of interests return on an annual basis. This record should include:
 - Information on other Offices held
 - Information on a significant financial interests that may have a bearing on the activity of the Trust or the School
 - Information of financial interests of close family members that may have a bearing on the activity of the Trust or the School
 - Any other relevant information that might have a bearing on the activity of the Trust or the School

In addition, there will be an agenda item at all Trustee and Governor Meetings to allow declarations of interest to be made if needed.

If an individual is uncertain regarding the relevance of a potential declaration they should err on the side of caution and either make a declaration or discuss a possible declaration with the Clerk.

5. Friends Therapeutic Community Trust Articles of Association

- 5.1. Any member of the Trustee/governing body who has, or can have, a direct or indirect personal interest which could conflict with their duties, will declare that interest to the rest of the Trustee/governing body as soon as he/she becomes aware of it.

6. Trustee/Governing body benefits

- 6.1. Conflicts of interest can arise where there is a potential or measurable financial benefit to a member of the Trustee/governing body, or to a person connected to a member.
- 6.2. Members of the Trustee/governing body can only benefit from the Trust or the School where there is an explicit authority in place in the governing document.
- 6.3. Trustee/Governing body benefits include any payments or benefits to members, or a connected person, apart from their reasonable out-of-pocket expenses.
- 6.4. Benefits also include situations where a member of the Trustee/governing body could receive property, loans, good or services from the School or Trust.
- 6.5. Where there is a proposed sale or lease of land to a member of the Trustee/governing body, or to a person or company closely connected with a member, this will require authorisation from the DfE before it is granted, even if the disposal is at full market value
- 6.6. The payment of reasonable expenses to a member of the Trustee/governing body is not a benefit, and therefore, does not create a conflict of interest or require authorisation.

7. Conflicts of loyalty

- 7.1. Conflicts of interest can also arise, even if the individual does not gain any financial benefit, when their decision-making as a member of the Trustee / governing body could be influenced by their other interests.
- 7.2. Members of the Trustee/governing body will be required to declare any interest which may conflict with their loyalty to:
- Another organisation, such as their employer.
 - A member of their family.
 - Another connected person or organisation.
 - Another governing body or committee of which they are a member.
 - The individual that appointed them to the Trustee/governing body.
- 7.3. Members of the Trustee/governing body will also be required to declare any conflicts of interest where their religious, political or personal views could interfere with their ability to make decisions in the best interest of the Trust or the School.

8. Declaring interests

- 8.1. The Trustee/governing body will be provided with a standard agenda item at the beginning of each meeting, in order to declare any actual or potential conflicts of interest.
- 8.2. All members of the Trustee/governing body will be required to declare any interest which has been outlined as an item to be discussed, at the earliest possible opportunity and before any discussion of the item itself.
- 8.3. If a member is unsure whether or not they are conflicted, they are required to declare the issue and discuss it with the rest of the Trustee/governing body.
- 8.4. If a member is aware of an undeclared conflict of interest affecting another member, they are required to notify the rest of the Trustee/governing body for appropriate action.
- 8.5. All members of the Trustee/governing body are required to declare any conflicts of interests they have using the Register of Interests Form, which is kept securely within 'David House' administration. Access to these documents will be moderated by the Finance and Business Planning Director, the Chair of Governors and the Clerk to Trustees.

9. Removing conflicts of interest

- 9.1. The Trustee/governing body will consider any conflict of interest declared, ensuring that any potential effect on decision-making is eliminated.
- 9.2. The Trustee/governing body will follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, decide that removing a conflict of interest itself is the most effective way of preventing it from affecting their decision-making.
- 9.3. Serious conflicts of interest include, but are not limited to, those which:
 - Are so acute and extensive that the member is unable to make their decision in the best interest of the School and its pupils, the Trust and Residents.
 - Are present in significant high-risk decisions of the Trustees/Governors.
 - Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
 - Are associated with an inappropriate Trustee/governing body benefit.
- 9.4. In order to remove a conflict of interest, the Trustee/governing body will undertake appropriate action, including:
 - Not pursuing the course of action.
 - Proceeding with the issue in a different way so that a conflict of interest does not arise.
 - Securing the resignation of the member affected by a conflict of interest.
 - Not making member appointments which would knowingly introduce a conflict of interest.

10. Withdrawing from decision-making

- 10.1. Where there is a proposed financial transaction between a member of the Trustees/governing body and the Trust or the school, or any transaction of arrangement involving a member's benefit:
 - The benefit will be authorised in advance.
 - The Trustees/governing body will ensure that the member is absent from any part of any meeting where the issue is discussed or decided upon.
 - The affected member will not be able to be part of the decision-making process or be counted in deciding whether a meeting is quorate.
- 10.2. Where there is a conflict of loyalty and the affected member does not stand to gain any benefit, the member will be required to declare the interest.
- 10.3. The rest of the Trustees/governing body will then decide on what level of participation, if any, is acceptable on the part of the conflicted member.
- 10.4. The Trustees/governing body will decide whether the affected member:
 - Can participate in the decision, after having registered and fully declared their interest.
 - Can stay in the meetings where the decision is discussed and made, but not participate.
 - Must be withdrawn from the decision-making process.
- 10.5. When deciding which course of action to take, the Trustee/governing body will:
 - Always make their decisions only in the best interests of the Trust, the School and its pupils.
 - Always protect the Trust and the School's reputation and be aware of the impression that their actions and decisions may have on others.
 - Always be able to demonstrate that they have made decisions in the best interests of the Trust, the School and its pupils/residents, and independently of any competing interest.
 - Require the withdrawal of the affected member from any decisions where their other interest is relevant to a high-risk or controversial decision, or could significantly affect the member's decision-making.
 - Allow a member to participate where the existence of their other interest poses a low risk to decision-making in the school's/Trust's interest, or is likely to have only an insignificant bearing on their approach to an issue.
 - Be aware that the presence of a conflicted member can affect trust between other members of the Trustees/governing body, could inhibit free discussion, and might influence decision-making in some way.
- 10.6. The Trustees/governing body may request any information necessary from the affected member, in order to help make the decision in the best interests of the Trust, the School and its pupils/residents.

11. Records of proceedings

11.1. Following a decision, the Trustees/governing body will keep a written record of the following:

- The nature of the conflict
- Which members were affected
- Whether any conflicts of interest were declared in advance
- An outline of the discussion
- Whether anyone withdrew from the discussion
- How the Trustees/Governors reacted to the decision made

11.2. The Trustees/governing body will also keep a written record of any payments or benefits that have been made, including under what authority these were made and the reasoning for them.

11.3. The Trustees/governing body will not use information obtained at the Trust or the School for their individual benefit, or that of another organisation, if it has been obtained in confidence or has special value, such as commercial sensitivity.

12. Monitoring conflicts of interest

12.1. The Trustees/governing body will carry out continuous monitoring of its activities and members to ensure that any conflicts of interests are identified and mitigated as soon as possible.

12.2. Any member of the Trustees/governing body who fails to declare an interest and is found to be in conflict with their decision-making will be required to explain the reasons for their omission to the rest of the Trustees/governing body.

12.3. The Trustees/governing body may decide to terminate the membership of an affected member, if they are found to have knowingly and deliberately failed to declare an interest and have brought the school into disrepute.

13. Policy monitoring and review

13.1. The Friends Therapeutic Community Trust will review this policy on an annual basis, taking into account any conflicts that have arisen and how they have been responded to, and will communicate all changes to the rest of the Trustees/governing body.

13.2. All members of the Trustees/governing body are required to read and make themselves familiar with this policy upon their appointment.

TRUSTEE REGISTER OF INTERESTS

The Charity Commission notes that all trustees have a legal duty to act only in the best interests of their charity and they must not put themselves in any position where their duties as trustee may conflict with any personal interest they may have. This is also true for Governors.

Trustee/Governors should identify conflicts of interest by:

- Each having an individual personal responsibility to declare conflicts of interest which affect them
- Having strong systems in place so that they are able to identify conflicts of interest

One of the ways in which the Trust manages conflicts, both real and potential, is by maintaining a register of interests that is completed on first appointment and updating annually as part of the yearend audit process.

Further guidance from the Charity Commission and Key Support on conflicts of interest can be found on their websites at

<http://www.charitycommission.gov.uk/detailed-guidance/trustees-staff-and-volunteers/conflictsof-interest-in-charities/>

<https://schoolgovernors.thekeysupport.com/the-governing-body/conflicts-interest/conflictsinterest/>

Friends Therapeutic Community Trust

Trustee/Governor/Staff Register of Interests (June 2021 version)

All Trustees/Governors/ Staff are required to complete the Register of Interests on first being appointed and to update the Register annually thereafter. The Finance and Business Planning Director will issue a reminder to update the Register as part of the year-end audit procedures.

Other offices held:

Please list any positions that you hold: e.g. positions of public responsibility / business / academic directorships / consultancies / trusteeships etc:

Financial interests:

Please give details of any material financial interests that you or close family hold, which could be seen to pose a conflict of interest with your role as a Trustee/Governor/Member of Staff: e.g. a shareholding of more than 1%, ownership of intellectual property - there may be instances when even if such interests may not be regarded as material, you may nevertheless, for the avoidance of doubt, consider it appropriate to give details:

Any other relevant information:

If you consider that you have other interests not covered above, which in the pursuit of good governance and transparency, it would be helpful to declare, and you are invited to do so in this section:

SIGNED.....

NAME

DATE.....

If there is any material change in the information you have provided, please notify the Finance and Business Planning Director as it occurs. Should you be uncertain as to what may constitute a possible conflict of interest, the Clerk to Trustees should be advised so that advice may be obtained if necessary.