



Penistone Grammar School

Policy Statement:

**Conflict of
Interest**

Never Stop Flying

Members of the governing body and school staff have an obligation, and are committed to, acting in the best interests of the school community to avoid situations where there may be a potential conflict of interest.

This includes situations which may arise where family interests or loyalties conflict with those of the school. The governing body are committed to ensuring that conflicts of interest are managed appropriately to ensure that they do not inhibit free discussions, result in decisions or actions that are not in the interests of the school, and risk the school's reputation. This policy provides the framework for this.

A copy of this policy will be made available on the school's internal intranet; a paper copy will be provided upon request by emailing enquiries@penistone-gs.uk.

Contents

1.	Legal Framework	Pg 2
2.	Definitions	Pg 2
3.	Roles and Responsibilities	Pg 2
4.	Identifying Conflicts of Interest	Pg 3
5.	Identifying Conflicts of Loyalty	Pg 4
6.	The Register of Interests	Pg 4
7.	Governing Body Benefits	Pg 5
8.	Declaring Interests	Pg 5
9.	Removing Conflicts of Interests	Pg 6
10.	Records of Proceedings	Pg 7
11.	Non-Compliance	Pg 7
12.	Related Party Transactions	Pg 7
13.	Monitoring and Review	Pg 8

This policy was reviewed in **November 2023** and has been approved for implementation by the Governing Body



1. Legal Framework

1.1 This policy has due regard to all legislation and statutory guidance including, but not limited to, the following:

Data Protection Act 2018	UK General Data Protection Regulation
--------------------------	---------------------------------------

1.2 This policy has due regard to all the relevant guidance including, but not limited to, the following:

DfE (2020) 'Governance handbook'

1.3 This policy operates in conjunction with policies that cover the following operations of the school:

Finance	Tendering and Procurement
Reserves and Investment	Gifts, Hospitality and Anti-bribery
Whistleblowing	Asset Management
Anti-fraud and Corruption	Declared Conflicts of Interests Register
General Interests	Data Protection
Code of Conduct	Disciplinary
Staff Relationships	Safeguarding

2. Definitions

For the purpose of this policy, a person is defined as having a **'business or pecuniary interest'** if they have a monetary or financially vested interest in a business or service, which could prevent the individual from acting in the school's best interests.

'Conflicts of interest' are any situations where an individual's personal interests or loyalties could, or could be seen to, prevent the individual from making a decision in the best interests of the school. The most common types of conflict of interest can be separated into **'financial conflicts'** and **'loyalty conflicts'**.

'Financial conflicts' are when an individual is connected to a person and/or organisation and could receive money or something else of value from the selection of their decision. Individuals' expenses, for example, governor expenses, are not included in this definition.

'Loyalty conflicts' are unrelated to money or individual benefits; rather, these conflicts are concerned with other reasons relating to an individual's loyalty or duty to another organisation which would impair their decision-making in consideration to their obligation to prioritise the school's best interest.

A **'connected person'** broadly relates to an individual's family, relatives, or business partner. To determine if an individual is considered connected in case-specific issues, we will seek legal advice if necessary.

The term **'significant shareholder'** refers to any individual or relative of an individual holding more than 20 percent of the share capital or exercising more than 20 percent of the voting power in an organisation.

An **'interested party'** is defined as a person who has a close relation to a person with a vested interest, for example, a spouse.

'At cost' refers to the cost of a good or service (not including contracts of employment), without profit.

3. Roles and Responsibilities

The governing body is responsible for:



- Ensuring that all members of staff, including volunteers, act in accordance with this policy at all times.
- Identifying any conflicts of interest that have not been previously declared.
- Making complete declarations on an annual basis, and ensuring they are up-to-date.
- Ensuring there are measures in place to manage and identify any conflicts of interest.
- Operating and making decisions in the best interests of students and the school.
- Independently and objectively making decisions about executive pay and benefits, scrutinising each decision so conflicts of interest are avoided.

The chair of governors is responsible for:

- Ensuring, in liaison with the Principal, that all members of the governing body have declared any conflicts of interest, in accordance with the Declared Conflicts of Interest Register.
- Considering the risks associated with an individual who has declared a conflict of interest participating in any decision-making or voting and seeking advice from the school's HR team.
- Setting professional standards of governance and accountability for the body.

The Clerk to the Governing Body is responsible for:

- Keeping an accurate and up-to-date record of interests for all governors, staff and volunteers, which is reviewed annually, and can be accessed by relevant people, for example, the Principal.
- Keeping accurate meeting minutes.

Staff, including volunteers, are responsible for:

- Declaring any conflicts of interest.
- Acting in accordance with this policy at all times.
- Identifying any conflicts of interest that have not been previously declared.
- Following the school's Whistleblowing Policy where there are concerns that a conflict of interest has not been declared, and an individual might have subsequently benefitted.
- Ensuring that all individuals in a discussion do not have a vested interest in the subject.

4. Identifying Conflicts of Interest

All staff (including volunteers) will be able to demonstrate that they do not have a vested interest in any decision-making or budget spending. All staff (including volunteers) will remain objective and act within the best interests of the school and its students.

Members of the governing body will declare any conflicts of interest at an early stage and inform the relevant people, for example, the Principal. Members of the governing body will ensure that any conflicts of interest do not prevent them from making a decision that would be in the best interests of the school and its students.

Members of the governing body and the relevant members of staff will declare the following interests:

- Holding another public office
- Being an employee, director, adviser or partner of another business or organisation
- Pursuing business opportunities
- Being a member of a club, society or association
- Having a legal or professional obligation to someone else
- Having a beneficial interest in a trust
- Owning or occupying a piece of land
- Owning shares or some other investment or asset
- Having received a gift, hospitality or other benefit from someone/an organisation
- Owing a debt to someone/an organisation
- Holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue
- Being a governor, associate member or trustee at any other educational establishment
- Being a spouse, partner, relative or close friend of someone who has one of these interests



All interests and connections that could influence the school's reputation with the public will be declared.

If staff, including volunteers, have a relative whom they know to have a declarable interest, this information will be declared.

5. Identifying Conflicts of Loyalty

Conflicts of interest can also arise, even if the individual does not gain any financial benefit, when their decision-making as a staff member or a member of the governing body could be influenced by their other interests.

Members of the governing body and relevant staff will be required to declare any interest that might 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 governing body.

Members of the 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 interests of the school.

6. The Register of Interests

Each declaration of interest will be recorded on the school's Declared Conflicts of Interest Register.

This register will allow all governors and relevant employees to identify any business, commercial, financial or personal interests they have.

Details of each interest will be recorded on the register, including the following:

- The nature of the business and/or interest
- The name of the business and/or interest
- The date the interest began
- A brief description of duties or responsibilities
- The date of cessation of interest
- The date of entry onto the register
- Relevant material interests which occur through close family relationships between those individuals and employees.

The school will keep the following two versions of the Declared Conflicts of Interest Register:

- One that details the nature of the interests declared that will have restricted access – the full Declared Conflicts of Interest Register
- A General Interests Register, which is more widely accessible, and includes who has declared interests and which category they fall into

The declaration registers will be stored with the HR Team and Clerk to the Governing Body, where they can be accessed by the Principal and Chair of Governors, as well as inspected by Ofsted or anyone else who has a right to it to carry out their statutory duties.

The Data Protection Officer (DPO) will ensure that the registers are protected in accordance with the school's Data Protection Policy.

The governing body is responsible for deciding who else has access to the registers, including other staff members, governors and parents.

If an individual has no interest to declare, they will indicate this by stating 'nil' on their conflicts of interest form, before signing and dating the declaration.



If an individual is unsure whether they have a conflict of interest, the Principal (or in the case of the Principal, the Chair of Governors) will advise the individual to declare any possible interests until they can confirm their interests at a later date.

Any conflicting interests or relationships will be described in sufficient detail using appropriate language to clarify under what circumstances an individual's position might be brought into question.

If a new interest becomes applicable during the school year, it will be the responsibility of the individual concerned to amend the Declared Conflicts of Interest Register.

The General Interests Register will be published publicly on the school website; however, certain interests of staff members may be omitted from the published copy, unless they are also a governor or relevant member of staff.

7. Governing Body Benefits

Conflicts of interest can arise where there is a potential or measurable benefit to a member of the governing body, or to a person connected to a member.

Members of the governing body can only benefit from the school where there is an explicit authority in place in the school's governing document.

Governing body benefits include any payments or benefits to members, or a connected person, apart from their reasonable out-of-pocket expenses. Benefits also include situations where a member of the governing body could receive property, loans, goods or services from the school.

Where there is a proposed sale or lease of land to a member of the 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.

The payment of reasonable expenses to a member of the governing body is not a benefit and therefore does not create a conflict of interest or require authorisation.

8. Declaring Interests

Wherever possible, the Principal and Chair of Governors will make arrangements to avoid a conflict of interest arising.

The stipulations below apply to all members of the governing body, the Principal and any others in attendance at meetings, including members of the Strategic Leadership Team.

The governing body will be provided with a standard agenda item at the beginning of each meetings, to declare any actual or potential conflicts of interest. Declarations will be made in writing, unless they are made at a meeting where official minutes are being taken.

All members of the governing body will be required to declare any interest that has been outlined as an item to be discussed, at the earliest possible opportunity and before any discussion of the item itself.

If a member is unsure whether they are conflicted, they will declare the issue and discuss it with the rest of the governing body.

If a member is aware of an undeclared conflict of interest affecting another member, they will be required to notify the rest of the governing body for appropriate action.

If the person making the declaration is only one of a number participating in the governing body's discussion and decision-making process, the declaration will be made to the other participants. If the person making the declaration is the only person making a decision on behalf of the governing body, the declaration will be made to the Principal. If the person making the declaration is the Principal (or



someone with whom the Principal has declared an interest), the declaration will be made to the Chair of Governors.

Staff will declare conflicts of interest to the Principal and ensure that this information is up-to-date (or to Vice Principal/Director of Business Development if the person declaring the interest is someone with whom the Principal has declared an interest).

If new conflicts of interest arise for governors or staff, they will inform the Chair of Governors or the Principal (or Vice Principal/Director of Business Development) and the registers will be updated.

9. Removing Conflicts of Interest

The governing body will consider any conflict of interest declared, ensuring that any potential effect on decision-making is eliminated.

If an individual has declared an interest, they will be required to leave the room when the matter is being discussed.

Where there is a conflict of loyalty and the affected member does not stand to gain any benefit, they will be required to declare the interest.

The rest of the governing body will decide on what level of participation in decision-making, if any, is acceptable on the part of the conflicted member.

The 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.

When deciding which course of action to take, the governing body will:

- Always make their decisions in the best interests of the school and its students.
- Always protect 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 school and its students, 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 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 governing body, could inhibit free discussion, and might influence decision-making in some way.

If the governing body is discussing the appointment of a post, or making decisions that may lead to a staff vacancy, regarding a role for which a governor could apply, the member in question will be required to leave the discussion, as this is classed a conflict of interest.

Members of the governing body who have declared an interest will not be able to vote or make decisions regarding that topic, including any financial activity connected to the matter, and will not be present when the vote is taken.

The Clerk to the Governing Body will record an entry in the minutes when an individual withdraws from a meeting.

Declarations will be clearly recorded so that there can be no potential for misunderstandings.



In circumstances where participation is unavoidable, the Chair of Governors will consider the risks associated with the situation and advice will be sought from the school's HR team. An entry of the situation, including the outcome, will be recorded in the minutes.

The 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.

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 interests of the school and its students.
- Are present in significant high-risk decisions of members of the governing body.
- 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 governing body benefit.

To remove a conflict of interest, the 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 that would knowingly introduce a conflict of interest.

10. Records of Proceedings

Each time a declaration has been made during a meeting or an individual has withdrawn from a discussion, a record will be kept in the meeting minutes.

At a minimum, the following information will be recorded:

- The nature of the conflict
- Which members were affected
- Whether the conflicts of interest were declared in advance
- Whether anyone withdrew from the discussion
- How the members of the governing body reached the decision made
- A description of what was disclosed and in what circumstances
- A cross-reference to an entry in the General Interests Register
- The Chair of Governors or Principal will sign and date the recording

11. Non-Compliance

Any member of the governing body who fails to reveal information to enable the governing body to fulfil its responsibilities might be in breach of the Governing Body Code of Conduct and, as a result, be bringing the governing body into disrepute.

The governing body will consider suspending a governor if they fail to declare information that brings the governing body's reputation into question.

Any member of staff found to be withholding information about a conflict of interest may be subject to disciplinary action in line with the Disciplinary Policy and Procedure.

12. Related Party Transactions

The schools financial value standard (SFVS), which must be submitted to the Local Authority, now includes a question about related party transactions. Contracts or agreements with the school's maintaining Local Authority are not to be treated as related party transactions.

The school will have a record of any related party transactions that have been arrived at through proper procedures and will append this list to the SFVS checklist, using the template for recording related party transactions. The school does not need to seek authorisation for related party transactions.



13. Monitoring and Review

This policy will be reviewed on an annual basis, or when new legislation or guidance regarding the subject is published and requires the approval of the full governing body as it cannot be delegated to a committee.

The next scheduled review date will be in November 2024.

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

Any staff member or member of the 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 governing body.

The governing body will review the Declared Conflicts of Interest Register on an annual basis, or when circumstances have changed.

The General Interests Register will be available to be viewed and amended at every meeting of the full governing body.



Penistone Grammar School

Huddersfield Road

Penistone

Sheffield, S36 7BX

01226 762 114

enquiries@penistone-gs.uk

www.penistone-gs.uk

@PGSALC