



Highcliffe School



PECUNIARY INTERESTS POLICY

March 2019



1.0 ACADEMY STATEMENT

- 1.1 Conflicts of interests will arise from time to time amongst members of the Governing Body. The Governing Body has a collective responsibility for the effective delivery of funded projects. This collective responsibility should override individual interests.
- 1.2 Highcliffe School is committed to raising awareness amongst Governors and staff of their responsibility to avoid conflict of interests by acting in good faith and for the benefit of the Academy.
- 1.3 As part of the Academy's commitment to openness and transparency, an annually updated Register of Interests is to be maintained and made available for public inspection. The register is designed to protect both the Academy and individual Governing Body members from damaging allegations of corruption and possible punitive actions.

2.0 DEFINITION AND SCOPE

- 2.1 A pecuniary interest can be clarified as a financial benefit. Within the context of an Academy, the financial benefit concerns public funds.
- 2.2 Interests to be declared by Governing Body members can be both financial and non-financial and can include:
 - Employment (including name and address of employer)
 - Company directorships, business partnerships, self-employment, and significant shareholdings (defined as over 2% of shares in a quoted company or 10% in a private company)
 - Positions of public responsibility
 - Membership of external organisations, (including other schools), which might have a bearing on the Academy's work
 - Any financial interest which might relate to the Academy's work
 - Any other financial or non-financial interests (such as by kinship, friendship or membership of an organisation) which could be perceived as potentially affecting judgement or give the impression that a Governing Body member could be acting for personal motives.
- 2.3 A conflict of interest will arise in any circumstance where doubt can be cast on a Governing Body member's ability to act with complete objectivity with regard to the Academy's activities.
- 2.4 Changes effective from the 1st April 2019 by the ESFA cover the following areas which all impacted peoples should be aware of:
 - Approval for individual transactions above £5,000 will be given by the ESFA rather than Secretary of State.
 - The handbook clarifies what is meant by 'special payments' – these include staff severance payments, compensation payments and ex gratia payments.



- The handbook now uses the term ‘related party transactions’ rather than ‘trading with connected parties’.
- Trusts must report all related party transactions to the ESFA in advance of the transaction taking place, using the ESFA’s online form.
- Trusts must obtain the ESFA’s prior approval using their online form for contracts for the supply of goods or services to the trust by a related party where any of the following apply:
 - The contract exceeds £20,000
 - The contract, regardless of the value, would exceed £20,000 in the same financial year ending 31 August
 - The contact, regardless of the value, would exceed £20,000 individually or cumulatively with the related party in the same financial year ending 31 August
- For the purpose of reporting to and obtaining the approval of the ESFA, transactions with related parties do not include salaries or other payments made by the trust to a person under a contract of employment through the trust’s payroll.
- Trusts should keep their register of interests up-to-date; however, the AFH 2018 does not state that this needs to be done through regular reviews as it specifies in the AFH 2017.

3.0 DECLARING AN INTEREST

- 3.1 On appointment and annually thereafter, Governing Body members will be provided with a Declaration of Interests form, which must be completed, signed and returned within one month. Whenever an interest changes or a new one occurs, the member is responsible for completing a revised declaration within one month.
- 3.2 All forms showing declared interests will be reviewed by the chair who will either countersign the form to indicate their satisfaction that there is no action required, or will set out in writing to the member of staff/Governor their advice on how any potential conflict is to be managed. Any such advice will also be placed on the register.
- 3.3 The register will be reviewed on an annual basis by the Governing Body or more frequently where significant changes have been reported.

4.0 AVOIDING PERSONAL BENEFIT AND CONFLICTS OF INTEREST

- 4.1 Governors should ensure that private or personal financial interests never influences their Governing Body decisions. They should ensure that they never use their position as members for personal gain of any sort.
- 4.2 Governors can make a valuable contribution to the work of the Academy, even though (or because) they have responsibilities to others that might sometimes bring them into conflict with the Academy.



- 4.3 All Governors, (including parent and staff Governors), have an overriding duty to act in the interests of the Academy and cannot act as representatives of other bodies when undertaking their Governing Body role. Where an issue arises that conflicts with their responsibilities to another school or organisation, then they should declare their interest and withdraw from the meeting, unless invited to remain by the Governing Body.
- 4.4 Parent and staff Governors are also expected to ensure that the Governing Body is aware of parental and staff views on issues, however they should not raise issues that relate mainly to their employment or child's placement at Governing Body meetings. Where an issue arises that affects them personally or as one of a small number of parents or staff then they should declare an interest and withdraw from the meeting unless invited to stay by the Governing Body.
- 4.5 Examples of when a governor should withdraw from the meeting involve a member who:
- Has a financial interest in the matter under discussion
 - Has any interest in the matter under discussion which creates a real danger of bias i.e. the interest affects them, or a member of their household, more than the generality affected by the decision
 - Has any interest which does not create a real danger of bias, but which reasonably cause others to think it could influence their decision.
- 4.6 The law generally prohibits any Governing Body member or close relative from receiving any benefit from the Academy, which includes all payments except for reasonable governor expenses or the agreed fee where the Academy has adopted a policy of paying some or all Governors. The only exception to this rule concerns Governors who are employed members of staff, however it should be noted that they should not receive any benefit in their capacity as a governor beyond what is allowed in law.
- 4.7 Governors should never accept gifts, (other than those of a trivial nature) and should avoid giving or receiving any extravagant hospitality to anyone connected with the work of the Academy. All hospitality received should be notified to the clerk so that it can be entered in the hospitality register.

5.0 HANDLING A CONFLICT OF INTEREST

- 5.1 It is the responsibility of individual Governors who have any interest, however slight, in any matter about to be discussed or decided by the Governing Body to disclose this interest, (including all relevant facts), and ensure the declaration is recorded in writing in the Academy's records.
- 5.2 If the conflict is clear and substantial, the Governing Body should offer to withdraw and, if invited to remain, must refrain from voting on the matter. The Governing Body member must not attempt to influence any other member's view or vote, nor the actions of staff, on the matter by any form of communication prior to, during or after the relevant meeting(s).



- 5.3 Where such a conflict is likely to reoccur on a frequent basis, the governor should offer to resign.
- 5.4 Parent and staff Governors are fully entitled to participate in discussions of, and where applicable vote on, all policy matters affecting all or a substantial group of parents or staff, however they must abide by the preceding paragraphs on matters affecting themselves, their relatives or close friends individually. This includes discussions of policy on issues such as arrears where the Academy is considering or taking action against the relevant person; or complaints etc where the individual is taking action against the Academy.
- 5.5 Any Governing Body member involved in a significant dispute with the Academy will automatically be suspended until the dispute is resolved and will remain suspended until final decisions, including consideration of any ombudsman's findings, have been taken by the Academy. This excludes parent or staff Governors using the normal complaints procedure, who must abide fully by the preceding paragraphs in relation to consideration of their complaint by the association, however suspension will be automatic when the complaint reaches stage three (i.e. consideration by the Governing Body).
- 5.6 If a Governing Body or staff member considers that a governor has a conflict of interest which has not been declared or, if declared, not dealt with appropriately as set out above, they have a duty to raise the matter immediately with the Governing Body via the chair.
- 5.7 No contract or other award should be made to a Governing Body member, staff member, company etc. in respect of which an interest has been declared without the prior approval of the Governing Body.
- 5.8 Whenever members are unsure of the seriousness of a potential conflict of interest, they should consider the potential risks before acting. If in doubt about the application of these rules, the chair should be consulted and independent advice should be sought, where necessary.



6.0 REVIEW

This policy will be reviewed annually by the Full Governing Body

(Signed) _____ Dated _____
(Headteacher)

(Signed) _____ Dated _____
(Chair of Committee of the Full Governing Body)

Note: Approved at the Full Governors meeting on 7th March 2019