



Sidcot  
Live Adventurously

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**Policy Name: Conflict of Interests**

**Policy Number: 11.3**

**Date: Sept 2024**

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## **1. Introduction**

The Governing Body and Senior Leadership Team of Sidcot School fully recognise their responsibilities under the provisions of the Companies Act 2006 and under Charity Law in relation to conflicts of interests and how they are managed. All Governors are trustees of the School, and therefore have a legal duty to act only in the best interests of the School.

Governors' personal and professional connections can bring benefits to the School and often form part of the reason why an individual has been asked to join the Board of Governors. However, such connections can give rise to conflicts of interests, to which the Board must respond effectively to prevent any such conflicts from interfering with decision-making which is solely in the School's best interests. Establishing any conflicts of interests or loyalty is an essential part both of the interviewing process for a new Governor, and subsequently during their period of service, and assists in avoiding issues in what must be an impartial decision-making process.

All staff, volunteers, and Governors of Sidcot School will strive to avoid any conflict between the interests of the School on the one hand, and personal, professional, and business interests on the other. This includes avoiding any perception of conflicts of interests as well as actual conflicts. Even the perception that there is a conflict can be damaging, if not handled in the right way.

This policy is intended to supplement good judgement, and staff, volunteers and Governors should respect its spirit as well as its wording.

## **2. Aims**

This policy's aims are to:

- Ensure that in the process of overseeing the operation of the School, the Governors and Senior Leaders do so objectively and impartially, and are transparent in declaring any relevant actual or potential conflicts of interests whilst undertaking their duties.
- Protect the integrity of the Governors' and Senior Leadership Team's decision-making process, to enable stakeholders to have confidence that management of the School is at all times undertaken in its best interests, and to protect the integrity and reputation of the School and its community.

## **3. Scope**

Whilst Charity Law applies to all trustees of charities, (ie in the case of Sidcot School, the Governing Body), this policy also applies to Senior Leaders who will have influence over decision-making.

### **Definitions**

**Benefit:** Any instance where money or other property, goods or services are received by a Governor / Senior Leader. The law says that Governors cannot receive a benefit from their charity, whether directly or indirectly, unless they have adequate legal authority to do so – for example by virtue of the Articles of Association. The term 'benefit' does not include the reimbursement of out of pocket expenses as authorised by the expenses policy.

**Conflict of interests:** any situation in which a Governor's or Senior Leader's personal interests (or those of someone connected to them) could, or could be seen to, prevent them from making a decision only in the best interests of the School.

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**Conflict of loyalty:** a particular type of conflict of interests, in which a Governor or Senior Leader's loyalty or duty to another person or organisation could prevent them from making a decision only in the best interests of the School, even although the individual (or anyone connected to them) does not stand to gain any personal benefit.

**Connected person:** includes a Governor's or Senior Leader's spouse or unmarried or civil partner, children, siblings, grandchildren and grandparents, as well as businesses where a Governor's or Senior Leader's family member holds at least one-fifth of the shareholding or voting rights.

**Senior Leader :** Member of the Senior Leadership Team involved in the decision-making process

## **4. Procedure**

### **4.1. Identification and declaration of a (potential) conflict of interests or loyalty**

Upon appointment, each Governor/ Senior Leader will make a full, written disclosure of interests, such as relationships, and posts held, including those of any Connected Person, that could potentially impair their ability to act at all times in the best interests of the School. This written disclosure will be kept on file and will be updated annually by way of a standard declaration, or sooner if appropriate. This is a key element of minimising the opportunities for conflicts to arise.

Any actual or potential conflict of interests must be disclosed at the earliest possible opportunity if it arises (or may potentially arise) during the course of involvement with relevant School activities.

Any Governor / or Senior Leader who is aware of a potential conflict of interests will advise the Chair of Governors as soon as is possible after the receipt of the agenda for any forthcoming Board or Committee meeting, or otherwise when tasked with a particular matter.

Prior to the commencement of each Board Meeting, a standard agenda item will be tabled to enable the declarations of any actual or potential conflicts of interests or loyalty.

If an individual is uncertain whether or not he or she is conflicted, he or she should err on the side of caution and transparency, declaring the issue and discussing it with those present at the meeting.

If an individual is aware of an undeclared conflict of interests affecting another Governor or Senior Leader, or any relevant Connected Person, they should notify the other Governors or the Chair.

Even a perceived conflict of interest could damage the School's reputation and so must be declared and then considered by the Governors who alone may decide whether in fact a conflict exists. The Governor(s) and /or Senior Leader who may be conflicted do not have a say in the Board's decision. This process is essential to maintain transparency and to be able to justify decisions in future.

A failure to disclose a conflict or potential conflict is a serious issue.

In appropriate cases, the advice of the Charities' Commission will be sought.

Examples of conflicts of interests and loyalty can be found at appendix A.

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## **4.2. Process in connection with a conflict of interests.**

Each conflict or potential conflict should be treated on a case-by-case basis. The Governors can decide to avoid a conflict by:

- not pursuing a course of action
- proceeding with the issue in a different way so that a conflict of interests does not arise
- excluding a Governor / [S](#)Senior Leader from a particular decision or process.

A serious conflict of interests could result in securing a Governor's or Senior Leader's resignation.

Serious conflicts of interests include, but are not limited to, those which:

- are so acute or extensive that the Governors are unable to make their decisions in the best interests of the School, or could be seen to be unable to do so;
- are present in significant or high risk decisions of the 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 inappropriate benefit;

Conflicts of interests often arise because a decision involves a potential benefit to an individual or a business of person connected to them. Where this is the case, the benefit must be properly authorised by following the procedure set out in the Articles of Association.

Sidcot's Articles of Association make provision for the remuneration of Governors in limited circumstances, and stipulate when Governors may benefit from contracts for services and goods.

Where the Articles do not cover the situation in hand, and there is a proposed financial transaction between a Governor and the School or any transaction or arrangement involving benefit:

- the benefit must be authorised in advance
- the affected Governor or [S](#)Senior Leader shall withdraw from any part of any meeting where the issue is discussed or decided. The Governor concerned should not be counted when deciding whether a meeting is quorate. Withdrawing from decision-making means withdrawing when the initial discussions and decisions take place, and from any subsequent discussion or decision making on the issue.

## **4.3. Process in connection with a conflict of loyalty**

This process would apply where the Governor or Senior Leader concerned (or any relevant Connected Person) has a conflict of loyalty but would not receive any benefit, and there are no provisions in the Articles of Association or elsewhere which govern the situation.

After the affected Governor / Senior Leader has declared the potential or actual conflict of loyalty, the remaining Governors at the meeting must then decide what level of participation, if any, is acceptable on the part of the conflicted Governor / Senior Leader. Ultimately, it is for the remainder to decide whether withdrawal is in the best interests of the School when this type of conflict has been declared.

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Having registered and fully declared the interest;

- The unconflicted Governors must consider whether it is in the interests of the School to authorise the conflict. This should only apply if the decision concerned is low risk and the situation is authorised by the School's Articles of Association;
- The conflicted Governor / Senior Leader must be absent from the part of the meeting at which there is discussion of any arrangement or transaction in respect of which the conflict has been declared and a decision made as to the level of participation of the individual concerned, if any;
- The conflicted Governor may not be counted when deciding whether a quorum of Governors is present at the meeting

In deciding which course of action to take, Governors and Senior Leaders:

- must always make their decisions only in the best interests of the School;
- must always protect the School's reputation and be aware of the impression that their actions and decisions may have on those outside the School;
- must always be able to demonstrate that they have made decisions in the best interests of the School and independently of any competing interest (s);
- must require the withdrawal of the affected Governor / Senior Leader from any decisions where their other interest is relevant to a high risk or controversial decision or could significantly affect, or could be seen to significantly affect, effective decision - making at the School;
- must be aware that the presence of a conflicted Governor or Senior Leader can affect trust between the remaining Governors, could inhibit free discussion and might influence decision making in some way.

## **5. Record conflicts of interests.**

A record, usually forming part of the minutes, must be made of all discussions in connection with a conflict of interests, to include the following:

- the nature of the conflict
- which Governor / senior manager was affected;
- whether any conflicts of interests were declared in advance;
- an outline of the discussion;
- whether anyone withdrew from the discussion;
- what was decided and why it was in the best interests of the School.

## **6. Data Protection**

The information provided as part of the conflict of interests declaration will be processed in accordance with data protection principles as set out in the Data Protection Act 2018 and General Data Protection Regulation 2016 (GDPR) . Data provided in relation to declarations of conflict will be processed only to ensure compliance with this policy and its principles. It will be retained in accordance with the School's retention schedule and will not be used for any other incompatible purpose.

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## **7. Legal framework**

Companies Act 2006

Charities Act 2011

## **8. Relevant Policies**

Recruitment of Governors Policy 9.13a

Code of Conduct for Governors

## **9. Appendix A**

Examples of conflicts of interests include:

- a. A Governor/Senior Leader who is also a parent of a child enrolled at Sidcot is faced with a decision in a committee meeting regarding whether fees for users should be increased (conflict of interest).
- b. A Governor/Senior Leader who is related to a member of staff where there is decision to be taken on staff pay and/or conditions at a committee meeting (depending on the nature of the relationship this will amount to either a conflict of interest or conflict of loyalty).
- c. A Governor/Senior Leader who is also on the committee of another organisation that is competing for the same funding (conflict of loyalty).

## **10. Monitoring and Review**

This policy will be reviewed every 2 years on in the light of any revised guidance, legislation or any incident.

## **11. Document Change History**

Date of change	Detail significant changes and any new legislation / guidance taken into account
21 June 2019	First draft of policy. Adopted by Board
6 June 2024	Minor wording amendments