

St Mary's School, Hampstead (the "School")

Conflicts of Interests Policy (the "Policy")

1. Application and Aims of the Policy

1.1 The Policy applies to all Trustees, Governors and Key Management Personnel of the School.

1.2 The School is a charity, which is required to comply with SORP 2015 (FRS 102) with regard to conflicts of interest and related party transactions. This requires that no Trustee, Governor, other Key Management Personnel or related individual or organisation uses their connection to the School for personal gain.

'Key Management Personnel' is a term used by FRS 102 for those persons having authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any director (whether executive or otherwise) of the charity. This definition includes trustees and those members of staff who are the senior management personnel to whom the trustees have delegated significant authority or responsibility in the day-to-day running of the charity.

1.3 Furthermore, the Trustees have a legal obligation to act in the best interests of the School and in accordance with the School's articles of association and to avoid situations where there may be a potential conflict of interest. The Governors of the School have similar obligations.

1.4 Conflicts of interests may arise where an individual's personal or family interests and/or loyalties could – or could be seen to - conflict with those of the School. Such conflicts may create problems as, for example, they can inhibit free discussion and/or result in decisions or actions that are not in the interests of the School.

1.5 The aim of the Policy is to protect the School, Trustees, Governors and other Key Management Personnel from any appearance of impropriety.

1.6 In order to do this the Trustees, Governors and other Key Management Personnel will:

- 1) Identify, declare and record conflicts of interest
- 2) Prevent any conflict of interest from affecting the decision
- 3) Disclose conflicts of interests, and any payments and benefits

1.7 This Policy applies only to Relevant Interests, which are any interests where an actual or potential conflict exists or where there is a possibility that a conflict may be perceived to exist. Interests where there is no, or a remote, possibility that a conflict might exist need not be disclosed.

2. Disclosure of Conflicts of Interest

Identifying conflicts of interest

- 2.1 The School expects Trustees, Governors and other Key Management Personnel to be able to identify any actual or potential conflicts – or perceived conflicts – of interest when they arise and to ensure, if they receive a benefit as a result of any conflict of interest, that the benefit has been properly authorised.
- 2.2 A conflict of interest may arise under a Trustee Contract (as defined below) or otherwise. Interests may be financial or non-financial; direct or indirect. Certain examples are provided below, which apply equally to Trustees, Governors and other Key Management Personnel. It is not possible to define all the circumstances in which a conflict of interest may arise, therefore it is the responsibility of each individual to declare any matters which they feel may present actual or potential conflicts, or the perception of such conflicts.
- 2.3 **Direct financial benefits or interests** include, for example, the engagement of a Trustee by the School as an employee, consultant or advisor, or the situation where a company of which the Trustee is a director or shareholder may be considered for a contract by the School. Other matters of financial interest include the sale of land or the use of the Trustee’s property by the School.
- 2.4 **Indirect financial interests** may arise where such potential financial benefits accrue to a close family member or a friend, business partner or colleague, where their finances are interdependent (for example, joint bank accounts, mortgages or property held in joint names, one party financially dependent on the other, employer/employee/contractual relationship) or where it could otherwise be perceived that such benefits could lead to a conflict of interest.
- 2.5 **Non-financial interests**, direct or indirect, may arise where the Trustee/Governor/Key Management Personnel or a member of their family is using the School’s services, particularly if such use is exceptional. However, it is not necessary to declare benefits from the School which are available to all or which are of such limited value as to be unlikely to influence the decisions of a Trustee or Governor.
- 2.6 **A conflict of loyalty** could arise where an individual may have, or be perceived to have, competing loyalties between the charity to which they owe a primary duty and some other person or entity. For example, this could arise when an individual (or a close family member) works at, or their child attends, a competitor school.

Declaration of interests

- 2.7 Trustees, Governors and other Key Management Personnel each have an individual personal responsibility to declare conflicts of interest which may affect them.
- 2.8 To assist in identifying any actual or potential conflicts of interest, prior to their appointment, any prospective Trustee, Governor or other Key Management Personnel must complete a declaration of interests form (a copy of which is appended to the Policy). As part of the School’s due diligence on

a potential new Trustee or Governor, information in the public domain (such as Companies House and professional networking sites such as LinkedIn) will also be scrutinised to identify whether any conflicts or potential conflicts may exist.

- 2.9 Any possible conflict of interest of a prospective Trustee or Governor, which has been identified on a declaration of interests form, will be disclosed to those persons entitled to vote on that individual's election so that it can be taken into account when voting.
- 2.10 All Trustees, Governors and other Key Management Personnel are required to complete a declaration of interests form annually.
- 2.11 In addition there will be an agenda item at all meetings of the Trustees, Governors and their committees to allow declarations of interest to be made at the beginning of the meeting.
- 2.12 Each individual is responsible for ensuring that the information provided on their declaration of interests form remains complete and correct. If any individual is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and/or discussing it with the chairman. If in any doubt, it is always better to make a declaration.
- 2.13 Each Trustee and Governor's legal duty to act only in the best interests of the charity means in practice that those individual Trustees or Governors who fail to declare any conflicts of interest will fail to comply with their legal duties. Staff who fail to declare interests may be subject to disciplinary procedures.

Management of conflicts of interest

- 2.14 A Trustee or Governor who has an interest which conflicts, or may conflict, with the interests of the School shall not be counted towards the quorum of any meeting of the Trustees or Governors (as appropriate), or be permitted to vote on a resolution, concerning that matter save as set out in the School's articles of association from time to time. The Trustees or Governors will determine, when a conflict has been declared, whether it is appropriate for that individual to:
 - (a) provide information to the meeting to inform a discussion and help it make a decision and/or participate in any discussion relating to the decision;
 - (b) remain in the meeting when the decision is discussed or withdraw.

The default position is expected to be for the individual to provide relevant information and then withdraw from the decision making process, unless the Trustees and Governors determine otherwise, in which case the reason for allowing greater participation shall be included in the minutes.

- 2.15 The minutes of any meeting of the Board of Trustees or Board of Governors at which a conflict of interest (whether in connection with a Trustee Contract or otherwise) is considered will record:
 - (a) the nature and extent of the conflict;

- (b) which trustees were affected;
- (c) whether any conflicts of interest were declared in advance;
- (d) an outline of the discussion;
- (e) whether anyone withdrew from the discussion; and
- (f) how the Trustees or Governors took the decision in the best interests of the charity.

2.16 The Board of Governors will report any declarations of interest made to them to the Board of Trustees as soon as reasonably practicable.

Disclosure

2.17 The Board of Trustees will maintain a register of interests of the Trustees, Governors and other Key Management Personnel, so that any actual or potential conflicts of interest can be identified more easily. The register of interests will be regularly updated and will include the name of the Trustee/Governor, the nature and extent of his interest and whether such interest is current. The register will be accessible to all Trustees and Governors and any other person as determined by the Board of Trustees from time to time.

2.18 Details or any payments and other benefits, together with the register of interest, will be identified to the School's auditors and, unless considered trivial in the opinion of the Trustees and the auditors, disclosed in the Annual Report and Financial Statements of the Charity.

3. Trustee Contracts

3.1 All of the terms and conditions of any contract under which it is proposed that the School may employ, or on which the School may enter into any other transaction or arrangement with, a Trustee or Governor shall be in writing (a "**Trustee Contract**").

Disclosure of Trustee Contracts

3.2 The terms and conditions of any proposed Trustee Contract shall be disclosed at a meeting of the Trustees for approval by the Board of Trustees prior to the School's entry into the Trustee Contract.

3.3 A Trustee or Governor shall declare the nature and extent of any interest (whether direct or indirect) in a proposed transaction or arrangement with the School pursuant to a proposed Trustee Contract before the School enters into the transaction or arrangement at a meeting of the Trustees or Governors (as appropriate) or in writing to the Board of Trustees.

3.4 The existence, nature and extent of any interest pursuant to a Trustee Contract shall be included in the register of interests and included in the individual's annual declaration of interests.

3.5 Copies of all Trustee Contracts together with the minutes of the Trustees meeting approving the Trustee Contract shall be kept by the Board of Trustees.

- 3.6 All Trustee Contracts and payments made there under shall be recorded in the records of the School and shall be made available to the School's auditors and included in the Annual Report and Accounts in accordance with Charities SORP.

Quorum and voting on Trustee Contracts

- 3.7 A Trustee who is a party to a Trustee Contract shall not be counted towards the quorum or be permitted to vote on a resolution relating to his Trustee Contract save as set out in the School's articles of association from time to time.

Number of Trustee Contracts

- 3.8 The number of Trustees or Governors employed under a Trustee Contract shall not exceed a total of two at any time.

Payments under Trustee Contracts

- 3.9 Payments to Trustees or Governors shall only be made in accordance with a Trustee Contract.
- 3.10 Unless the Board of Trustees determines otherwise, any Trustee Contract which provides for payments to a Trustee or Governor above a limit to be set by the Board of Trustees from time to time shall be subject to competitive tender.

Factors to consider before approving a Trustee Contract

- 3.11 A Trustee Contract shall not be made if the terms and conditions could be performed voluntarily by others to the same standard without disadvantage or inconvenience to the School.
- 3.12 The Trustees shall consider the following in relation to any Trustee or Governor before approving or ratifying a Trustee Contract:
- (a) any special skill or knowledge of a Trustee or Governor or others who could fulfil the same duties;
 - (b) the amount of compensation to be paid to a Trustee or Governor;
 - (c) the amount of compensation that would be payable to a person who is not a Trustee or Governor if employed on the same terms (save as to compensation) under the Trustee Contract in question;
 - (d) how and by whom performance of duties under a Trustee Contract will be monitored and payment authorised and what if any additional inspection or audit facilities they shall require; and
 - (e) whether there is appropriate provision in the Trustee Contract or otherwise to meet liabilities and risks to which the School may be exposed under or in connection with the Trustee Contract in question.

Managing and monitoring Trustee Contracts

- 3.13 A Trustee or Governor must not be involved in managing or monitoring a Trustee Contract relating to them. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

Disclosure

- 3.14 Details of any payments and other benefits to any trustees or connected persons - including family members and businesses – under a Trustee Contract will be disclosed at the next available meeting of the Trustees or Governors and recorded in the minutes.
- 3.15 Details of any payments and other benefits, together with the register of interest, will be identified to auditors and, unless considered trivial in the opinion of the Trustees and the auditors, disclosed in the Annual Report and Financial Statements of the Charity.

4. Trustee or Governor's expenses

- 4.1 Trustees and Governors may incur costs in fulfilling their duties, for example in travelling to meetings or visiting the School or other locations or activities to understand or monitor what is taking place or attending relevant training. The reimbursement of properly incurred expenses is not considered a payment for goods or services or remuneration, nor does it count as any kind of personal benefit.

Managing and monitoring Trustee and Governor's expenses

- 4.2 Expenses reimbursed to Trustees and Governors must be accompanied by invoices/receipts to support the claim. A list of all reimbursements made to Trustees and Governors will be presented to the Treasurer every term for review. The Treasurer will ensure that any large or unusual amounts are brought to the attention of the chairman of the Board of Trustees and if considered appropriate, disclosed at the next available meeting of the Trustees.

Disclosure

- 4.3 Any expenses claimed and/or reimbursed by the School will be disclosed as required under SORP 2015 (FRS 102).

5. Monitoring and Publication of Policy

- 5.1 In the event of any query relating to the terms of the Policy, or any suspected breach, Trustees, Governors and other Key Management Personnel should consult the Chair of Trustees in confidence in the first instance (or such other person as is notified to the Trustees and the Governors for this purpose by the Chair of Trustees, who will refer the matter to the Board of Trustees, the Board of Governors and/or any professional adviser as they deem necessary).
- 5.2 A copy of the Policy shall be provided to all new Trustees and Governors from time to time, as soon

as reasonably practicable, who shall each be required to acknowledge receipt and confirm their understanding of its terms and their responsibilities and duties hereunder.

5.3 In the interests of transparency, a copy of the Policy shall be published on the School's website.

6. Adoption and review

6.1 This Policy was first adopted by the Board of Trustees at a meeting held on 30 June 2010 and was amended on 28 November 2018.

6.2 It will be reviewed annually by the Trustees.

Latest review date: June 2020

Next review date: Summer term 2021

I hereby acknowledge receipt of a copy of the Policy and confirm that I have read and understood its terms and my responsibilities and duties there under.

Signed:

Position:

Date:

Declaration of Interests Form

I, as Trustee/Governor/Key Management Personnel* (*delete as appropriate) of St. Mary’s School, Hampstead (“the School”) have set out below my Relevant Interests in accordance with the Conflicts of Interest Policy. Relevant Interests are any interests where an actual or potential conflict exists or where there is a possibility that a conflict may be perceived to exist. Interests where there is no, or a remote, possibility that a conflict might exist need not be disclosed.

Category	<i>Please give details of the interest and whether it applies to:</i>	
	<i>Yourself</i>	<i>A member of your immediate family or some other close personal connection</i>
Current and previous employment in which you continue to have a financial interest.		
Appointments (voluntary or otherwise) e.g. trustee, director, councillor, tribunal panel member, etc		
Membership of any professional bodies, special interest groups or mutual support organisations.		
Investments in unlisted companies, partnerships and other forms of business, major shareholdings (each representing more than 5% of issued share capital) and beneficial interests		
Gifts or hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months.		
Any contractual relationship with the charity or its subsidiary.		
Do you use the services of the School or are you the parent, guardian or close relative of such a beneficiary.		
Any other conflicts that are not covered by the above.		

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed:

Position:

Date:
