



# RICKMANSWORTH SCHOOL

## Pecuniary Interests Policy

|                                |                     |
|--------------------------------|---------------------|
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## **OVERVIEW**

### **Purpose**

The purpose of this policy is to set out how the school manages pecuniary and business interests.

A reference copy of this document is kept on the shared drive and it will be brought to the attention of all members of staff.

### **Review Process**

This document will be reviewed in accordance with our policy review process every three years or on the introduction of new or amended relevant legislation.



**Tony Walker**  
**CHAIR OF GOVERNORS**



**Matthew Fletcher**  
**HEADTEACHER**

## 1. Introduction

- 1.1. This Policy sets out the Framework for ensuring that the decisions and decision-making processes at Rickmansworth School are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected to the school.
- 1.2. Members, Governors and employees of the School have an obligation to act in the best interests of the School and in accordance with its Articles of Association in order to avoid situations where there may be a conflict of interest.
- 1.3. Situations may arise where family interests or loyalties conflict with those of the School. They may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of the School and risk the impression that the School has acted improperly.
- 1.4. The aim of this Policy is to ensure that:
  - a. Every Member, Governor and employee understands what constitutes a conflict of interest and that they have a responsibility to identify and declare any conflicts that might arise.
  - b. Every potential conflict of interest is identified, prevented and recorded, ensuring that the conflict does not affect the decision-making of the School.

## 2 Definition of a Conflict of Interest

- 2.1 Rickmansworth School adopts the guidance of the Charity Commission, which advises that a conflict of interest is any situation in which a relevant individual's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the School.
- 2.2 Conflicts of interest usually arise where either:
  - there is a potential financial or measurable benefit directly to a relevant individual, or indirectly through a connected person; or
  - a relevant individual's duty to the School may compete with a duty or loyalty they owe to another person or organisation. An example of a conflict of interest would be where a Director or Governor (or a close relation of such) is a sole proprietor or partner in a supplier from which the School could make purchases and the Director or Governor is involved with the selection of suppliers.

- 2.3 To avoid repetition within this document, the phrase ‘Relevant Individuals’ is used to include all Members, Directors, Governors, Staff (including Clerks) and Senior Staff (members of the Senior Leadership Team).

### **3 Background and Statement of Intent**

- 3.1 Rickmansworth School’s Members, Governors and Staff have an obligation under both company and charity law to act in the best interests of the School and in accordance with its regulatory documents. In addition, the School is subject to rules and regulations in relation to transactions with connected parties.

In general terms, connected parties include family, relatives or business partners of a Relevant Individual as well as businesses in which a Relevant Individual has an interest through ownership or influence. Situations may arise where personal, private or family business and pecuniary interests conflict with those of the School. This may create tensions, inhibit free and open discussion and result in decisions or actions that are not in the interests of the School. It is vital that the decision-making processes, decisions and the application of decisions at the School are, and are seen to be, free from personal or other bias such that the School is not laid open to criticism, challenge or reputational damage. In spending public money, it is imperative that Relevant Individuals do not benefit personally from the decisions that they make. To this end, all Relevant Individuals are required to declare any business and pecuniary interest which leads to, or may potentially lead to, a conflict of interest and, wherever possible, to avoid situations in which there is or may be a conflict of interest.

Declarations of business and pecuniary interests are recorded in a Register of Business and Pecuniary Interests. Any financial transactions between the School and related parties are required by legislation to be disclosed in the School’s published audited accounts each year. The School seeks to identify conflicts of interest and take appropriate action to prevent them from affecting any decisions made, such that the best interests of the School are safeguarded.

- 3.2 This policy sets out the framework for ensuring that decisions are made in the best interests of the School, free from personal or other bias and do not unfairly favour any individual or organisation connected with the School, in line with its legislative context. It intends to
- Ensure that every Relevant Individual understands what the School considers to constitute a conflict of interest or a potential conflict of interest;

- Ensure that every Relevant Individual understands that they have a responsibility to identify and declare any business or pecuniary interest that might arise;
- Ensure that every Relevant Individual formally records in the School's Register of Business and Pecuniary Interests the interest and their responsibility to take any necessary actions to ensure that the interest does not affect the decision-making of the School.

## **4 Register of Business and Pecuniary Interests**

- 4.1 The Register of Business and Pecuniary Interests is maintained by the Director of Finance & Business Operations (in the case of Members and Governors), and HR Officer (in the case of relevant Senior Staff).
- 4.2 In the case of Members and Governors, the Register is also published on the School website in accordance with the requirements of the Academies Financial Handbook.

## **5 Identifying Conflicts of Interest**

- 5.1 Relevant Individuals are expected and required to identify and declare formally all interests that might conflict with the interests of the School. Those failing to identify and declare any conflicts of interest will fail to comply with their personal legal responsibility to avoid conflicts of interest and act only in the best interests of the School. Examples of interests which should be declared include, but are not limited to, the following:
  - Being an employee, director, advisor or partner of another business or organisation;
  - Holding another public office;
  - Trusteeships and governorships at other institutions and charities;
  - Significant shareholdings;
  - Owning a debt to someone/an organisation;
  - Appointments of influence or control within a business or organisation;
  - Being a member of a club, society, group, collective, co-operative or association whether business, professional, recreational, sporting, political, religious or social;

- Having received a gift, hospitality or other benefit from someone/an organisation;
  - Having a professional, legal or moral obligation to someone else;
  - Being a spouse, partner, relative or close friend, or business or private associate of someone who has one of these interests.
- 5.2 A relative is defined as a close member of family or a member of the same household, who may be expected to influence, or be influenced by, the Relevant Individual. This includes, but is not limited to, a child, grandchild, parent, sibling, spouse, civil partner or cohabitee.
- 5.3 Having a professional, legal or moral obligation to someone else would include, but is not limited to, disclosure of close family relationships between Relevant Individuals and between Relevant Individuals and other School employees.
- 5.4 Significant shareholdings include companies in which the Relevant Individual or relative of the Relevant Individual (taken separately or together) holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company. However, in the case of a company which has shares listed on a recognised stock exchange, an interest must be declared where a Relevant Individual holds more than 1% of the issued capital.
- 5.5 An organisation is influenced or controlled by the Relevant Individual or relative of the Relevant Individual (taken separately or together) if that individual is able to secure that the affairs of the body are conducted in accordance with the individual's wishes.
- 5.6 It is only expected that such interests would be declared if they might conflict with the interests of the School e.g. links with firms or organisations from which the School may wish to buy goods or services; the ownership of shares in or the owing of a debt to a company that does, or might, supply goods and services to the School.

## **6 Declaring a Conflict of Interest**

- 6.1 It is expected that conflicts of interest are identified and declared at an early stage. If an interest is not declared immediately for any reason, there is a legal and moral obligation to declare such an interest at a later date as soon as the Relevant Individual becomes aware that it has become an interest that might conflict with the interests of the School and/or might influence their involvement in and/or the conduct of and/or outcome of discussions or decisions being made by the School.

- 6.2 All Relevant Individuals are required to keep an updated entry record of any conflicts or potential conflicts of interest in the School's Register of Business and Pecuniary Interests.
- 6.3 The Register shall be circulated to all Relevant Individuals annually or more frequently on request. In the case of Members and Governors, the Register is also published on the School website in accordance with the requirements of the Academies Financial Handbook. All Relevant Individuals undertake to review the Register and to draw attention to any potential conflicts of interest which they consider have been omitted or overlooked by any Relevant Individual. If in doubt about whether or not there is a conflict of interest, there should be a presumption to include it on the Register.
- 6.4 All Relevant Individuals are obliged to complete and sign a declaration of their business and pecuniary interests even if their declaration is 'None'.
- 6.5 All formal meetings of the School have a standard agenda item at the beginning of each meeting to enable any actual or potential conflicts of interest to be declared. Relevant Individuals are required to declare any interest which they have in an item to be discussed at the earliest opportunity and before any discussion of the item itself.
- 6.6 If a Relevant Individual is uncertain whether or not they have a conflict of interest, they should declare the issue and discuss it with the meeting.
- 6.7 If an individual is aware, or becomes aware, of an undeclared conflict of interest affecting themselves or any other Relevant Individual, they should notify the meeting immediately.
- 6.8 Members, governors and senior leadership team members should complete the form at Appendix 1 at least annually. It is the responsibility of members, governors and the senior leadership team to keep the log updated.
- 6.9 All members of staff should complete Appendix 2 (Declaration of Business and Pecuniary Interests - School Staff) annually.

## **7 Managing Conflicts of Interest**

- 7.1 All Relevant Individuals must consider their conflicts of interest such that any potential effect on decision-making is eliminated and must follow the legal or governing document requirements on how conflicts of interest must be handled.

- 7.2 In serious cases, Relevant Individuals may decide that removing the conflict of interest itself is the most effective way of preventing it from affecting decision-making. Serious conflicts of interest include, but are not limited to, those which:
- are so acute and extensive that the individual is unable to contribute to a decision 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 School
  - 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 personal gain or benefit.

## **8 The Decision-making Process**

- 8.1n Charity law states that Directors can only benefit from the School where there is an explicit authority obtained in advance. Authority is required where there is the possibility of benefit, therefore it is imperative that there is proper authority for any situation where a Director could benefit, irrespective of whether there is any actual benefit to the Director. The School seeks to ensure that proper procedures are in place to authorise benefits or potential benefits to all Relevant Individuals.
- 8.2 Where there is a proposed financial transaction between the School and a Relevant Individual, or any transaction or arrangement which confers a benefit to the Relevant Individual, which does not contravene the School's governing documents:
- the benefit must be authorised in advance by the Finance & Audit Committee. If there is no Finance & Audit Committee meeting planned within the time frame of authorisation required, then the Chair of the Finance & Audit Committee and one other member of this Committee can be contacted to authorise the benefit. Where the Relevant Individual is the Chair of the Finance & Audit Committee, then the Chair of the Board plus one other member of the Finance & Audit Committee must authorise the benefit. Where the Relevant Individual is a Governor, it may be necessary to obtain the prior written approval of the Charity Commission in accordance with Article 6.6 depending on the nature of the benefit e.g. property transactions.
  - the Relevant Individual must absent him/herself from any part of the meeting in which the issue is discussed or decided.

- the Relevant Individual must not vote or be counted as part of the quorum for the matter.

8.3 Where there is a conflict of loyalty and the Relevant Individual does not stand to gain any benefit and the School's governing documents do not specify how the conflict of loyalty must be handled, the Relevant Individual should declare the interest which should be duly registered and the rest of the meeting must then decide the acceptable level of participation of the Relevant Individual. The options may include, but are not limited to, the decision to:

- allow the Relevant Individual to participate in the decision;
- allow the Relevant Individual to remain in the meeting where the decision is discussed but not participate;
- require the Relevant Individual to absent him/herself from the part of the meeting in which the issue is discussed or decided.

8.4 When deciding which course of action to take regarding the conflict of loyalty, the following must be borne in mind:

- the decision must be made only in the best interests of the School and be demonstrably so;
- the conflict must pose no risk or low risk to the decision-making being made in the best interests of the School;
- due regard to the protection of the School's reputation must be paid and the impression given to those outside the School;
- the presence of a conflicted individual could affect School between participants of the meeting and inhibit free discussion or influence decision-making.

## **9 Records of proceedings**

- 9.1 Minutes should record details of any and all discussions on potential conflicts of interest and the decisions made.

## **10 Confidentiality**

- 10.1 Relevant Individuals must not use information obtained directly or indirectly at or from the School for their own benefit (financial or otherwise) or the benefit of another individual, entity or organisation. All information obtained shall be deemed to have been obtained in confidence.

## **11 Monitoring and enforcement**

- 11.1 The School's Audit & Finance Committee will monitor proceedings to ensure that any conflicts of interest are identified and mitigated as soon as possible.
- 11.2 Any Relevant Individual who fails to declare an interest and is found to be acting not in the best interests of the School will be required to explain the reasons for their omission and may face appropriate disciplinary action.

## **12 Policy circulation**

- 12.1 This policy will be circulated to every Relevant Individual.
- 12.2 The Conflict of Interests Policy will be published on the School's website and be reviewed in accordance with the Policy Approval Schedule

## Appendix 1 - Declaration of pecuniary and personal interest – Governors and Senior Leadership Team

**Name:**

.....

**School:**

.....

**Position:**

.....

I [Name], declare as a Governor/Staff of Rickmansworth School that I hold the following personal and/or pecuniary interest(s):

| <b>Pecuniary interests</b>  | <b>Please provide details of the interest</b> |
|---|---|
| Current employment  |   |
| Businesses (of which I am a partner or sole proprietor)   |   |
| Company directorships – details of all companies of which I am a director   |   |
| Charity Trusteeship – details of all companies of which I am a Trustee  |   |
| Membership of professional bodies, membership organisations, public bodies or special interest groups of which I am a member and have a position of general control or management |   |
| Gifts or hospitality offered to you by external bodies while acting in  |   |

|   |  |
|---|--|
| your position as a governor/Trustee and whether this was declined or accepted in the last 12 months |  |
| Contracts offered by you for the supply of goods and/or services to the School/school               |  |
| Any other conflict  |  |

| Personal interests   | Name | Relationship to me | Organisation | Nature of the interest |
|--|------|--------------------|--------------|------------------------|
| Immediate family/close connections to governor/Trustee                               |      |                    |              |                        |
| Company directorships or Trusteeship of family/close connections to governor/Trustee |      |                    |              |                        |

**If you are a governor or Trustee of any other schools and/or academies, please provide details below:**

**Name of school/academy:** .....

**Position held:** .....

**Date appointed/elected to post:** .....

**Date of termination to post:** .....

To the best of my knowledge the information supplied above is correct and complete. I understand that it is my responsibility to declare any conflict of interest/loyalty, business or personal that relates directly or indirectly, to myself or any relation in any contract, proposed contract or other matter when present at a meeting at the school where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it.

I agree to review and update this declaration annually and give consent for the information provided to be used in accordance with the School/school's conflicts of interest policy.

Business interests/nil returns of school staff may be omitted from the published copy unless they are also governors or the Headteacher, in which case they must be included in the published copy.

**Signed:** .....

**Date:** .....

### **Guidance notes**

In the notes below “member” means a member of the School, Rickmansworth School. “Governor” is used for governor/director/Trustee.

Governors and Trustees have a legal duty to act only in the best interests of their schools. Where a situation arises in which they cannot do this due to a personal interest they have, steps should be taken to identify, prevent and record the conflict. This ensures governors or Trustees are acting in the best interests of the school.

In the declaration above, you must provide details relating to:

- Ø Your ownership or partnership of a company or organisation which may be used by the School/school to provide goods or services;
- Ø Goods or services you offer which may be used by the School/school;
- Ø Any close relation you have to someone who satisfies either of the above;
- Ø Any close relationship you have to someone who is employed by the School/school.

Declaring your conflicts of interest is a legal requirement within the School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 and for academies, in the Articles of Association and Academies Financial Handbook. However, making an annual declaration does not remove your requirement to make an oral disclosure of the interest and temporarily leave the meeting, where the interest is relevant to something being discussed.

### **Pecuniary interests**

Generally, governors should not participate in any discussions in which they may directly or indirectly benefit from a pecuniary interest, except where the relevant authority has authorised this i.e. legislation for maintained schools or articles of association for academies. A direct benefit refers to any personal financial benefit and an indirect benefit refers to any financial benefit you may have by virtue of a relationship to someone who stands to gain from a decision of the governing board. Both direct and indirect interests must be declared.

### **Non-pecuniary interests (Conflicts of loyalty)**

There may be a non-pecuniary interest whereby the governor does not stand to gain any benefit but a declaration should still be made. For example, this might be where a governor has a family member working in the school. While the governor might not benefit personally, their judgment could be impaired if something was brought up that would affect the family member.

### **Handling the conflict**

The governing board must make a decision as to whether or not they should take steps to remove the conflict by:

- Not pursuing the course of action it relates to; or
- Proceeding with it in an alternative way which does not give rise to conflict; or
- Not appointing the governor in question or seeking to secure their resignation.

In the minutes of the meeting, the following should be recorded:

- The nature of the conflict;
- Which governor(s) it relates to;
- Whether a declaration was made in advance of the meeting;
- A brief overview of what was discussed;
- Whether the governor(s) withdrew from the meeting;
- How the governors made the decision in the best interests of the school.

The School and Early Years Finance (England) Regulations 2013 provide for local authority financing schemes to keep a register of pecuniary interests for the Trustees, governors and staff of schools. The register should be reviewed annually by the clerk to the governing body but any new interest or ceased interest, should be reported to the clerk as and when they occur. Upon completion, this signed form should be given to the clerk of governors whose responsibility it is to keep a register of all interests and review it annually. You can find NGA's model conflict register on the [NGA's website](#).

The Charity Commission has produced [guidance on dealing with conflicts of interests](#) which may be useful, even for schools that do not have charitable status.

## Appendix 2 - Declaration of Business and Pecuniary Interests School Staff

|  |  |
|--|--|
| SCHOOL NAME: <b>Rickmansworth School</b> |  |
|--|--|

|                |  |
|----------------|--|
| STAFF NAME     |  |
| DATE OF ENTRY: | DATE OF ANNUAL REVIEW: <b>September [year]</b> |

Description of Interest:

*E.g.: additional employer of employee; family member employed by a likely or potential school supplier/supply agency; family member working in education/employed by same employer/working for local authority, directorships, shareholdings etc.*

**If no declaration please write none.**

|   |              |
|---|--------------|
| <p>I certify that I have declared all beneficial interests which I (or any persons closely connected with me) have with businesses or other organisations which may have dealings with the school</p> <p>SIGNATURE:</p> | <p>DATE:</p> |
|---|--------------|

