

HASMONEAN MULTI-ACADEMY TRUST

HASMONEAN



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CONFLICTS OF INTEREST POLICY

Monitoring and Review

The Policy was approved by the Trustees as follows-	
The Trust Board	Date: October 2021
Frequency of review: Every 2 years	Next review date*: October 2023

*Please note that should any further national guidance be issued by external agencies that are relevant to this policy, it will be updated accordingly prior to the review date shown above and re-circulated.

Summary of changes at last review:

- Hasmonean's conflicts of interest policy was replaced with a new policy to reflect Hasmonean's current governance and leadership structure and to bring Hasmonean's conflicts procedure in line with statutory requirements and the provisions in its Articles of Association.

The Hasmonean Multi-Academy Trust Board of Trustees has agreed to this Policy and, as such, it applies to all Schools within Hasmonean.



Chief Executive Officer



Chair of Trustees

1. Purpose, scope and definitions

- 1.1. This document (the “**Policy**”) sets out the principles for managing potential and actual conflicts of interests and duty affecting the Trustees, Members, members of Local Governing Bodies appointed by the Trustees (“**Local Governors**”), members of any committee appointed by the Trustees (“**Committee Members**”), holders of an executive office exercising delegated powers, and members of the senior leadership teams of Hasmonian Multi Academy Trust (“**Hasmonian**”). Its purpose is to enable such persons to ensure open and proper management of any particular conflict.
- 1.2. The main duties relating to the management of conflicts of interest fall to the Trustees. However, there are also requirements on the Members, Local Governors, Committee Members, holders of an executive office exercising delegated powers and members of the senior leadership team and further detail is provided below.
- 1.3. Trustees, Members, Local Governors, Committee Members, holders of an executive office exercising delegated powers and members of Hasmonian’s senior leadership team shall be collectively referred to in this Policy as “**Relevant Persons**”, each a “**Relevant Person**”.
- 1.4. The articles of association (“**Articles**”) of Hasmonian set out some procedures in relation to conflicts of interest. This Policy should be read in conjunction with the Articles, and relevant provisions in the Articles take precedence over this Policy. Capitalised terms used and not otherwise defined in this Policy shall have the meanings given to them in the Articles of Hasmonian.

2. Background

- 2.1. Hasmonian is a charitable company limited by guarantee and governed by its Articles. The Trustees of Hasmonian are both company Directors and charity trustees.
- 2.2. Trustees have a legal duty to act only in the best interests of Hasmonian and in accordance with the Articles, its policies and the laws that apply to it. This will include any additional requirements of the funding agreement with the Secretary of State and the academies financial handbook. They are expected to act impartially and objectively, and to take steps to avoid conflicts of interest or duty. In particular, they must not place themselves in a position where they have, or may have, a direct or indirect interest that conflicts with their duties as a charity trustee and must not profit from their position as a charity trustee. These obligations derive from the general fiduciary duties owed by charity trustees and the Companies Act 2006, which sets out specific requirements in relation to conflicts of interest.
- 2.3. Conflicts inhibit free discussion, may result in decisions that are not in the best interests of Hasmonian and risk giving the impression that the Trustees have acted improperly. The Charity Commission considers it good practice for charity trustees to implement a conflicts of interest policy. The Commission’s guidance for charity trustees on conflicts of interest is available on its website at: <https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>.
- 2.4. Conflicts can come in all shapes and sizes. The Trustees should be alive to this, and each Trustee has a responsibility to identify where there may be a conflict in relation to themselves or a person connected to them.
- 2.5. Members, Local Governors, Committee Members, holders of an executive office exercising delegated powers, and members of Hasmonian’s senior leadership team should also be mindful of the responsibilities they have in relation to identifying and declaring conflicts.
- 2.6. This Policy is not intended to inhibit the normal course of business. While recognising that identifying and managing conflicts is very important, the Trustees wish to deal with them in a way which recognises the materiality of the risk that a particular conflict may pose to the best interests of Hasmonian.

3. What is a conflict of interest?

- 3.1. A conflict of interest is any situation in which a Relevant Person's personal interests or loyalties could, or could be seen to prevent that person from making a decision only in the best interests of Hasgonean. A conflict of interest exists even where there is the possibility that a Relevant Person's personal or wider interests could influence that Relevant Person's decision making.
- 3.2. A conflict of interest may also arise as a result of circumstances affecting a person connected with a Relevant Person. "Connected persons" would include individuals who are family members and other bodies in which the Relevant Person or his / her family members have certain interests. Connected persons are fully explained at paragraph 10.2 and **Appendix 1**.
- 3.3. Trustees, as Directors of the company, are also subject to a number of statutory duties which are set out in the Companies Act 2006. One of these statutory duties is to avoid actual and potential conflicts of interest. The duty to avoid conflicts also arises under charity law.
- 3.4. Importantly, as the duty extends to avoiding *potential* conflicts, conflicts should be declared in advance; Relevant Persons should not wait until a situation of conflict has actually arisen. As a result, Relevant Persons need to be conscious of conflicts at all times.
- 3.5. Relevant Persons should consider whether there is anything, or any connection, which could potentially divert their minds from giving sole consideration to promoting the success of Hasgonean.

4. Types of conflict

- 4.1. A conflict will typically arise where a Relevant Person has:
 - a conflict of loyalty or duty; and/ or
 - a personal interest (i.e. monetary interest) in a proposed transaction. This is often referred to as a 'Trustee Benefit' (in relation to Trustees) or a 'Related Party Transaction'.
- 4.2. These are considered in further detail at paragraphs 4.3 and 4.4 below.
- 4.3. *Conflicts of loyalty*
 - 4.3.1. A Trustee who owes a duty to another body (which may be because they are a governor, trustee, director, shareholder, member, officer or employee of that other body) might find that that duty conflicts with their duty to Hasgonean.
 - 4.3.2. Even though the Trustee might not have any personal (i.e. monetary) interest in the transaction, and cannot benefit from it personally, he or she will have a conflict of loyalty.
- 4.4. *Trustee benefits and related party transactions*
 - 4.4.1. In some cases, a conflict of interest or loyalty might also involve a payment being made to the Trustee or a person (or business) connected to a Trustee. This is referred to as a 'Trustee Benefit'. A transaction which is entered into which confers a Trustee Benefit is referred to as a 'Related Party Transaction'.
 - 4.4.2. ESFA's Academies Accounts Direction sets out that, for academy trusts, related parties include:
 - parties with control over, or controlled by, the entity (for example parent and subsidiary companies)
 - parties having significant influence over the entity
 - key management personnel of the entity, including any director, whether executive or otherwise
 - close family members of any of the above
 - others subject to control or significant influence by any individual referred to above
 - 4.4.3. Such transactions are permitted under company law, charity law and under the Academies Financial Handbook, provided that open and transparent procurement procedures have been followed, and any

potential conflicts of interest are adequately and appropriately managed.

4.4.4. Therefore, any related party transactions and potential conflicts between the interests of Hasmonian and the interests of an individual must be:

- Identified
- Declared
- Managed in accordance with the Articles; and
- Minuted

4.4.5. If a Trustee Benefit is received by a Trustee without authority, this will amount to a breach of trust and the relevant Trust could be liable for repaying all or part of the Benefit to Hasmonian. This is irrespective of whether Hasmonian might have received value (e.g. services provided) in return for the Benefit. This is considered further at paragraph 9 below.

5. Trustees' duty to avoid conflicts

5.1. Every Trustee owes a duty to avoid any conflict of interest or loyalty. The duty is not simply to mitigate any conflicts that arise, but to avoid them altogether. In this context, the duty does not simply relate to actual conflicts of interest or loyalty, but rather a Trustee must avoid a situation where he has, or can have, a direct or indirect interest or loyalty that conflicts, or possibly may conflict, with Hasmonian's interests.

5.2. Under the Articles, any Trustee who has or can have any direct or indirect duty or personal interest (including but not limited to any Personal Financial Interest further explained at paragraph 6.3 below) which conflicts or may conflict with his duties as a Trustee, shall disclose that fact to the Trustees as soon as he becomes aware of it. The Trustee must then absent himself from any discussions of the Trustees in which it is possible that a conflict will arise between his duty to act solely in the interests of Hasmonian and any duty or personal interest (including but not limited to any Personal Financial Interest).

6. Managing the conflict of interest

Hasmonian:

6.1. Hasmonian will manage potential conflicts of interests by ensuring that:

- 6.1.1. There is systematic capturing of declarations of interests (discussed further at paragraph 7 below)
- 6.1.2. Conflicted individuals/ organisations are removed from the decision making process. This will include, but is not limited to, the original decision to enter into a contract with the related party, periodic contract performance reviews and/or contract renegotiation/renewal.
- 6.1.3. Competitive procurement procedures are followed in line with Hasmonian's procurement policy.
- 6.1.4. Decision making is based on a value for money assessment.

Trustees:

6.2. Where a Trustee has any direct or interest duty or personal interest (including but not limited to any Personal Financial Interest as defined under paragraph 6.3 and Article 98 of Hasmonian's Articles of Association) or a loyalty exists which conflicts or may conflict with his or her duties as a Trustee of Hasmonian, the Trustee must:

- disclose that fact as soon as he or she becomes aware of it; and
- absent himself or herself from any discussions of the Trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of Hasmonian and any other duty or personal interest he or she might have.

6.3. A Trustee has a Personal Financial Interest in the employment or remuneration of, or the provision of any other benefit to, that Trustee as permitted by and defined by Articles 6.5-6.8A of the Articles of Association of Hasmonian. Permitted trustee benefits are further explained at paragraphs 10.3 and 10.4 below.

Members:

6.4. Where a Member has an interest or loyalty exists which conflicts or may conflict with his duties as a Member of Hasmonean, the Member must:

- disclose that fact as soon as he or she becomes aware of it; and
- if requested by the other Members, absent himself or herself from any discussions of the Members in which it is possible that a conflict will arise between his or her duty to act solely in the interests of Hasmonean and any other duty or personal interest he or she might have.

Local Governors and Committee Members:

6.5. Where a Local Governor or Committee Member has an interest or a loyalty exists which conflicts or may conflict with his or her duties as a Local Governor of a Local Governing Body or Committee Member appointed by the Trustees, the Local Governor or Committee Member must:

- disclose that fact as soon as he or she becomes aware of it; and
- absent himself or herself from any discussions of the Local Governors or Committee Members in which it is possible that a conflict will arise between his or her duty to act solely in the interests of Hasmonean and any other duty or personal interest he or she might have.

7. Declaration of interests

7.1. Hasmonean must keep a register of interests, which **must** capture relevant business and pecuniary interests of Relevant Persons, including:

- 7.1.1. directorships, partnerships and employments with businesses that provide goods or services to Hasmonean;
- 7.1.2. trusteeships and governorships including at other educational institutions, organisations and charities irrespective of whether there is a trading relationship with Hasmonean; and
- 7.1.3. any material interests arising from close family relationships between Relevant Persons.

7.2. The purpose of declaring such interests is to enable Hasmonean to identify any potential for an interest being such that controls need to be put in place to ensure there is no conflict between a Relevant Person's private interest and Hasmonean's interests.

7.3. *Who should declare an interest?*

7.3.1. All Relevant Persons (including staff involved in the procurement process) should complete a pecuniary interest form.

7.3.2. Also, it should be noted that a Relevant Person is treated as having an interest if a relative (including a spouse or someone living with that person as if he or she were that person's spouse), to his/her knowledge has, or would be treated as having, such an interest.

7.3.3. The definition of a relative includes spouse, partner, parent, parents-in-law, son, daughter, step-son, stepdaughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece.

7.3.4. A Relevant Person still needs to formally declare an interest during a meeting if a matter is discussed in which that Relevant Person has an interest that has been registered. If a pecuniary interest has been declared, the Relevant Person should leave the meeting room during the consideration or discussion of the matter.

7.4. *Declaration of interests by prospective Trustees*

7.4.1. Before a prospective Trustee is appointed, they must be asked to declare any direct or indirect interests they have that might give rise to a conflict of interests.

7.4.2. If the Trustees consider it likely that the prospective Trustee will be subject to serious or frequent conflicts of interest, the Trustees should consider whether it is appropriate to proceed with the appointment.

7.5. *What information should be declared?*

7.5.1. *Employment, Directorships and Partnerships*

Relevant Persons should declare:

- Directorships, partnerships and employments with businesses that provide goods or services to Hasmaneans;
- Trusteeships and governorships including at other educational institutions and charities irrespective of whether there is a trading relationship with Hasmaneans; and
- For each interest: the name of the business, the nature of the business, the nature of the interest, and the date the interest began.

7.5.2. *Contracts*

In line with the Academies Financial Handbook, Hasmaneans must pay no more than cost value for goods and services if provided by:

- Members or Trustees of Hasmaneans;
- Any individual or organisation connected to Hasmaneans, (i.e. a relative of the Member or Trustee (see paragraph 7.3.3 above), an individual or organisation carrying on business in partnership with the Member, Trustee or relative, a company in which a Member or Trustee or relative holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting or an organisation controlled by a Member or Trustee or relative (if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual or organisation's wishes));
- An individual that is given the right under the Articles to appoint a Member or Trustee of Hasmaneans; or
- Any individual or organisation recognised by the Secretary of State as a sponsor of Hasmaneans.

The Department for Education also requires related party transactions, as defined in the Academies Financial Handbook (see paragraph 4.4.2 above), to be at cost only, with no profit allowed.

Relevant Persons should declare details of the contract, including its duration, the goods and services that are to be provided, and/or the works that are to be executed should be declared. A contract may also be between a club, society or organisation of which the individual is a member and Hasmaneans for the hire of the premises or facilities. This type of contract should also be declared, although it will be only treated as a pecuniary interest if the declaring individual benefits financially from the contract.

7.5.3. *Interest in Securities*

Relevant Persons should declare:

- details of the name of any company or body corporate in which they have a substantial financial interest in the securities (e.g. stocks and shares) of that company or body corporate.
- a substantial interest if they own shares or other securities in the company with a nominal value of more than £25,000 or more than 1/100th of the issued shares or securities. The notional value is normally the face value on the share certificate and is not the market value. If in doubt, individuals should contact their broker. If there are several classes of shares or securities, the fraction of 1/100th applies to any of those classes. These limits also apply to deposits with industrial and provident societies, and co-operative societies.

7.6. Declaring an Interest

7.6.1. Relevant Persons must, prior to their appointment and at least once each year, declare their interests on the declaration of interests form at [Annex 1](#). This form is in line with the Academies Financial Handbook, which requires trusts to maintain a register of interests which '*must capture relevant business and pecuniary interests of members and trustees of academies within a multi-academy trust and senior employees*'. For each interest, the name of the business, the nature of the business, the nature of the interest, and the date the interest began must be disclosed. To ensure all interests (including loyalties) are captured, the form also requires Relevant Persons to declare any other interests (including loyalties) held by them or persons connected to them.

7.6.2. Relevant Persons should amend their declarations of interest as soon as possible following any change in their circumstances and will, in any event, be invited to update their entries at the first Trustees' or Members' meeting in each calendar year.

7.6.3. The Clerk to the Trustees will use the information provided by Trustees and the Members to maintain a register of interests, capturing any relevant business and pecuniary interests. The register will be accessible to all Trustees and Members and should also be published on Hasmorean's website.

7.6.4. In addition to completing and updating the declaration of interests, every Trustee must declare to the other Trustees and the Clerk to the Trustees the nature and extent of any direct or indirect interest he or she may have in any existing transaction or arrangement with Hasmorean or any transaction or arrangement proposed with Hasmorean of which the Trustee is aware.

7.6.5. A Trustee's declaration must be made to the other Trustees and the Clerk to the Trustees:

- at a Trustees' meeting at which the transaction or arrangement is to be discussed; or
- by written notice sent by post or email to the other Trustees and the Clerk to the Trustees using the form of notice attached at [Annex 2](#).

7.6.6. The Trustee must give notice to the other Trustees and the Clerk to the Trustees before any proposed transaction or arrangement is entered into or, in any other case, as soon as reasonably practicable. The declaration of any interest will be an agenda item for every Trustee and committee meeting. Any new interests declared in this way will be entered in the register of interests.

7.6.7. If Trustees are unsure of what to declare, or whether/when their declaration needs to be updated, they should contact the Clerk to the Trustees for guidance.

8. Parent Trustees, Members, Local Governors and Committee Members

8.1. Trustees, Members, Local Governors, and Committee Members who are also parents of pupils at Hasmorean will have a personal interest in the provision of education to their child. The articles allow parent Trustees, Members, Local Governors and Committee Members, as beneficiaries, to receive educational services on the same terms as those provided to all pupils by Hasmorean.

8.2. In order to manage the potential conflict that may arise for parent Trustees, Local Governors or Committee Members as a result of their interest in their child's education by Hasmorean:

- a parent Trustee, Local Governor, or Committee Member should not vote or count in the quorum on, or discuss, any matter which relates specifically to their child. This will include any decision in respect of disciplinary action which might be taken against him or her; and
- a parent Trustee, Local Governor, or Committee Member is authorised to vote and count in the quorum and discuss any matter which relates to pupils of Hasmorean generally.

- 8.3. We wouldn't expect such matters to be discussed at Members' meetings but should this be required, the above will also apply in respect of parent Members.
- 8.4. Parent Trustees, Members, Local Governors, and Committee Members should give a notice declaring their interest in their child's education by Hasmorean. The interest will be identified in the register of interests.

9. Expenses

9.1. The Charity Commission describes expenses as "refunds by a charity of legitimate payments which a trustee has had to meet personally in order to carry out his or her trustee duties". Expenses include:

- 9.1.1. the reasonable cost of travelling to and from trustee meetings, and on trustee business and events;
- 9.1.2. the reasonable cost of childcare, or care of other dependents (for example, an elderly parent) whilst attending trustee meetings;
- 9.1.3. the cost of postage and telephone calls on charity business; and
- 9.1.4. cost of reasonable overnight accommodation and subsistence (including any essential care costs) while attending trustee meetings or other essential events such as voluntary sector conferences or specialist training courses.

9.2. The following should **not** be classified as 'expenses':

- compensation for loss of earnings whilst carrying out trustee business;
- honoraria payments (small or token sums not intended to reflect the true value of the service provided); or
- expenses in connection with foreign travel.

9.3. The Chair of the Trust Board, (or in his or her absence, the Vice-Chair) has the authority to approve expense claims from Trustees.

9.4. Expense claims should normally be supported by bills or receipts, except where it is impractical to expect this, for example, where very small amounts are claimed.

10. Trustee Benefits and Related Party Transactions

10.1. *What is a 'Benefit'?*

10.1.1. A "Benefit" includes any property, goods or services which may have a monetary value, as well as money. This will include payments to a Trustee for providing goods or services to Hasmorean on normal commercial terms. A Trustee who may derive any personal benefit of this kind from a transaction with Hasmorean will have a conflict between their duty to Hasmorean and their own personal interest in the benefit. It is the potential benefit (rather than any actual benefit) which gives rise to this conflict of interest.

10.1.2. Payments which are made from subsidiary companies to Trustees (or persons connected to Trustees as set out below) will also be caught by the restriction.

10.1.3. Payments in respect of expenses are not classified as 'Benefits' and are considered in further detail below.

10.2. *Connected persons*

10.2.1. The restriction on the receipt of Trustee Benefits also extends to persons or bodies which are connected to the Trustee. A Trustee can be put in a position of conflict where Hasmorean enters into a transaction or arrangement with a member of their family or a business in which they are a shareholder or partner or anyone else who is "connected" to them. Any benefit to the connected person is a benefit to the Trustee. The definition of a connected person for these purposes is as follows:

- a) any child, stepchild, parent, grandchild, grandparent, brother, sister or spouse of the Trustee or any person living with the Trustee as his or her partner;
- b) a firm or company in which the Trustee is: a partner, an employee, a consultant, a director, a member or a shareholder (unless the payment is to any company which has shares listed on a recognised stock exchange and in which a Trustee owns no more than 1% of the issued shares);
- c) a firm or company in which an individual listed in a) above is connected in the ways set out in b).

10.3. *General Trustee Benefits*

10.3.1. Trustees are expressly authorised in the Articles of Association of Hasmonian to receive the following "general" Benefits (i.e. Benefits that are available to all Trustees):

- indemnity insurance paid for by Hasmonian (Article 6.3);
- indemnity payments from Hasmonian under the Articles (Article 6.3);
- reasonable expenses properly incurred by the Trustee in acting as a Trustee and paid or reimbursed by Hasmonian (which are not considered to be 'Benefits' at all) but excluding expenses in connection with foreign travel (explained in further detail at paragraph 9 above) (Article 6.5); and
- payments to any company which has shares listed on a recognised stock exchange and in which a Trustee owns no more than 1% of the issued shares (Article 6.4).

10.4. *Specific Trustee benefits*

10.4.1. In addition, Trustees may also receive the following "specific" Benefits (i.e. Benefits made available to individual Trustees) in accordance with an authority under Article 6.7 of the Articles of Association:

- payments made to any Trustee in their capacity as a beneficiary of Hasmonian;
- payments received under a contract of employment other than for acting as a Trustee;
- reasonable and proper remuneration for goods or services supplied to Hasmonian, other than for acting as a Trustee;
- interest on money lent to Hasmonian by a Trustee at a reasonable and proper rate not exceeding 2% per annum below the base rate of a clearing bank to be selected by the Trustees, or 0.5%, whichever is the higher; and
- rent on property leased to Hasmonian by a Trustee if the amount of the rent and the other terms of the lease are reasonable and proper rate.

10.4.2. Please note that a Trustee cannot receive payment for acting as a Trustee unless this is specifically authorised by the Charity Commission (explained further at paragraph 10.5).

10.5. *Authorisation – by Charity Commission*

10.5.1. Where there is:

- A financial benefit to the Trustee or a Connected Person;
- A non-financial but other significant benefit to the Trustee or a Connected Person;
- A significant conflict but the conflicted Trustee is required to take part in future discussions and votes;
- A majority of Trustees subject to the conflict; or
- The proposed transaction relates to the conveyance, transfer, lease or other disposition of land to a Trustee or connected party as defined in the Charities Act 2011;

then an order of the Charity Commission must be sought before the transaction can go ahead.

10.6. *Authorisation – by Members*

10.6.1. Certain types of transaction/arrangement also require the authorisation of the Members of Hasmonian before the transaction/arrangement is put into effect. A list of these transactions/arrangements is at [Appendix 3](#).

10.7. *The management of Trustee Benefits and Related Party Transactions*

10.7.1. A guide is included in Appendix 2 to assist in the identification and management of Trustee benefits.

10.7.2. The minutes of the Trustees' meeting will record the nature and extent of any conflict and summarise the discussion and the actions taken to manage the conflict.

11. Buying services from Trustees/ Members/ connected persons

11.1. When buying services from Trustees (or persons or bodies connected to Trustees) or Members, in addition to complying with the necessary procedures relating to Related Party Transactions as set out in Appendix 2 where relevant, Hasmonian will need to ensure that:

11.1.1. the contract had been properly procured in accordance with Hasmonian's procurement policy; and

11.1.2. the terms of the academies financial handbook relating to the 'at cost' principle have been complied with - i.e. that the contract is not 'for profit' (see the handbook for further details).

12. Publishing information relating to Trustees' and Members' interests

12.1 In accordance with the academies financial handbook, the Clerk to the Trustees must publish relevant business and pecuniary interests of Trustees and Members (including governance roles in other educational institutions on Hasmonian website). An interest will be considered to be 'relevant' in circumstances where it might give rise to a potential conflict of interest.

12.2 Hasmonian shall take advice from its auditors in respect of the disclosure of interests and in particular, Related Party Transactions in the preparation of its annual report and accounts to ensure full compliance with the Statement of Recommended Practice (the Charities SORP, FRS 102, effective 1 January 2015).

13. Data protection

13.1. The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 2018. Data will be processed only to ensure that Relevant Persons act in the best interests of Hasmonian. The information provided will not be used for any purpose other than those set out in this Policy, or the declarations or notices themselves.

14. Circulation

14.1. This Policy will be published on Hasmonian's website and included in Hasmonian's Policy Monitoring Schedule.

14.2. This Policy shall be circulated to the Trustees, the Members, the Local Governors, Committee Members and others at the discretion of the Chair of the Trustees.

14.3. The Trustees, in consultation with the Local Governing Bodies, are responsible for overseeing, reviewing and organising the revision of the Policy.

15. Monitoring and enforcing this Policy

15.1. Any Relevant Person who becomes aware of a breach of this Policy must report it to the Clerk or the Chair to Hasmonian as soon as possible.

15.2. The Clerk or Chair must:

- (a) report all breaches of the Policy of which they are aware to the Trustees at the next Trustee meeting; and
- (b) ensure that all breaches are noted in the minutes of the relevant Trustee meeting.

16. Further reading

Further guidance on the management of conflict of interests can be found here:

<https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>

Further guidance on the matter of Trustee Benefits can be found here:

<https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11>

APPENDIX 1: CONFLICTS AND THE COMPANIES ACT 2006

Conflicts and the Companies Act 2006

Companies Act Duties

1. Under the Companies Act 2006, the Directors have the following duties in respect of conflicts of interest.:

1.1 to avoid situations in which they have, or can have, a direct or indirect interest that conflicts, or might conflict, with the interests of Hasmorean (section 175).

1.2 to declare an interest in proposed transactions or arrangements (section 177). There is also a separate requirement to disclose interests in an existing transaction or arrangement (section 182).

1.3 not to accept benefits from third parties (section 176). This duty is not infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.

2. The duty to avoid conflicts of interest will not be infringed if:

2.1 the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or

2.2 provisions in the Articles for dealing with conflicts of interest have been complied with; or

2.3 the other Directors have authorised the situation (in a permitted manner). In a charitable company, the Articles must give the Directors power to authorise conflicts.

Identifying connected persons

3. "Connected person" includes any person falling within one of the following categories:

3.1 any spouse, civil partner, parent, child, step child, brother, sister, grandparent or grandchild of a Director;

3.2 any other person in a relationship with a Director which may reasonably be regarded as equivalent to such a relationship; or

3.3 any company or firm of which a Director is a paid director, partner, consultant or employee, or shareholder holding 1% or more of the issued capital.

APPENDIX 2: THE MANAGEMENT OF RELATED PARTY TRANSACTIONS

When considering this issue, the Trustees will need to consider the following questions:

Question 1: Is there a Benefit?

A Benefit is a financial or other measurable benefit paid to a Trustee, or to a 'connected person' (please see below), from Hasmorean. Benefits might also be made paid 'in kind' - for example, free use of Hasmorean's facilities or services for which users normally have to pay.

If yes, please proceed to Question 2.

Question 2: Is the Benefit being paid to a Trustee or to a connected person?

- a) Is the person receiving a Benefit a Trustee?
- b) Is the person receiving a Benefit a child, stepchild, parent, grandchild, grandparent, brother, sister, spouse or cohabiting partner of the Trustee?
- c) Is the Benefit to be received by a company or firm of which a Trustee or any of the persons listed in b) is:
 - a partner;
 - an employee;
 - a consultant;
 - a director;
 - a member, or
 - a shareholder of the company?

If yes to a, b or c, please proceed to Question 3.

Question 3: Does the Benefit fall into the following list?

Please check whether the Benefit falls into list A, B or C below. If the Benefit is not listed, then it is not permitted unless specific Charity Commission consent is secured.

List A

1. Indemnity insurance. Article 6.3 allows Hasmorean to protect Trustees from liability for negligence or breach of their duties with indemnity insurance. However, the insurance cannot cover a deliberate breach of duty by a Trustee or a situation in which the Trustee knew that he might be breaching his duties. There are also some other specific restrictions on the scope which the insurance can cover.
2. Trustees' investments in shares. Hasmorean is permitted to receive payment or other benefit from public limited companies in which a Trustee holds no more than 1% of the shares (article 6.4). In most cases, this means that Hasmorean can contract freely with other companies, without Trustees with small investments in shares in such companies breaching their duties to Hasmorean.

If List A applies, no further steps are required to authorise the benefit.

List B

3. A beneficiary of Hasmorean. This might be the case if, for example, a parent Trustee were to attend the School for evening classes.
4. Being employed by Hasmorean or entering into a contract for the supply of goods or services to Hasmorean, other than for acting as a Trustee. Please note that a benefit paid to an individual who is already an existing employee of Hasmorean who is subsequently elected or appointed as a Trustee will instead fall under List B.

5. Receiving interest on money lent to Hasmorean at a reasonable and proper rate not exceeding 2% per annum below the base rate of a clearing bank to be selected by the Trustees, or 0.5%, whichever is the greater.
6. Receiving rent for premises let by the Trustee to Hasmorean if the amount of the rent and the other terms of the lease are reasonable and proper.

If List B applies, please comply with Process B to authorise the benefit.

List C

7. The benefit is to be paid to an individual who is already an existing employee of Hasmorean who is subsequently elected or appointed as a Trustee.

If List C applies, please comply with Process C to authorise the benefit.

Process B

1. The remuneration or other sums paid to the Trustee must not exceed an amount that is reasonable in all the circumstances.
2. The Trustee must absent himself from the part of any meeting at which there is discussion of:
 - his or her employment, remuneration, or any matter concerning the contract, payment or benefit; or
 - his or her performance in the employment, or his or her performance of the contract; or
 - any proposal to enter into any other contract or arrangement with him or her or to confer any benefit upon him or her; or
 - any other matter relating to a payment or the conferring of any benefit.
3. The Trustee must not vote on any such matter and is not to be counted when calculating whether a quorum of Trustees is present at the meeting.
4. (if relevant) The other Trustees are satisfied that it is in the interests of Hasmorean to employ or to contract with that Trustee rather than with someone who is not a Trustee. In reaching that decision the Trustees must balance the advantage of employing a Trustee against the disadvantages of doing so (especially the loss of the Trustee's services as a result of dealing with the Trustee's conflict of interest).
5. The reason for their decision is recorded by the Trustees in the minute book.
6. A majority of the Trustees then in office have received no such payments or benefit.

Process C

1. The Trustee must absent himself from the part of any meeting at which there is discussion of:
 - his or her employment, remuneration, or any matter concerning the contract, payment or benefit; or
 - his or her performance in the employment, or his or her performance of the contract;
2. The Trustee must not vote on any such matter and is not to be counted when calculating whether a quorum of Trustees is present at the meeting.

APPENDIX 3

(From the Companies Act 2006)

190 Substantial property transactions

- (1) A company may not enter into an arrangement under which—

- (a) a director of the company or of its holding company, or a person connected with such a director, acquires or is to acquire from the company (directly or indirectly) a substantial non-cash asset, or
- (b) the company acquires or is to acquire a substantial non-cash asset (directly or indirectly) from such a director or a person so connected,

unless the arrangement has been approved by a resolution of the members of the company or is conditional on such approval being obtained.

For the meaning of “substantial non-cash asset” see section 191.

197 Loans and quasi loans to directors

- (1) A company may not—
 - (a) make a loan to a director of the company or of its holding company, or
 - (b) give a guarantee or provide security in connection with a loan made by any person to such a director, unless the transaction has been approved by a resolution of the members of the company.

215 Payments for loss of office

- (1) In this Chapter a “payment for loss of office” means a payment made to a director or past director of a company—
 - (a) by way of compensation for loss of office as director of the company,
 - (b) by way of compensation for loss, while director of the company or in connection with his ceasing to be a director of it, of—
 - (i) any other office or employment in connection with the management of the affairs of the company, or
 - (ii) any office (as director or otherwise) or employment in connection with the management of the affairs of any subsidiary undertaking of the company,
 - (c) as consideration for or in connection with his retirement from his office as director of the company, or
 - (d) as consideration for or in connection with his retirement, while director of the company or in connection with his ceasing to be a director of it, from—
 - (i) any other office or employment in connection with the management of the affairs of the company, or
 - (ii) any office (as director or otherwise) or employment in connection with the management of the affairs of any subsidiary undertaking of the company.
- (2) The references to compensation and consideration include benefits otherwise than in cash and references in this Chapter to payment have a corresponding meaning.
- (3) For the purposes of sections 217 to 221 (payments requiring members' approval)—
 - (a) payment to a person connected with a director, or
 - (b) payment to any person at the direction of, or for the benefit of, a director or a person connected with him, is treated as payment to the director.
- (4) References in those sections to payment by a person include payment by another person at the direction of, or on behalf of, the person referred to.

Annex 1: Declaration of business interests form

1. Declaration of business interests form

Company name: Hasmonean Multi-Academy Trust ("**Hasmonean**")

Company number: 07706488

Name:

- Member: Local Governor Staff member involved in the procurement process
- Trustee: Committee Member Holder of executive office exercising delegated powers
- Senior leadership team member

Your relationship with Hasmonean

Please disclose any other relationship you might have with Hasmonean or any of its subsidiaries including under a contract of employment or a contract for goods or services.

Nature of business (e.g. details of employment or services)	Nature of interest (e.g. contract of employment or contract for services)	Date that the employment/ contract commenced	Date of cessation of interest	Date of entry

2. Connected party relationships with Hasmorean - individuals

Please disclose any relationship that any person connected to you has with Hasmorean or any of its subsidiaries including under a contract of employment, or under a contract for goods or services.

*A person is connected to you if they are your child, stepchild, parent, grandchild, grandparent, brother, sister or spouse or any person living with you as your partner.

Name of person connected to you	Nature of their business (e.g. teaching assistant, builder)	Nature of interest (e.g. contract of employment or contract for goods or services)	Date that the employment/contract commenced	Date of cessation of interest	Date of entry

3. Connected parties' relationships with Hasmonean - companies, firms and charities

Please disclose details of any company, firm or registered charity with which you are connected (or with which a person connected to you is connected) that may have dealings with Hasmonean.

*A firm or company is connected to you or a person connected to you (please see * in section 2) if it is one in which you or a person connected to you is a partner; an employee; a consultant; a director; a charity trustee; a member; or a shareholder.

Name of company, firm or charity	Nature of the company, firm or charity's business (e.g. law firm, school improvement services)	Person connected to the company or firm (i.e. you or a person connected to you)	Confirmation of how the company, firm or charity is connected to you or a person connected to you (e.g. you or the person connected is an employee, trustee or a shareholder)	Nature of business with Hasmonean (e.g. contract for services, contract for supply of goods)	Date of entry
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4. Other interests (including loyalties) – companies, firms, registered charities, governing bodies and other relevant entities

Please disclose details of any other interests (including loyalties) you hold (or a person connected to you holds) in a company, firm, registered charity, governing body or other entity not declared in the above sections.

Name of company, firm, charity, governing body or other entity ('relevant entity')	Nature of the relevant entity's business	Person connected to the relevant entity (i.e. you or a person connected to you)	Confirmation of how the relevant entity is connected to you or a person connected to you (e.g. you or the person connected is an employee, trustee or a shareholder)	Date of entry

I certify that I have declared all interests which:

- I or any person connected to me has with Hasmonean;
- Any company, firm or registered charity connected to me or any person connected to me that may have dealings with Hasmonean; or
- I or any person connected to me has with any other company, firm, registered charity, governing body or other relevant entity.

Signed

Date

Annex 2: Notice of Interest

Dear Sirs

Notice of Interest(s)

- In my capacity as a:
- Trustee
 - Member
 - Local Governor
 - Committee Member
 - Staff member involved in the Procurement Process

of Hasmonian Multi-Academy Trust, I hereby give you notice of the following interest(s)*:

Interest	Nature and extent of interest

Please treat me as interested in any transaction or arrangement between Hasmonian Multi-Academy Trust and any corporate, firm, registered charity or other person specified above.

I should be grateful if this notice could be tabled and read at the next meeting of the [Trustees]/[Members]/[Local Governors]/[ENTER NAME OF COMMITTEE] committee¹.

Yours faithfully,

Name

Signature

Date

**including any financial and pecuniary interests, loyalties, and any other situations in which your personal interests or loyalties could, or could be seen to prevent you from making a decision only in the best interests of Hasmonian Multi-Academy Trust.*

¹ Delete as appropriate