



Register of Interests and Related Party Transactions Policy

Policy Updated: May 2024

Approved by Trustees: 19 June 2024

Review Date: May 2027 (or sooner if needed as per the Academy Financial Handbook)

Register of Business Interests

The Trust will capture relevant business and financial interests of its Members, Trustees, Local Governors and Senior Employees which include:

- directorships, partnerships and employments with businesses
- trusteeships and governorships at other educational institutions and charities
- for each interest: the name and nature of the business, the nature of the interest and the date the interest began.

The register will identify relevant interests from close family relationships between the Trust's Members, Trustees or Local Governors. The register will also identify relevant interests arising from close family relationships between those individuals and employees. 'Close family relationships' is defined as a relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner.

To demonstrate complete transparency the Trust maintains a register of Declarations of Business Interest. This register covers Member, Trustees, Local Governors and Senior Staff across the Trust. The register is kept up to date at all times, and details of declared interests for Members, Trustees and Local Governors are published on the Trust's / schools website.

Definition of a Related Party

In accordance with the Academies Trust Handbook, related parties include persons and entities with control or significant influence over the Trust, and members of the same group. The Trust is permitted to make transactions with related parties, as long as:

- Open and transparent procurement procedures are followed, and the Trust's Finance Policy followed.
- Potential conflicts of interest are managed.
- ESFA rules, including mandated reporting and advance approval are followed.

Related parties include:

- Parties with control over, or controlled by, the Trust, e.g. parent and subsidiary companies.
- Parties having significant influence over the Trust.
- Key management personnel of the trust, including the executive (headteachers, Trustees and company secretary).
- Close family members of any of the above.

- Others subject to control or significant influence by any individual referred to above.

For the Trust, our related parties include the Board of Trustees, the Trust Leadership/Finance team (Key Management Personnel), the Headteachers and the Members of the Trust. Close family members and business partners of the foregoing are also included.

Management and Reporting of Related Party Transactions

The Trust reviews the Register of Interests to ensure potential related parties are identified and flagged within the Trust's accounting system, such that any transactions are appropriately identified and routed.

All related party transactions are considered and agreed by the Finance and General Purposes Committee prior to any new orders being placed. Schools are asked in advance of the year to identify the extent of likely transactions with related parties. The Finance and General Purposes Committee considerations shall be supported by evidenced quotations and tendering, as appropriate to the circumstances, and an informed assessment of value for money. Individuals are required to remove themselves from meetings when a potential transaction is identified. Agreement may take the form of a generic approval to a theme of transactions, e.g., in relation to outdoor education where a Statement of Assurance is in place.

The Trust monitors and records any related party transactions arising in the year as part of month end procedures.

The Trust must ensure that all related party contracts and agreements are reported to the ESFA in advance. The ESFA's prior approval must be obtained for contracts with related parties for the supply of goods or services agreed where any of the following limits arise:

- A contract exceeding £40,000 (previously £20,000)
- A contract of any value that would take the total value of contracts with the related party beyond £40,000 in the same financial year ending 31 August/
- A contract of any value if there have been contracts exceeding £40,000 individually or cumulatively with the related party in the same financial year ending 31 August.
- The Trust must seek approval for all novel, contentious or repercussive transactions.

Specific rules apply to payments to related parties where these exceed £2,500 in any one academic/financial year. In these circumstances, the Trust must pay no more than 'at cost' for goods or services provided to it (NB. 'services' do not include contracts of employment).

The Trust will ensure procedural compliance including:

- Ensuring timely notification of potential transactions to the ESFA through ongoing school liaison, pro-active contact and advice to schools, trustees and key management personnel.
- Seeking statements of assurance where transactions do occur, utilising the ESFA pro forma.
- Making sure that goods and services by individuals or organisations related to the trust are provided at no more than 'at cost' beyond the limits specified, currently £2,500.
- Ensuring only permitted payments are made, in accordance with the Articles of Association.
- Preparing an annual summary (at the start of each financial year) of likely transactions, the procurement process to be followed and rationale for the procurement seeking Finance and General Purposes Committee approval to the transaction.
- Finance and General Purposes Committee to ensure 'conflicts are managed'.
- Ensuring those in positions of control, understand and manage real and perceived conflicts of interest, in accordance with public life principles.
- Measures are in place to manage conflicts of interest.
- Making disclosures within the annual accounts, to show that transactions have been conducted in accordance with the high standards of accountability and transparency required within the public sector.
- Maintaining a file of evidence attached to each related party transaction including the decision-making process and procurement evidence demonstrating fair and transparent process.