



# Related Party Policy

## Document Control

<b>Version</b>	<b>Author</b>	<b>Summary of Changes</b>	<b>Date Published</b>	<b>Date of Review</b>
V1	AHA	New	Jan 23	Jan 24
V2	AHA	Annual Review	Jan 24	Jan 25

## Contents

INTRODUCTION .....	3
KEY PRINCIPLES .....	3
REPORTING AND APPROVAL REQUIREMENTS .....	3
REGISTER OF INTERESTS.....	3
AT COST REQUIREMENTS.....	4
LET PROCEDURE .....	4
APPENDIX 1 .....	5
APPENDIX 2.....	9
APPENDIX 3.....	10

## **INTRODUCTION**

The Academy Trust Handbook (ATH) sets out expectations of what a trust must do to compliantly manage related parties and, specifically, related party transactions. Strong management of this area is important as compliance helps to ensure propriety in the use of public funds. Having transparency on related parties is a key principle.

This policy is designed to highlight the key requirements contained within the handbook and explain the procedures that Leger Education Trust has in place to ensure compliance.

## **KEY PRINCIPLES**

The key focus in this area is addressing goods and services provided by or to individuals or organisations who are related to the academy trust.

Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members). Also included are other entities that are subject to control or significant influence by any individual referred to above.

Where a related party relationship has been identified, the trust must be even-handed in this relationship and ensure that;

- Trustees comply with their statutory duties as company directors to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements
- all members, trustees, local governors of academies and senior employees complete the register of interests
- no member, trustee, local governor, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust

Further, the Trust recognises that some relationships with related parties may attract greater public scrutiny. This includes transactions with individuals in a position of significant control and influence, payments to organisations with a profit motive and relationships with external auditors beyond their duty to deliver a statutory audit.

These transactions must be disclosed in the annual accounts to highlight the transactions and ensure they have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

## **REPORTING AND APPROVAL REQUIREMENTS**

As per the ATH, all trusts must report all contracts and other agreements with related parties to the ESFA in advance of the contract or agreement commencing. Further ESFA prior approval is required for contracts and other agreements for the supply of goods or services where a contract exceeds £20,000 or the cumulative value of contracts exceeds £20,000 within the same financial year.

## **REGISTER OF INTERESTS**

The Trust is required to keep a register of interests that captures relevant business and pecuniary interests of members, trustees, local governors and senior employees. This should include;

- directorships, partnerships and employment 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.

Further the register must identify the relevant material interests from close family relationships (e.g. child, spouse, parent, civil partner) between the trusts members, trustees and local governors.

The register of interests must be kept up-to-date at all times. It must also be published on the website.

### **AT COST REQUIREMENTS**

The ATH requires the Trust to pay no more than 'cost' for goods or services exceeding £2,500 in any financial year from any of the following;

- Members or trustees of the academy trust
- Individuals or organisations related to a member or trustee. Related parties include relatives, business partnerships, companies where the member/trustee holds 20% or more of share capital or organisations otherwise subject to control by the member/trustee.

Where the "at cost" requirements apply, the Trust must ensure the supply of goods or services is properly procured through an open and fair process. Further, there must be a statement of assurance provided from the individual or organisation to the Trust confirming their charges do not exceed cost and an open book agreement basis used with a requirement for the supplier to demonstrate, if requested, that their charges do not exceed cost. This can be done on a full cost basis i.e. including direct costs and an apportionment of indirect costs, but must not include any profit.

### **LET PROCEDURE**

At the start of each academic year, the Governance Professional will send out an annual declaration of interest form. This form is designed to capture all the information required to compile a compliant register of interests for publication on the website. A copy of the form is included as appendix 1. At the beginning of all Trust meetings, there is a standing agenda item for declaration of interests. This enables the trust to proactively prompt the declaration of changes and collect this data. The table that is published to the website is included at appendix 2.

When the declaration of interests are available, the Executive Director of Finance (EDF) reviews the return to identify any related parties that are relevant to compliance with the ATH. The relationship between the individual and organisation will be scrutinised to determine whether the trustee/member/governor/senior employee has control or can exert significant influence on the organisation. The process for determining whether a party is related is set out in appendix 3. From this review, a list of related parties is created and maintained.

The finance team are made aware of the related party list and restricts access to the relevant ledgers. For example, no purchase order can be raised for a related party other than by the EDF. The EDF is responsible for reviewing the proposed transaction and ensuring compliance with this policy. Where reporting or authorisation is required from the ESFA, the EDF will address this.

The Trust CEO will review the EDF's declaration of interests and will take on the EDF's responsibilities for those interests where required.



**DECLARATION OF INTEREST FORM  
Leger Education Trust Employees**

- Please read the Declaration of Conflict of Interest guidance and if you have any queries raise these with your line manager in the first instance.
- This form must be completed upon appointment and whenever there is a change in your circumstances necessitating amendment to any of the details declared. It must be resubmitted annually, whether or not in the interim there has been a change in your circumstances.
- Please state under the appropriate headings any interests that conflict with your work. This is a requirement under your employment contract and any code of conduct applicable in school.
- A form must be completed for each post held.
- Please print clearly and return the completed form to your manager. You are required to complete part 1 and 2.
- Once your manager has completed part 3, you will be required to sign off the authorised form at part 3.
- Please place a cross in **none** in each declaration if there is no information to report.

**PLEASE PRINT CLEARLY**

Full Name	
Email Address	
Post Title	
Line Manager	
School/Department	

**PART 1**

Other employment	
<p><b>1a . Give details of all other employment or voluntary work (paid and unpaid). Please state:</b></p> <ul style="list-style-type: none"> <li>• Job title/position</li> <li>• Name and address of employer (and, if applicable, school)</li> <li>• Details of employment including duties, hours worked per week and times and place of work</li> <li>• You should include any other Leger Education Trust positions, any other positions at the same school, any other positions at another school, and any other positions that are not at a school and not with Leger Education Trust.</li> </ul>	<div style="border: 1px solid black; padding: 10px; width: 80px; margin: 0 auto;"> <p>NONE</p> <div style="border: 1px solid black; width: 40px; height: 40px; margin: 0 auto;"></div> </div>
<p><b>1b Please provide the total number of hours for all additional employment and voluntary work as an average per week</b></p>	

Please give details of:

**2. Any other business carried out by you or someone with whom you have a close personal relationship. Please state company and position.**

A close personal relation is

- Someone to whom you are married or with whom you are in a civil partnership or co-habiting or engaged in an intimate relationship. (This also applies to previous relationships of this nature (e.g. former spouse) as there could be a continuing influence associated with the relationship, or a reasonable perception of a continuing influence, whether to the employee's advantage or disadvantage);
- Immediate family members (e.g. parent, step-parent, son, daughter, step-child, child of a partner, brother, sister, grandparent, grandchild);
- Extended family members (e.g. uncle, aunt, nephew, niece, cousin, in-laws);
- Close friends of the employee. This means someone well known to the employee (not merely an acquaintance), who is regarded with liking, affection or loyalty.

**The above is not an exhaustive list and employees should use their judgement to determine whether other interests, activities or personal relationships could reasonably be perceived to present a conflict of interest.**

NONE

**3. Any involvement in companies by you and/or a close relative or close friend. Please state company and position**

*Involvement in companies includes, for example, directorships and company secretary or any other position you or a close relative or close friend have in running the company where that company has, or may have, a relationship with the school or Trust.*

NONE

**4. Your involvement, or the involvement of a close relative or close friend, in contracts or in any business that trades, or may seek to trade, with the school or Trust. Please state contract and involvement**

*The holding of shares or other securities in a company or other body with whom the Trust contracts, or is considering contracting, must be declared if the holding exceeds £25,000 or more than 1/100th of the nominal value of the issued share capital, whichever is less. The size and nature of the holding need not be declared, simply the name of the company. This requirement does not extend to banks and building societies.*

NONE

**5. Any role or Governor/Trusteeship posts you hold in or on behalf of an educational establishment or an academy trust. Please state organisation and position held.**

*This includes membership of governing bodies, management committees and other school or academy governance structures, and covers all schools maintained by a Trust and any further education establishments, free schools, grant maintained schools, academy trusts and academies.*

NONE

**3. Any relationship with any employee or Director/Member of Leger Education Trust, and any employee or governor in school. Please state their name, your relationship\* with them and their position.**

\* The meaning of 'close personal relationship' is outlined at section 2 above. In considering what to declare, you should exercise appropriate judgement to consider whether a relationship could raise the issue this process seeks to address: a potential conflict of interest. If unsure, you must presume there is indeed a potential conflict and the fact there is a relationship must be declared. As the purpose is to provide transparency to protect you, your school and the Trust from any suggestion of impropriety or potential impropriety, you may wish to declare a relationship as a close friendship if disclosure of its intimacy is not necessary to meet this purpose and would be contrary to the reasonable and legitimate expectations of privacy of either party to the relationship as to the precise nature of the relationship..

NONE

**4. Beneficial interest in land or property.**

Beneficial interest in land or property excludes your home and only relates to land and property within the Doncaster borough boundary.

NONE

**5. Intention to bid for land or property owned by the Trust.**

The intention to bid for the purchase of land or property owned by the Trust should be declared as soon as is practicable.

NONE

**6. Membership of any secret society**

Relates to any lodge, chapter, society, trust or regular gathering or meeting which:

- is not open to members of the public who are not members;
- includes, in the grant of membership, an obligation on the part of the member or requirement to make a commitment (whether by oath or otherwise) of allegiance to the lodge, chapter, society, gathering or meeting;
- includes, whether initially or subsequently, a commitment (whether by oath or otherwise) of secrecy about the rules, membership or conduct of the lodge, chapter, society, trust, gathering or meeting.

**If it forms part of the activity generally recognised as a religion then this should not be regarded as a secret society.**

NONE

**7. Please give details of any gift or hospitality offered or received in the past year**

Give details including the name of the individual or organisation that has provided the gift or hospitality, a brief description of what has been provided and an estimated value.

NONE

## PART 2

### Employee Confirmation

**It is your responsibility to check that the above information is accurate prior to submitting your form**

I undertake to notify my school/Trust in writing of any changes which may occur within 28 days from the date of the change, by submitting a new declaration to my line manager (or next level of management, as appropriate). I recognise that not doing so may be a disciplinary offence and subject to disciplinary action being taken against me.

I confirm that I have declared all gifts, hospitality or legacies received in the last 12 months (if this is not the case then these should be declared prior to completion of this registration).

**Print Name:**

**Date:**

**Signed:**

## PART 3 (to be completed by your manager)

Please carefully consider the content of this declaration and whether there are any non-declared matters you are aware of.

*If **action is required** the manager should arrange to meet the employee with regard to the content of the form within 14 calendar days and then complete this section fully recording their decision and signing confirmation. Once complete it should be returned to the employee for sign off.*

If there is **no action** required managers should select no conflict and sign to confirm their decision. The form is then returned to the employee for sign off

***Date and time***

***of meeting with employee:***

***Details of discussion*** (Provide all relevant details of the discussion held).

***Decision:***

**There is no conflict**

**There is a conflict** and the employee will be excluded from the activity

**There is a conflict**, and mitigating actions will be put in place

(provide FULL details of actions being put in place)



**APPENDIX 2**

Trustee Name	Type	Term of Office Start	Term of Office End	Committee	Relationship with other Governors/Staff	Other School Governor Posts held & date	Financial & Business Interests Declared

### **APPENDIX 3**

Process for reviewing interests and identifying related parties. To be undertaken by the EDF. Any close relatives disclosed as part of registering interests are to be assessed in the same way.

If the organisation is a company, a review using companies houses is undertaken to determine;

- Does the interested party have a shareholding?
- Is the interested party listed as a Director?
- Is the interested party referred to as key management in the financial statements?

If the answer to any of the above is yes, then the organisation will be classified as a related party.

If the organisation is a charity, the register of charities is reviewed to determine;

- Is the interested party listed as a trustee?
- Are they referred to as key management in the financial statements?

If the answer to any of the above is yes, then the organisation will be classified as a related party.

If the organisation is a school or education trust, a review of the data on companies house and get information about schools (GIAS) is done to determine;

- Is the interested party listed as a Director? (for trusts)
- Are they listed on GIAS as a trustee/governor? (for both trusts and local authority schools)

If the answer to any of the above is yes, then the organisation will be classified as a related party.