



Disclosing conflicts of interest in governing body meetings

may lead to pecuniary interests being declared at a meeting, while pecuniary interests declared at a meeting may lead to the register of interests being updated.

However, the declaration of a pecuniary interest should be recorded in the minutes of the meeting rather than on the register of interests.

What is a pecuniary interest?

Schedule 1 to the school governance regulations, linked to above, says that a relevant person (as defined in section 1 of this article) has a pecuniary interest in a contract or proposed contract if:

- He/she was nominated or appointed to office by a person with whom the contract was made or is proposed to be made
- He/she is a business partner of a person with whom the contract was made

He/she has a relative (including a spouse, civil partner or someone living with him/her as if as his/her spouse or civil partner) who, to the knowledge of the relevant person, had, or would be treated as having, such an interest

The Department for Education (DfE) published advice on the regulations in January 2014. Paragraph 26 of the document says:

Governors must declare pecuniary interests and the board should decide whether this represents a conflict such that the governor should withdraw from discussion and/or decision making.

[The School Governance \(Roles, Procedures and Allowances\) \(England\) Regulations 2013, GOV.UK – DfE \(Adobe pdf file\)](#)

Disclosing conflicts of interest: maintained schools

The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 apply to maintained schools. Regulation 16 says that where, in relation to any matter:

- (i) There may be a conflict between the interests of a relevant person and the interests of the governing body
- (ii) A fair hearing is required and there is any reasonable doubt about a relevant person's ability to act impartially, **or**
- (iii) A relevant person has a pecuniary interest

- The clerk to the governing body or to a committee

Regulation 16 adds that the clerk may stay in the meeting to act in his/her capacity as clerk. The clerk must withdraw only if the meeting is to consider his/her appointment or remuneration, or any disciplinary action to be taken against him/her.

Where there is any dispute as to whether a relevant person is required to withdraw from a meeting and not vote, that question must be determined by the other governors present at the meeting.

[The School Governance \(Roles, Procedures and Allowances\) \(England\) Regulations 2013, legislation.gov.uk](https://www.legislation.gov.uk)

Which other types of interest should be declared?

Pages 18-19 of the DfE's Governors' Handbook explain that, apart from pecuniary interests: Conflicts of interest may also arise where an individual's personal or family interests and/or loyalties conflict with those of the governing body. This might happen when a governor has come onto the governing body as an elected or appointed member of a particular group - for example, a local authority/foundation/parent/staff governor. This situation may possibly cause the governor to think that they should act in the interests of the group that nominated them.

Such conflicts can inhibit free discussion, result in decisions or actions that are not in the interests of the governing body or risk giving the impression that the governing body has acted improperly. In all circumstances, a governor has an obligation to act in the best interests of the school, and in accordance with the governing body's code of conduct.

[Governors' handbook, January 2015, GOV.UK - DfE - see page 18 \(Adobe pdf file\)](#)

Opportunity to declare interests should be on every agenda

At the beginning of every committee meeting and full governing body meeting those present should be asked if they have any personal interest in the business of that meeting. Any interests can then be recorded in the minutes. Where necessary, the relevant person can be asked to leave the meeting for that agenda item.

Should staff governors declare school employment?

While there is generally no need for this, disclosure might be necessary when an agenda item deals with matters affecting their colleagues.

It is good practice for any agenda that includes such sensitive matters to be split into two, with confidential items appearing at the end. This allows staff governors to declare their interest and

board of trustees (the governing body) of the academy trust should be aware of their statutory duties as company directors, which are set out in sections 170-177 of the Companies Act 2006.

These include the duty to avoid conflicts of interest and to declare any interest in proposed transactions or arrangements.

Article 97 of the model articles of association for academy trusts (which refer to governors as 'trustees') says:

Any trustee who has or can have any direct or indirect duty or personal interest (including but not limited to any personal financial interest) which conflicts or may conflict with his/her duties as a trustee shall disclose that fact to the trustees as soon as he/she becomes aware of it.

A trustee must absent himself/herself from any discussions of the trustees in which it is possible that a conflict will arise between his/her duty to act solely in the interests of the academy trust and any duty or personal interest (including but not limited to any personal financial interest).

Articles of association may vary. Academies should refer to their own articles of association for further details of requirements.

[Academy articles of association: model 1, GOV.UK – DfE, see page 46 \(Word doc file\)](#)

Does this apply to governors in local governing bodies?

Paragraph 3.1.12 of the financial handbook, linked to above, says that the register of interests should include the interests of governors in local governing bodies in a multi-academy trust, along with those of trustees, members, and senior staff.

It adds that academy trusts must ensure that "there are measures in place to manage any conflicts of interest" at all levels of the school's leadership.

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