

Non-Executives Conflicts of Interest and Related Party Transactions Policy

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Purpose and scope

- 1.1 This policy sets out the principles for managing potential and actual conflicts of interests or duty affecting the Members, Trustees (including the CEO/Accounting Officer) & Local Governors (including Headteacher) of REAch2 Academy Trust (**REAch2**). Its purpose is to ensure every Member, Trustee & Local Governor understands what constitutes a conflict of interest, that they have a responsibility to identify and declare any conflicts that might arise and to enable Trustees and Members to ensure the 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 as well and so these are also specified below.

2 Definition

- 2.1 For the purpose of this document:
 - 2.1.1 Members, Trustees (including the CEO/Accounting Officer) and Local Governors (Including the Headteacher) are referred to as Trustees unless named specifically;
 - 2.1.2 REAch2 Academy Trust is referred to as REAch2
 - 2.1.3 Pupils refers to all pupils being educated or on site at any one of the schools within The Trust.

3 Background

- 3.1 Trustees have a legal obligation to act in the best interests of REAch2 and in accordance with its articles of association (**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 Academy Trust Handbook). They are expected to act impartially and objectively, and to take steps to avoid conflicts of interest or duty.
- 3.2 Conflicts inhibit free discussion and may result in decisions that are not in the best interests of REAch2 and risk giving the impression that the Trustees have acted improperly.
- 3.3 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.
- 3.4 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 REAch2.

4 Scope

- 4.1 This policy applies to the following individuals:
 - 4.1.1 All Members
 - 4.1.2 All Trustees
 - 4.1.3 The CEO/Accounting Officer

4.1.4 All Local Governors

4.1.5 All headteachers

5 **Legal Framework**

5.1 This Policy takes its legal framework from the following legislation and guidance (both statutory and good practice):

5.1.1 Companies Act 2006

5.1.2 Conflicts of Interest: A Guide for Charity Trustees (CC29)

5.1.3 Financial Reporting Standard 102

5.1.4 Charities SORP

5.1.5 Trustees Expenses and Payments Guidance

5.1.6 The DfE Academy Trust Handbook

5.1.7 Related Party Transactions: Information for Academy Trusts

5.1.8 Managing conflicts of interest in a charity

5.1.9 The Articles of Association of REAch2 Academy Trust

6 **Legal context**

6.1 There are some fundamental legal issues Trustees should ensure they understand. These are summarised below.

6.2 **Duty to avoid conflicts**

6.2.1 REAch2 adopts the definition of the Charity Commission which states that a Conflict of Interest is any situation where a Trustees personal interests or loyalties could, or could be seen, to prevent them from making a decision in the best interests of the Trust.

6.2.2 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 they have, or can have, a direct or indirect interest or loyalty that conflicts, or possibly may conflict, with REAch2's interests.

6.2.3 No Trustee or related individual or organisation will use 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.

6.2.4 There will be no payments to Trustees by the Trust unless permitted by the articles, or by authority from the Charity Commission, and that comply with any relevant agreement with the Secretary of State for Education. The Trust will consider these obligations where payments are made to other business entities who employ the Trustee, are owned by the Trustee, or in which the Trustee holds a controlling interest

6.2.5 The Charity Commission's approval will be obtained where the Trust believes a significant advantage exists in paying a Trustee for acting as a Trustee.

6.2.6 Any payments provided to a person reference above will satisfy the 'at cost' requirements of the Academy Trust Handbook.

6.3 **Types of conflict**

6.3.1 A conflict of interest may be:

- Actual – there is a material conflict between one or more interests.
- Potential – there is a possibility of a material conflict between one or more interests in the future.

6.3.2 A conflict will typically arise where a Trustee or staff member has:

- A conflict of loyalty; and/ or
- A personal interest (i.e. monetary interest) in a proposed transaction. This is often referred to as a 'Trustee Benefit' or a 'Related Party Transaction'.

6.4 These are considered in further detail below.

6.5 **Conflicts of loyalty**

6.5.1 A Trustee who owes a duty to another organisation or person (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 REAch2. Even though the Trustee might not have any personal (i.e. monetary) interest in the transaction, and cannot benefit from it personally, they will have a conflict of loyalty.

6.6 **Trustee benefits and related party transactions**

6.6.1 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'.

6.6.2 In order for a Trustee to receive a Trustee Benefit, there must be express legal authority. Such authority might be given under the articles of association (typically subject to a specific procedure being complied with) or on a case by case basis by the Charity Commission.

6.6.3 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 REAch2. This is irrespective of whether REAch2 might have received value (e.g. services provided) in return for the benefit.

6.6.4 We consider Trustee Benefits and Related Party Transactions in more detail at paragraph 14 below.

7 **Identifying and recording declaration of interests**

7.1 This Policy sets out the requirements which all individuals outlined in section 4.1 must comply with in respect to making appropriate Declaration of Interests where those interests

could potentially conflict with the interests of the Trust or its Academies. All individuals have a duty to, and must make, a Declaration of Interest in accordance with this Policy.

7.2 A Declaration of Interest must be completed and confirmed via GovernorHub or the declaration form and must be kept up to date at all times (see appendix 3 for advice on how to use GovernorHub to record and manage declarations of interest):

- By all individuals in section 4.1 within twenty-eight (28) days of appointment and taken into consideration prior to appointment
- Annually, and no later than the October half term, by all individuals outlined in section 4.1. An online confirmation or completed declaration form of a nil return is required if no conflict exists
- When an individual becomes aware of a new interest during the course of the year the interest must be notified in a new declaration within twenty-eight (28) days of the interest being known and updated on GovernorHub or using the declaration form.

7.3 Examples of interests include, but are not limited to:

7.3.1 Directorships, partnerships, shareholdings and employments with businesses;

7.3.2 Trusteeships and governorships at other educational institutions and charities;

7.3.3 Any material interests arising from close family relationships between the Members, Trustees or employees, and relationships between Members or Trustees and employees;

7.3.4 Shareholdings

7.4 A close family relationship is defined as a relative of the Trustee. 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 unmarried or civil partner

7.5 For any interest declared the name and nature of the business, the nature of the interest and the date the interest began must be declared

7.6 In addition to completing and updating the declaration of interests, every Trustee must declare to the other Trustees and the Trust Governance Professional the nature and extent of any direct or indirect interest they may have in any existing transaction or arrangement with REAch2/the academy or any transaction or arrangement proposed with REAch2/the academy of which the Trustee is aware.

7.7 A Trustee's declaration must be made to the other Trustees and the Trust Governance Professional of Clerk:

7.7.1 At a Trustees' meeting at which the transaction or arrangement is to be discussed;
or

7.7.2 By written notice sent by post or email to the other Trustees and the Governance Professional/Clerk to the Trustees using the form of notice attached at Appendix 2.

7.8 The Trustee must give notice to the other Trustees and the Governance Professional/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 meeting of Trustees.

- 7.9 If Trustees are unsure of what to declare, or whether/when their declaration needs to be updated, they should contact the Trust Governance Professional/Clerk for guidance.
- 7.10 Trustees must, on a regular basis, ensure that all relevant declarations for the groups listed in section 4.1 have been submitted and are being updated where appropriate.

8 Publishing information relating to Declarations of Interest

- 8.1 The Trust will keep a register of any relevant business and financial interests, for Members, Trustees and Local Governors serving at any point over the past 12 months.
- 8.2 The register must include their full names, date of appointment, who appointed them and their term of office (for Trustees and local governors), date they stepped down (where applicable), and relevant business and financial interests including:
 - 8.2.1 directorships, partnerships and employments with businesses
 - 8.2.2 Trusteeships and governorships at other educational institutions and charities
 - 8.2.3 for each interest: the name and nature of the business, the nature of the interest and the date the interest began
- 8.3 The register must identify relevant interests from close family relationships between the academy Trust's Members, Trustees or Local Governors. It must also identify relevant interests arising from close family relationships between those individuals and employees.
- 8.4 The Trust Governance Professional will use the information provided by Members & Trustees to maintain a register of interests. The register will be accessible to all Trustees, and the public, via publication on the Trust website.
- 8.5 The clerk to the Local Governing Body will use the information provide by Local Governors to maintain a register of interests for each academy. The register of local interests will be published on each academy website.
- 8.6 REAch2 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).

9 Data protection legislation

- 9.1 The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998, the General Data Protection Regulations EU 2016/679 (GDPR) and any national laws or regulations constituting a replacement or successor data protection regime to the governed by the DPA 2018 or the GDPR. Data will be processed only to ensure that Trustees and Members act in the best interests of REAch2. The information provided will not be used for any purpose other than those set out in this policy, or the declarations or notices themselves.

10 Managing the conflict of interest

- 10.1 Where a Trustee has an interest or a loyalty exists which conflicts or may conflict with their duties as a Trustee of REAch2, the Trustee must:

- 10.1.1 Disclose that fact as soon as they become aware of it;
 - 10.1.2 If requested by the other Trustees, absent themselves from any discussions of the Trustees in which it is possible that a conflict will arise between their duty to act solely in the interests of REAch2 and any other duty or personal interest they might have; and
 - 10.1.3 Consider the conflict of interest so that any potential effect on decision-making is eliminated.
- 10.2 **Conflicts of Loyalty** - Where there is a conflict of loyalty and the affected Trustee does not stand to gain any benefit and there are no specific governing document or legal provisions about how the conflict of loyalty should be handled, the affected Trustee should declare the interest. The remainder of the Trustees must then decide what level of participation, if any, is acceptable on the part of the conflicted Trustee. The options might include, but are not limited to, deciding whether the conflicted Trustee:
- 10.2.1 Having registered and fully declared the interest, can otherwise participate in the discussion and decision;
 - 10.2.2 Can stay in the meetings where the decision is discussed and made, but not participate in said discussion and decision;
 - 10.2.3 Should withdraw from the decision-making process in the way described above.
- 10.3 **Benefits to Trustees**- Where there is a proposed financial transaction between a Trustee and the Trust, or any transaction of arrangement the process, as set out in the [DfE guidance for academy trusts](#) should be followed.
- 10.4 In deciding which course of action to take regarding a conflict of interest, Trustees:
- 10.4.1 Must always make their decisions only in the best interest of the Trust
 - 10.4.2 Should always protect the Trust's reputation and be aware of the impression that their actions and decisions may have on those outside the Trust.
 - 10.4.3 Should always be able to demonstrate that they have made decisions in the best interest of the Trust and independently of any competing interest.
 - 10.4.4 Should require the withdrawal of the affected Trustee from any decisions where the Trustee's other interest is relevant to a high risk or controversial Trustee decision or could, or be seen to, significantly affect the Trustee's decision-making at the Trust.
 - 10.4.5 Can allow the Trustee to participate where the existence of the other interest poses a low risk to the decision-making in the Trust's interest or is likely to only have an insignificant bearing on their approach to an issue.
 - 10.4.6 Should be aware that the presence of a conflicted Trustee can affect Trust, could inhibit free discussion, and might influence decision-making in some way.
- 11 **Parent Trustees**
- 11.1 Trustees who are also parents of pupils at REAch2 will have a personal interest in the provision of education to their child. The articles allow parent Trustees, as beneficiaries, to receive educational services on the same terms as those provided to all pupils by REAch2.

- 11.2 In order to manage the potential conflict that may arise for parent Trustees as a result of their interest in their child's education by REAch2:
- A parent Trustee 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 the child; and
 - A parent Trustee is authorised to vote and count in the quorum and discuss any matter which relates to pupils of REAch2 or the school where their child is a pupil generally.
- 11.3 There is little expectation that such matters would be discussed at Members' meetings but should this be required, the above will also apply in respect of Members.
- 11.4 All Trustees should give a notice declaring their interest in their child's education by REAch2. The interest will be identified in the register of interests.

12 **Contracts and Procurement**

- 12.1 All those named in section 4 will have due regard to the Trust Financial Scheme of Delegation and Tendering and Procurement Policy.
- 12.2 Any conflict of interest, perceived or actual, will be declared prior to approving acceptance of, or entering into, any contract for or on behalf of the Trust.
- 12.3 In the event of a tender evaluation exercise being required, and a person not named in section 4 is part of said evaluation, they will be required to complete a declaration form prior to commencing the evaluation process.

13 **Expenses**

- 13.1 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 includes:
- 13.1.1 The reasonable cost of travelling to and from Trustee meetings, and on Trustee business and events;
- 13.1.2 The reasonable cost of childcare, or care of other dependents (for example, an elderly parent) whilst attending Trustee meetings;
- 13.1.3 The cost of postage and telephone calls on charity business; and
- 13.1.4 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.
- 13.2 The following should not be classified as 'expenses':
- 13.2.1 Compensation for loss of earnings whilst carrying out Trustee business; or
- 13.2.2 Honoraria payments (small or token sums not intended to reflect the true value of the service provided); or
- 13.2.3 Expenses in connection with foreign travel.

- 13.3 The Chair of the Trust Board, (or in their absence, the Vice-Chair) has the authority to approve expense claims from Trustees.
- 13.4 Local Governor expenses should be submitted to the academy headteacher.
- 13.5 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.
- 13.6 For further information related to expenses please view the non-staff expenses policy and procedure.

14 **Trustee Benefits and Related Party Transactions**

14.1 **What is a 'Benefit' or 'Related Party'?**

14.1.1 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 REAch2 on normal commercial terms. A Trustee who may derive any personal benefit of this kind from a transaction with REAch2 will have a conflict between their duty to REAch2 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.

14.1.2 Related party includes 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). This is not exhaustive and a full definition can be found in the Financial Reporting Standard 102.

14.1.3 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.

14.1.4 Payments in respect of expenses are not classified as 'Benefits'.

14.2 **Connected persons**

14.2.1 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 REAch2 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 Trust will pay no more than 'cost' for goods or services provided to it by the following persons:

- (a) Trustees
- (b) Individuals or organisations related to a Trustee. For these purposes the following persons are related to a Trustee:
 - (i) A relative of the Trustee. A relative is defined as a close member of the family, or a 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, stepchild, parent, grandchild, grandparent, sibling, spouse, unmarried or civil partner of the Trustee or any person living with the Trustee as their partner;

- (ii) An individual organisation carrying on business in partnership with the Trustee or a relative of the Trustee
 - (iii) A company in which a Trustee or the relative of a Trustee (taken separately or together) holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power in any general meeting of that company
 - (iv) An organisation controlled by a Trustee or relative of a Trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
- (c) Any individual or organisation given the right under the Trust's articles of association to appoint Trustee of the academy Trust, or anybody connected to such individual or organisation
- (d) Any individual or organisation recognised by the Secretary of State as a sponsor of the academy Trust; or anybody connected to such individual or organisation.

14.3 General Trustee Benefits

14.3.1 Trustees are expressly authorised to receive the following "general" Benefits (i.e. Benefits that are available to all Trustees):

- Indemnity insurance paid for by REAch2;
- Indemnity payments from REAch2 under its articles;
- Reasonable expenses properly incurred by the Trustee in acting as a Trustee and paid or reimbursed by REAch2 (which are not considered to be 'Benefits' at all) but excluding expenses in connection with foreign travel; 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.

14.4 Specific Trustee benefits

14.4.1 In addition, Trustees may also receive the following 'specific' Benefits (i.e. Benefits made available to individual Trustees) in accordance with an authority under REAch2's articles:

- Payments made to any Trustee in their capacity as a beneficiary of REAch2;
- Payments received under a contract of employment;
- Reasonable and proper remuneration for goods or services supplied to REAch2, other than for acting as a Trustee;
- Interest on money lent to REAch2 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 REAch2 by a Trustee if the amount of the rent and the other terms of the lease are reasonable and proper rate.

14.4.2 These Benefits however will only be authorised if the procedure set out in article 6.6 is complied with. Where a conflict is authorised, the Trustee will not be in breach of their duty to avoid it, but the conflict must be managed.

14.4.3 Please note that a Trustee cannot receive payment for acting as a Trustee unless this is specifically authorised by the Charity Commission.

14.5 The management and reporting of Trustee Benefits and Related Party Transactions

14.5.1 The board of Trustees will ensure requirements for managing related party transactions are applied across the Trust.

14.5.2 The board chair and the accounting officer will ensure their capacity to control and influence does not conflict with the requirements of the Academy Trust Handbook. They will manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the 7 Nolan principles of public life.

14.5.3 The Trust will report all contracts, transactions and other arrangements with related parties to DfE in advance of the transaction taking place, using DfE's on-line form.

14.5.4 The Trust will seek prior approval from the DfE, as required by the Academy Trust Handbook, for any contracts for the supply of goods or services to the Trust by a related party agreed where a contract or other agreement exceeds £40,000 in the same financial year ending 31 August Accounting standards require related party transactions to be disclosed in a reporting entity's financial statements so that users can gain a full understanding of the transactions which have taken place, and any factors that might have influenced them.

14.5.5 Where related party transactions have occurred, the Academies Accounts Direction stipulates that disclosure must be made and should include:

- (a) The names of the related parties
- (b) A description of the relationship between the parties
- (c) A description of the transactions
- (d) The amounts involved
- (e) The amounts due to or from related parties at the balance sheet date, and any provisions for doubtful debts or amounts written off

14.5.6 A flowchart is included in Appendix 1 to assist in the identification and management of Trustee Benefits.

14.5.7 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.

14.6 Approval of novel, contentious and/or repercussive related party transactions

14.6.1 Novel, contentious and/or repercussive related party transactions are subject to separate arrangements. The Trust will obtain DfE's prior approval for any contracts and other agreements with related parties that are novel, contentious and/or repercussive, regardless of value. Approval will be sought using DfE's related party

on-line form. The Trust will carefully consider the impact of this requirement and its relevance to transactions involving the board chair and/or the accounting officer.

- 14.6.2 Novel transactions are those of which the academy Trust has no experience or are outside its range of normal business.
- 14.6.3 Contentious transactions are those that may cause criticism of the Trust by Parliament, the public or the media.
- 14.6.4 Repercussive transactions are those likely to set a precedent and cause pressure on other Trusts or the broader public sector to take a similar approach and hence have wider financial implications, including where a Trust's proposal could cause additional costs to arise for other parts of government.

15 Buying services from Trustees or connected persons

- 15.1 When buying services from Trustees (or persons or bodies connected to Trustees), in addition to complying with the necessary procedures relating to Related Party Transactions REAch2 will need to ensure that:
 - 15.1.1 The contract had been properly procured in accordance with the REAch2 procurement policy supported by a statement of assurance from that individual or organisation to the Trust confirming their charges do not exceed the cost of the goods or services, and on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply; and
 - 15.1.2 The terms of the Academy Trust Handbook relating to the 'at cost' principle have been complied with – i.e. that the contract is not 'for profit'. The 'at cost' requirement applies to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year. For these purposes, where a contract takes the Trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.
 - 15.1.3 Any connected party supplying goods or services to the Trust must complete the statement of assurance as set out in Appendix 2 to confirm that the goods and services are being supplied 'at cost' only.

16 Reporting and Consequences of Non-Compliance

- 16.1 Individuals who do not follow this policy may be in breach of their duties and may be subject to internal action within the Trust, including being removed from their post. In certain circumstances individuals may also be subject to external sanction, including being barred from undertaking the role of a company director and in exceptional cases being subject to criminal prosecution.
- 16.2 The DfE may also issue a Notice to Improve (NtI) to the Trust when there is deemed to be irregular use of public funds or inadequate financial governance and management (including breaches of the duties, principles and requirements governing connected party relationships and transactions). Failure to comply with an NtI can, in exceptional circumstances, also result in the termination of our funding agreement(s).
- 16.3 If any individual believes anyone within the Trust is undertaking activity that leads to personal gain they should report their concerns to appropriate management, being either

the Trust Governance Professional, Internal Auditors or via the Trust's Whistleblowing procedure.

17 Adoption and circulation

17.1 This policy was approved and adopted by a resolution of the Risk and Audit Committee of the Trust Board passed at a meeting held on 28 January 2026 and takes effect immediately.

17.2 This policy shall be circulated to schools, the Senior employees, the Trust Board, the Members, LGBs and others at the discretion of the Chair of the Trust Board.

18 Review

18.1 The Trust Board will review this policy annually at the first meeting of the calendar year or as required when statutory guidance is issued

Date of next review: September 2026

Appendix 1: 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). Benefits might also be made paid 'in kind' - for example, free use of REAch2's facilities or services for which users normally have to pay.



If yes, please proceed to Question 2

TIP! Trustees' expenses

A refund of properly incurred expenses is not a "Benefit". Article 6.5 permits a Trustee to be reimbursed for expenses properly incurred in relation to their role. However, expenses in relation to foreign travel cannot be recovered.

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 14.3.1 allows REAch2 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 they might be breaching their duties. There are also some other specific restrictions on the scope which the insurance can cover.
- 2 **Trustees' investments in shares.** REAch2 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 14.3.1). In most cases, this means that REAch2 can contract freely with other companies, without Trustees with small investments in shares in such companies breaching their duties to REAch2.

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

List B

- 3 **A beneficiary of REAch2.** This might be the case if, for example, a parent Trustee were to attend the academy for evening classes.
- 4 **Being employed by REAch2 or entering into a contract for the supply of goods or services to REAch2, other than for acting as a Trustee.** Please note that a benefit paid to an individual who is already an existing employee of REAch2 who is subsequently elected or appointed as a Trustee will instead fall under List B.
- 5 **Receiving interest on money lent** to REAch2 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 REAch2 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 REAch2 who is subsequently elected or appointed as a governor - most commonly a staff governor.

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 themselves from the part of any meeting at which there is discussion of:
 - their employment, remuneration, or any matter concerning the contract, payment or benefit; or
 - their performance in the employment, or their performance of the contract; or
 - Any proposal to enter into any other contract or arrangement with them or to confer any benefit upon them; 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 REAch2 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 themselves from the part of any meeting at which there is discussion of:
 - their employment, remuneration, or any matter concerning the contract, payment or benefit; or
 - their performance in the employment, or their 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 2: Pro-forma statement of assurance

This form is for completion by an individual or organisation (the 'supplier'), defined in the [Academy Trust Handbook](#) (the 'handbook') as a 'connected party' to an academy Trust. Individuals and organisations supplying goods or services to a connected Trust must charge no more than cost (defined at the end of the form). This form will also help Trusts comply with their funding agreement obligations.

Section 1: Supplier Details

Name and address of supplier	
Company number (if applicable)	
Start date	
End date	
Estimate of commercial price, including profit	<i>A reasonable and fair estimate</i>
Connection with trust, e.g. trustee is also a director of the supplier of goods and services	<i>Explain the nature of the connection between the supplier and academy trust</i>
Value of goods or services to trust/cluster/school	<i>£ At cost without profit</i>
Does this value include direct costs and indirect costs only?	Yes / No
Nature of contract	<i>Such as building supplies or professional services</i>

Section 2: Details of contract

Explanation of how the supplier is charging the academy Trust
<i>This should include a sufficiently detailed explanation setting out that the supplier understands its direct and indirect costs in such a way to demonstrate to the academy Trust that it is supplying goods and services at cost, without any element of profit.</i>
<i>[Please extend the rows below if the contract is longer than three years]</i>

	Direct costs	Indirect costs	Total
Year 1	£	£	£
Year 2	£	£	£
Year 3	£	£	£
Total	£	£	£

Section 3: Supplier certification

Certification of supplier
<p>I certify, on behalf of [<i>name of supplier</i>] that:</p> <ul style="list-style-type: none"> • The goods and services detailed in this form will be supplied to the academy Trust on the basis of direct cost plus indirect costs, with no element of profit; • We are supplying the goods and services on an open book basis and we will provide more information on request; and • We will make an adjustment in the following year if we identify a miscalculation on our direct or indirect costs, and supplied goods or services which included an element of profit.

Name and position	<i>Should be sufficiently senior to sign this declaration</i>
Date	
Signature	

Section 4: Academy signoff

Certification of academy Trust
<p>In signing this document I am satisfied that:</p> <ul style="list-style-type: none"> • The goods and services being supplied comply with the requirements on trading with connected parties as set out in the handbook, and represent value for money; • There is full compliance with the Trust's scheme of delegation; • Open and fair procurement and compliance with the Trust's procurement procedures have taken place; • Potential conflicts of interest within the academy Trust have been robustly managed; • The Trust's/cluster's/school's register of interest captures relevant business and pecuniary interests as set out in the handbook, and will be updated to reflect this contract (if not already); • The supplier understands that open book arrangements are in place and they will provide more information on request, if needed; and • Both the Trust's accounting officer and chair of board of Trustees have agreed to trade with this connected supplier, and that the measures and safeguards listed above are in place.

Director of Finance	
Date	
Signature	
Notes	

Direct costs means the costs of any materials and labour used directly in producing the goods or services.

Indirect costs means a proportionate and reasonable share of fixed and variable overheads.

At cost means without profit as it includes direct and indirect costs only.

Estimate of commercial price acknowledges that the value of such contracts varies depending on a number of factors and negotiations. The supplier should identify a reasonable and fair price, e.g. from previous similar contract.

Appendix 3: Using GovernorHub to declare an interest

REAch2 has chosen GovernorHub as its chosen platform for the recording and sharing of governance information across all tiers of governance.

Within this online system is the facility for individuals to record and confirm their declarations of interest.

To do this each individual must log in to GovernorHub and click on their name at the top of the page to open their profile. On the page this opens is a tab called 'Declarations'.

Here users can add a new declaration by clicking 'add new declaration' or edit existing declarations or delete declarations that are no longer in existence by clicking the ellipsis next to the relevant line on their profile.

Where there are no declarations of interest that need to be added, individuals must still click 'confirm' to make a "nil" declaration and to provide a date stamp and the name of the confirmed person.

Having reviewed their declarations, individuals can confirm they are correct by clicking the 'confirm' button below the list of declarations. This will provide a date stamp and the name of the confirmed. It is a requirement that it is the named individual who confirms their own declaration as this acts as a signature and proof of confirmation.

The clerk or other registered admin can download a report of the full board's declarations that can in turn be uploaded to the relevant website.