

Bassingbourn Village College

Pecuniary and business interests policy

Introduction

The governing body of Bassingbourn Village College have agreed that it's decision-making processes should be conducted, and seen to be conducted, in an objective and unbiased manner. The governing body and school staff have a responsibility to avoid any conflict between business and personal interests and the interests of their school. To help put this duty into practice and to meet legal requirements, we will maintain a register of pecuniary and business interests. The register will ensure that governors' personal interests do not unfairly prejudice, influence or conflict with school's decision making processes.

The requirement to maintain a register of business interests is set out in the Financing of Maintained Schools (England) Regulations 2003 (SI 2003/453) Regulation 29 and Schedule 3 (16). This lists "the keeping of a register of any business interest of the governors and the head teacher."

What are business and pecuniary interests?

There is no clear definition of what constitutes a business interest. Within the model scheme set out in guidance "Schemes for Financing Schools: Section 48 of the School Standards and Framework Act 1998 and Schedule 14 to the Act" it only states: "the scheme must contain a provision which requires the governing body of each school to have a register which lists for each member of the governing body and the principal, any business interests they or any member of their immediate family have." The requirement to register does not extend to school staff beyond the principal.

Business interests are those relating to any company, trade or profession. As a minimum we would expect governors to register any trade or profession along with any direct interest in any company providing goods or services that any governor or a member of their family may have an involvement in. Pecuniary interest is a wider term which would capture personal financial interests (such as trust funds and investments) as well as potential interests (such as a possible promotion for a teacher governor, for example, where an internal candidate was an applicant for a senior post which, if they were successful, could mean that their post might be available to the teacher governor).

Some clarification as to what may or may not be a pecuniary interest can be found in Schedule 1 of the School Governance (Procedures)(England) Regulations 2003.

Register of Pecuniary & Business Interests

The clerk to the governing body will issue a register template to each governor in the form attached in appendix 1. Governors will complete this document and return to the Clerk – including nil returns.

The completed register should be retained by the clerk and made available on request to members of the governing body, the principal, staff, parents, and the Local Authority and for inspection as part of an audit. To ensure evidence of completeness, the register should be reviewed, updated and signed off annually by the chair of governors.

However it is the responsibility of each individual governor to declare their interest and the chair of governors has the overall responsibility to ensure that all governors complete/update it. The register is not a substitute for declaring an interest at meetings.

When should an interest be disclosed?

At the first meeting of the governing body in the new academic year, all governors must make a declaration of interests in writing. Even governors with no interests to declare must return the form acknowledging they have read the guidance and understand the process to follow should an interest arise during the year. All new governors must make a declaration on appointment regardless of the time of year they are appointed. Governors must declare to the governing body any interests arising after making their annual declaration and must complete and submit a further declaration of interests form. It is acknowledged that these kinds of interests may not always be clear in advance which is why the regulations make provision for any individual governor who may have an interest in a matter, which is due for discussion at a meeting, to declare it at the beginning of the meeting. Any such statements should be formally recorded within the minutes of that meeting. As such, declaration of interests should be a standard agenda item at every meeting.

What happens if an agenda item arises during a meeting which a governor has declared an interest in?

If a governor has any pecuniary interest and is present at a meeting of the school at which the contract or other matter is the subject of consideration, they should disclose it as early as possible and withdraw from participation in the decision-making process involving those items and would not be able to vote on any related matters.

What type of interests should be declared?

The register must include all business interests such as directorships, share holdings and other appointments of influence within a business or other organisation that may contribute to the provision of extended services. The disclosures should also include business interests of relatives and other individuals who may exert influence. Minor interests that are not material such as a small shareholding in a large organisation do not need to be declared. When making a decision on what should be disclosed, the individual should bear in mind the basis on which a third party might challenge their decision to disclose or not to disclose information. You must declare any interest that in the view of any reasonable person may influence the decisions made by a governor or member of staff on behalf of the school.

Examples of business/pecuniary interests that should be recorded

- working for an organisation that may quote or carry out work for the school or provision of extended services.

- owning or having at least a 10% share of a company that may carry out work for the school for example, a local builder
- leader of voluntary organisation using service provider facilities · member of a parents group using service provider facilities
- related to member of staff/governor being considered for appointment
- related to member of staff undergoing disciplinary cases

Examples of business/pecuniary interests that do not need to be recorded

- working for a major national organisation, such as a high street bank or major supermarket
- having a shareholding of less than 10% of the total shares in a large multi national company
- working, owning or having some involvement with a local organisation which has no dealings with the school e.g. mother owns the local corner shop which has no official dealings with any children's centre or extended services provider

If you have any doubt whether an interest should be recommended that the interest should be declared.

What else should we be aware of to ensure that our governing body business is conducted, and seen to be conducted, in an objective and unbiased manner?

The Schools Financial Regulations has further guidance on anti-fraud, whistle-blowing and acceptance of gifts and hospitality (see section 2 on Governance). All Chairs and Clerks responsible for recording interests should ensure that they read the full guidelines available in the Schools Financial Regulations.