



LAMDA LIMITED

CONFLICTS OF INTEREST POLICY FOR STAFF

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1. SCOPE AND PURPOSE OF THE CONFLICTS OF INTEREST POLICY

- 1.1 This Conflicts of Interest Policy (**Policy**) applies to all Trustees of LAMDA, the Directors of LAMDA Enterprises, and all LAMDA Staff Members, each of whom has an obligation to act in the best interests of LAMDA. **For conflicts of interest relating to LAMDA Examinations and for LAMDA Examiners specifically, please refer to the Conflict of Interest Policy and Procedure for LAMDA Examinations.**
- 1.2 Its purpose is to ensure that everyone governed by it understands:
 - 1.2.1 what a Conflict of Interest is;
 - 1.2.2 how to identify a potential Conflict of Interest;
 - 1.2.3 what interests to declare; and
 - 1.2.4 what action is required when a potential or actual conflict has been identified.
- 1.3 In particular, Trustees of LAMDA must not place themselves in a position where they have, or may have, a direct or indirect interest that conflicts with their duties as charity trustee and must not profit from their position as a charity trustee. These obligations derive from the general fiduciary duties owed by charity trustees and the Companies Act, which sets out specific requirements in relation to Conflicts of Interest.
- 1.4 The Charity Commission considers it good practice for charity trustees to implement a Conflicts of Interest policy. The Commission's guidance for charity trustees on Conflicts of Interest is available at:
<https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>.
- 1.5 Conflicts of Interest can inhibit open discussions and may result in Trustees, Directors or Staff Members taking irrelevant considerations into account or making decisions that are not in LAMDA's best interests. They can also damage the reputation of LAMDA if it appears that the Trustees, Directors or Staff Members are influenced by personal interests or loyalties. All Trustees, Directors and Staff Members must therefore be alert to the possibility that they, or their co-charity Trustees, Directors or Staff Members could be affected by a Conflict of Interests.
- 1.6 In this Policy references to:
 - 1.6.1 "Conflicts" or "Conflicts of Interest" include actual and/or potential conflicts of interest and/or duty;
 - 1.6.2 persons who are "connected" with a Trustee, Director or Staff Member means:
 - (a) a child, stepchild, grandchild, parent, brother or sister of a Trustee, Director or Staff Member.
 - (b) the spouse, unmarried partner or civil partner of a Trustee, Director, Staff Member or any person falling within paragraph (a) above;

- (c) any person who is in a business partnership with a Trustee, Director, Staff Member or any person who is in a business partnership with any person falling within paragraph (a) or (b) above; and
- (d) any company, business, trust or organisation in which a Trustee, Director or Staff Member (or any person connected to them) has an interest as a beneficiary or through ownership, control or influence.

If in doubt about whether a person is connected, a Trustee, Director or Staff Member should seek advice from a solicitor or other person qualified to advise on the matter;

- 1.6.3 “benefit” includes any payment or material benefit (including property, loans, goods and services), other than reasonable out of pocket expenses.

1.7 This Policy conforms to the requirements of the Charities Act, the Companies Act and the Memorandum and Articles of Association of LAMDA in relation to conflicts of interest.

1.8 LAMDA’s Memorandum and Articles of Association sets out some procedures in relation to Conflicts of Interest. This Policy should be read in conjunction with the Memorandum and Articles of Association, and relevant provisions in the Memorandum and Articles of Association take precedence over this Policy.

2. **GUIDELINES FOR ALL LAMDA TRUSTEES, LAMDA ENTERPRISES DIRECTORS AND LAMDA STAFF**

2.1 **What is a Conflict of Interest?**

2.1.1 A Conflict of Interest is any situation in which a Trustee, Director or Staff Member’s direct or indirect interests could, or could be seen to, prevent them from making a decision only in the best interests of LAMDA.

2.1.2 Conflicts of interest may arise:

- (a) where a Trustee, Director or Staff Member (or a person connected to them) stands to obtain a benefit from LAMDA; or
- (b) where a Trustee, Director or Staff Member has a duty of loyalty to a third party that conflicts with their duty to LAMDA.

2.1.3 When considering if they have a Conflict of Interest, a Trustee, Director or Staff Member must be aware of the following principles:

- (a) a Conflict of Interest exists if there is a possibility that the Trustee, Director or Staff Member’s personal interest could influence their decision-making, even if the individual’s decision-making is not in fact adversely affected by the conflict. A reasonable perception that a Conflict of Interest exists can be enough for the Trustee, Director or Staff Member to be in breach of their duties; and
- (b) the interest that gives rise to a conflict may be direct or indirect and, in particular, a conflict may relate to the interests of someone who is connected to a Trustee, Director or Staff Member as well as to their own personal interests.

2.2 How to identify a potential Conflict of Interest

2.2.1 It is impossible to set out every situation which may result in a conflict, but common situations include:

(a) **a direct financial gain or benefit** such as:

- payment for services provided to LAMDA;
- the award of a contract by LAMDA to another organisation in which a Trustee, Director or Staff Member has an interest and from which they will receive a financial benefit;
- the employment of a Trustee or a Director in a separate post within LAMDA, even when the Trustee or Director has resigned in order to take up the employment;
- making a grant to a Trustee, Director or Staff Member or determining LAMDA's grant-making policy where the Trustee, Director or Staff Member (or a person connected to them) is a beneficiary;
- selling, loaning or leasing LAMDA's assets to a Trustee, Director or Staff Member;
- acquiring, borrowing or leasing assets from a Trustee, Director or Staff Member;
- the exploitation by LAMDA of any property, information or opportunity held by a Trustee, Director or Staff Member;
- a transaction between LAMDA and LAMDA Enterprises (or another charity) where a Trustee, Director or Staff Member is a director (or charity trustee) of both entities, and the transaction results in LAMDA receiving a substantial asset from, or transferring a liability to, the other entity.

(b) **indirect financial gain** such as employment by LAMDA of a spouse or partner of a Trustee, Director or Staff Member, where their finances are interdependent, or where the spouse or partner is directly or indirectly supervised by that Trustee, Director or Staff Member.

(c) **non-financial gain** such as when a user of LAMDA's services is also a Trustee, Director or Staff Member;

(d) **conflict of loyalties** such as:

- where a Trustee or Director is appointed by a statutory agency or funder;
- where a Relative or friend of a Trustee or Staff Member is employed by LAMDA;
- when a Trustee, Director or Staff Member has a personal sense of loyalty to another organisation or person that conflicts with their loyalty to LAMDA;

- when a Trustee, Director or Staff Member has religious or political views that could interfere with their ability to make decisions in the interest of LAMDA;
- when a Trustee, Director or Staff Member (or a person connected to them) owes a legal obligation or duty towards another organisation or person (for example, an employer or another charity of which they are a charity trustee) that conflicts with their duty to LAMDA.

(e) **payment to a Trustee, Director or Staff Member for services provided to LAMDA Enterprises.**

2.3 What interests to declare and how to report them:

- 2.3.1 Trustees, Directors and Staff are required to declare their potential interests, as soon as they become aware of them, by filling out a Form for Declaration of Actual or Potential Conflicts of Interest and Related Party Transactions (Appendix 1). This Form gives examples of the type of interests to be declared but is not exhaustive. All Trustees must complete this Form on appointment.
- 2.3.2 In addition, Trustees, Directors and Senior Staff will be asked to complete a Form for Declaration of Appointments and Directorships (Appendix 2) on a regular basis to record current appointments and directorships.
- 2.3.3 At every meeting of the Board of Trustees and of LAMDA Enterprises, all those in attendance, including Staff Members, will be required to declare any interests they may have in any agenda item. These declarations will be recorded in the minutes.
- 2.3.4 If it is unclear as to what should be declared, guidance should be sought from the Company Secretary.

2.4 What action is required:

LAMDA Company Secretary:

- 2.4.1 The Forms (set out in Appendix 1 and Appendix 2) once completed must be sent to the Company Secretary.
- 2.4.2 The Company Secretary shall maintain a Conflicts of Interests Register (described below) and will enter the information from these Forms in the Register.
- 2.4.3 The Company Secretary is responsible for ensuring that the Board of Trustees has all available information.
- 2.4.4 The Company Secretary is responsible for circulating amendments and additions to the Conflicts of Interests Register (if any) to the Board of Trustees at the start of each meeting of the Board of Trustees.

LAMDA Board of Trustees:

- 2.4.5 **Declaration of Interests by Prospective Trustees:**

- (a) Before a prospective Trustee is appointed, they must be asked to declare any direct or indirect interests they have that might give rise to a Conflict of Interests.
- (b) If the Trustees consider it likely that the prospective Trustee will be subject to serious or frequent conflicts of interest, the Trustees should consider whether it is appropriate to proceed with the appointment.

2.4.6 Procedure for declaring conflicts:

- (a) If a Trustee considers that they have an actual or potential conflict, they must inform the chair as soon as possible and always before any discussion of the relevant matter. The declaration must specify the nature and extent of any direct or indirect interest that gives rise to the conflict.
- (b) If a Trustee is aware that another Trustee has an actual or potential conflict that has not been declared, they must notify the chair.
- (c) If the chair is declaring a conflict, they must inform the vice-chair.
- (d) If a Trustee is uncertain whether or not they are conflicted, they must err on the side of openness and declare the interest.

2.4.7 Procedure for declaring interests in transactions and arrangements:

- (a) A Trustee who has a direct or indirect interest in any proposed transaction or arrangement must declare the nature and extent of that interest before the transaction or arrangement is entered into.
- (b) If a Trustee has a direct or indirect interest in a transaction or arrangement that has already been entered into by LAMDA but has not declared that interest, they must declare the nature and extent of that interest as soon as is reasonably practicable.
- (c) If a declaration made under paragraph 2.4.7(a) and (b) proves to be or becomes inaccurate or incomplete, the conflicted Trustee must make a further declaration giving correct information about the nature and extent of their interest.
- (d) A declaration made under paragraph 2.4.7(a), (b) or (c) must be made either at a meeting of the Board of Trustees or by sending written notice to the other Trustees.
- (e) A Trustee may give general notice that they or a person connected to them has an interest in a specified company, business or organisation and is to be regarded as interested in any transaction or arrangement with that company, business or organisation that may be entered into by LAMDA, after the date of the notice. Such notice must be given at a meeting of the Board of Trustees or the relevant Trustee must take reasonable steps to ensure that it is brought up and read at the next meeting of the Board of Trustees after it is given. The notice must state the nature and extent of the interest that the Trustee or a person connected to them has in the company, business or organisation.

2.4.8 **Procedure for assessing conflicts at meetings:**

- (a) At the start of each meeting of the Board of Trustees the chair must inform the other Trustees and the Company Secretary of any Conflict of Interest that has been declared by a Trustee that relates to the business to be discussed at the meeting;
- (b) In the event of the Board of Trustees having to decide upon a question in which a Trustee or a Director has an interest, that Trustee must absent himself or herself from any discussions of the issue. A Trustee may not vote on matters affecting his/her interests.
- (c) The way in which conflicts are dealt with will depend on the nature and extent of the conflict. The non-conflicted Trustees must therefore:
 - assess the nature and extent of the conflict;
 - assess the risk or threat to decision-making by the Trustees;
 - decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent the Trustees from making decisions in the best interests of LAMDA, relates to a significant decision or risks significantly damaging LAMDA's reputation); and
 - decide what steps to take to handle the conflict.

When considering the conflict, Trustees must take all relevant factors into account, make decisions only in the best interests of LAMDA and always protect LAMDA's reputation.

- (d) The non-conflicted Trustees must consider whether it is necessary to seek the advice of the charity's legal adviser on whether the conflict is serious and/or on how to manage the conflict declared.
- (e) All decisions about a Conflict of Interest will be recorded by the Company Secretary in the minutes and these will record:
 - the nature and extent of the conflict;
 - an outline of the discussion;
 - the actions taken to manage the conflict.

2.4.9 **Authorising Conflicts of Interest:**

- (a) The Trustee's duty to avoid a Conflict of Interest does not apply if, and to the extent that, the Conflict of Interest is authorised by any of the following:
 - an express provision in LAMDA's Memorandum and Articles of Association;
 - a statutory provision, such as the powers in the Charities Act 2011 to:

- i. pay a charity trustee (or a connected person) for providing services to the charity (sections 185 to 188); or
 - ii. take out and pay premiums for trustee indemnity insurance (section 189); or
- the Charity Commission or the court.
- (b) In each case, the Trustee must always follow any conditions that apply to the authorisation.

2.4.10 Procedure for managing conflicts:

The Board of Trustees is ultimately responsible for monitoring and managing all Conflicts of Interest.

- (a) Trustees (or a connected person) cannot receive any benefit from LAMDA (including LAMDA Enterprises) in return for any service they provide, unless there is specific authority to do so under the Memorandum and Articles of Association. Trustees are allowed to receive reasonable out of pocket expenses necessary to allow them to carry out their duties as Trustees and these do not need to be declared in the Conflicts of Interest Register. Benefits available to all, or that are of inconsequential or little measureable value, will not normally need to be declared.
- (b) Where there is a potential Conflict of Interest in respect of a contract, the interested party must not be involved in managing or monitoring that contract. Monitoring arrangements for such contracts will include provisions for an independent challenge of fees and invoices, and termination of the contract if the relationship is unsatisfactory.
- (c) Trustees must also review and determine whether any of the following need to be disclosed in the Annual Report and Accounts, in accordance with the current Charities SORP:
- any third party transactions from which a Trustee or Director benefits; and
 - any connection of a LAMDA Staff Member to a party involved in the supply of a service or product to LAMDA.
- (d) At least once in every 12-month period, all Trustees must review the information relating to them contained in the Conflicts of Interest Register and declare that the information is correct or make a further declaration if necessary.

2.4.11 Training

All newly appointed Trustees must receive training on this Policy and identifying situations that may result in a conflict and ways in which conflicts can be managed in practice. In addition, Trustees must be familiar with principles contained in the Charity Commissions guidance on conflicts (see paragraph 1.3).

3. CONFLICTS OF INTEREST REGISTER

- 3.1 The Conflicts of Interest Register for LAMDA will be maintained by the Company Secretary who will keep the Board of Trustees informed of all interests.
- 3.2 To complete the Conflict of Interest Register, information will be extracted from all Forms for Actual or Potential Conflicts of Interest and Related Party Transactions (Appendix 1) submitted to the Company Secretary.
- 3.3 In addition, Trustees, Directors, and Senior Staff Members will be asked to complete a Declaration of Appointments and Directorships Form (Appendix 2) regularly to record current appointments and Directorships. If relevant, this information will be entered on the Conflicts of Interest Register.
- 3.4 The information in the Conflicts of Interest Register relating to LAMDA (including LAMDA Enterprises as part of LAMDA's Group) and Staff Members will be presented annually to the Board of Trustees.
- 3.5 The entire Conflicts of Interest Register is open for inspection at any time to any member of the Board of Trustees.

4. DATA PROTECTION

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure the Trustees and all Staff act in the best interests of LAMDA. The information provided will not be used for any other purpose.

5. MONITORING, ENFORCING AND REVIEWING THIS POLICY

- 5.1 Any Trustee, Director or Staff Member who becomes aware of a breach of this Policy must report it to the Company Secretary as soon as possible.
- 5.2 The Company Secretary must:
 - 5.2.1 Report all breaches of this Policy of which they are aware to the Board of Trustees at the next meeting of the Board of Trustees; and
 - 5.2.2 Ensure that all breaches are noted in the minutes of the relevant meeting of the Board of Trustees.
- 5.3 The Board of Trustees have implemented this Policy in order to monitor and manage Conflicts of Interest. Any failure to comply with the terms of this Policy will not, in itself, result in a decision of the Trustees being invalidated or in any liability to LAMDA's beneficiaries.
- 5.4 This Policy must be reviewed annually, or sooner if required, by the Board of Trustees.

Appendix 1
Form for Declaration of Actual or Potential Conflicts of Interest (Part A)
and
Related Party Transactions (Part B)

Name:

Your role within/relationship to LAMDA:

.....

Part A: Conflicts of Interest

Describe the type of actual or potential Conflict of Interest (see below for examples). This includes any interests of persons connected to you that may potentially give rise to a Conflict of Interest.	
What is the nature of the activity that is being undertaken?	
Who is involved in this activity?	
What is their relationship to you?	
What might be the perceived gain? This could be a Financial Interest or reward (monetary, gift, gift in kind, hospitality or some other form of advantage). All Trustees must declare any gifts or hospitality received or offered to them in their capacity as Trustee.	
Could there be violations of any legal or regulatory requirements and if so, what are they?	
Please confirm that you are not aware of any conflict, other than those already disclosed, that exists between your role and your	

personal circumstances or other interests.	
Please confirm that you will update this form annually, or sooner if any changes occur.	
Please confirm that you will declare any conflict that arises in the future.	
Is there any other information that you feel is relevant to this declaration?	

Examples of a potential Conflict of Interest are:

(a) **a direct financial gain or benefit** to a Trustee, Director or Staff Member such as:

- payment for services provided to LAMDA;
- the award of a contract to another organisation by LAMDA in which a Trustee, Director or Staff Member has an interest and from which they will receive a financial benefit;
- the employment of a Trustee or a Director in a separate post within LAMDA, even when the Trustee or Director has resigned in order to take up the employment;
- making a grant to a Trustee, Director or Staff Member or determining LAMDA's grant-making policy where the Trustee, Director or Staff Member (or a person connected to them) is a beneficiary;
- selling, loaning or leasing LAMDA's assets to a Trustee, Director or Staff Member;
- acquiring, borrowing or leasing assets from a Trustee, Director or Staff Member;
- the exploitation by LAMDA of any property, information or opportunity held by a Trustee, Director or Staff Member;
- a transaction between LAMDA and LAMDA Enterprises (or another charity) where a Trustee, Director or Staff Member is a director (or charity trustee) of both entities, and the transaction results in LAMDA receiving a substantial asset from, or transferring a liability to, the other entity.

(b) **indirect financial gain** such as employment by LAMDA of a spouse or partner of a Trustee, Director or Staff Member, where their finances are interdependent, or where the spouse or partner is directly or indirectly supervised by that Trustee, Director or Staff Member.

- (c) **non-financial gain** such as when a user of LAMDA's services is also a Trustee, Director or Staff Member;
- (d) **conflict of loyalties** such as:
- where a Trustee or Director is appointed by a statutory agency or funder;
 - where a Relative or friend of a Trustee or Staff Member is employed by LAMDA;
 - when a Trustee, Director or Staff Member has a personal sense of loyalty to another organisation or person that conflicts with their loyalty to LAMDA;
 - when a Trustee, Director or Staff Member has religious or political views that could interfere with their ability to make decisions in the interest of LAMDA;
 - when a Trustee, Director or Staff Member (or a person connected to them) owes a legal obligation or duty towards another organisation or person (for example, an employer or another charity of which they are a charity trustee) that conflicts with their duty to LAMDA.
- (e) **payment to a Trustee, Director or Staff Member for services provided to LAMDA Enterprises.**
- (f) **Related Party Transactions (see below).**

PART B: RELATED PARTY TRANSACTIONS

Are there any Transactions (as defined below) that you are aware of, that due to your relationships with LAMDA and the transacting party (as defined below), may need to be disclosed in the Annual Report and Accounts for the year ending 31 July 201X?

NO YES

If YES please provide details of the transaction(s):

Name of the related party or parties (see below for definitions) and their relationship to you	
Details of the Transaction(s) and any financial gain or other benefit involved	

Declaration guidelines

A Related Party is defined as:

- (a) a person who has direct or indirect control of the other party;

Describe any action that has been taken to manage the Conflict of Interest.	
Details of any discussions and decisions made.	
Details of Related Party Transactions to be declared in the Annual Report and Accounts	

Signature:

Company Secretary (Print name)

.....

Date:

Appendix 2
Form for Declaration of Appointments and Directorships
(For Trustees, Directors and Senior Staff)

Name:

Role within/relationship with LAMDA:

Please list below all current appointments and directorships, whether in the public or private sector, government, corporate, educational, academic, or charitable, as of [DATE]. Please return your completed forms to the LAMDA Company Secretary.

Position Held	Organisation	Date of Appointment

Received by:

Signature:

Company Secretary (Print name)

.....

Date:

Appendix 3 Definition of Terms

Annual Report and Accounts	Annual reports and financial statements as required under the Companies Act 2006 and the Charities Act 2006.
Charities SORP	Statement of Recommended Practice, Accounting and Reporting by Charities, as defined under the Charities Act 2006.
Companies Act	the Companies Act 2006 which governs UK Limited Companies, including LAMDA.
Company Secretary	as defined under the Companies Act 2006; the individual appointed by the Trustees to fulfil this role.
Director(s)	The Directors of LAMDA Enterprises. In this Policy, they are referred to in both capacities individually as a Director and collectively as Directors.
Financial Interest	Where there is an indirect or direct financial interest by a Trustee, Director or Staff Member in an action that is taken.
Form for Declaration of Actual or Potential Conflicts of Interest and Related Party Transactions (Appendix 1)	Form completed as required at any time by any Trustees, Directors or Staff Members where there may be an actual or potential Conflict of Interest or Related Party Transaction.
Form for Declaration of Appointments and Directorships (Appendix 2)	Form completed on a regular basis by Trustees, Directors and Senior Staff to record current appointments and directorships and related third party transactions.
LAMDA Enterprises Limited (LAMDA Enterprises)	The wholly owned subsidiary of LAMDA, registered with Companies House (registration number 03700617) which is the trading arm of LAMDA and undertakes non-charitable, commercial activities and gift aids the profits to LAMDA Limited.
LAMDA Limited (LAMDA)	The charitable company, whose objects are to advance education for the public benefit in particular by maintaining and carrying on an Academy, College, School or Examinations board, is incorporated in the United Kingdom, limited by guarantee, registered with Companies House (registration number: 364456), and governed by the Companies Act of 2006. LAMDA is also registered with the Charity Commission as LAMDA Ltd, (charity number: 312821).

Memorandum and Articles of Association

The governance document for LAMDA Limited filed with UK Companies House and approved by the UK Charities Commission in 2008.

Relatives

Those individuals that have a close connection either through blood, marriage, domestic partnership or common law to Trustees, Staff or Employees.

Senior Staff

Members of LAMDA's Senior Management Team (**SMT**), as defined by their contracts of employment, or other staff such as Heads of Department as designated from time to time by the Trustees, Director or SMT.

Staff or Staff Member

Those individuals, including Senior Staff, who either have employment contracts with LAMDA or are under contractual arrangements to supply services to LAMDA, sometimes also referred to as employee(s).

Trustee(s) and Board of Trustees

The Trustees of LAMDA who are Trustees as defined under the Charities Act 2006 who also serve as Directors of LAMDA under the provisions of the Companies Act of 2006. In this Policy they are referred to in both capacities individually as a Trustee and collectively as Trustees. Together they act as the Board of Trustees and are responsible for the governance of LAMDA and are ultimately responsible for monitoring and managing all conflicts of interest.