LTE Group Corporation Disclosure and Conflicts of Interest Policy

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1. Scope of this Policy

1.1 LTE group is a national learning and skills group in receipt of public and other funds. As such it subscribes to the highest standards of corporate governance. This policy sets out how the LTE Group ensures that clear procedures are in place for managing conflicts of interest. This policy articulates a framework of responsibilities by which staff, trustees and others disclose interests which may conflict with those of the group. Any reference to the group, unless otherwise explicitly stated, will be construed as referring to all parts, including trading entities and subsidiaries.

1.2 The underlying premise of this Policy is that all individuals involved in the business of the group (trustees, governors, directors, co-optees, staff and contractors) have a duty to avoid conflicts of interest and a responsibility to identify and disclose actual, potential or perceived conflicts between their personal, family, pecuniary or business interests and their professional responsibilities to the group.

1.3 A conflict of interest is a broad term that covers any situation where a person's interests could affect their ability to act impartially and in the best interests of the organisation. This may occur where the individual stands to gain a personal benefit or suffer a disadvantage.

1.4 A conflict of interest can also arise through a conflict of loyalty. This is particularly relevant in the charity and education sectors and occurs when an individual's duties to one organisation, group or stakeholder compete with their duties to another. While conflicts of loyalty were referred to in the previous policy, they were not defined. Including a definition and practical examples helps raise awareness of circumstances that could create a conflict, especially where there is no obvious personal gain or loss and the conflict may therefore be less apparent.

1.5 From a director's perspective, the key requirement is to disclose any relevant interests. Once the details have been declared, the governance team, Board or other appropriate decision-makers can assess the nature of the conflict and determine the most appropriate course of action.

2. Introduction

2.1 The open and careful management of conflicts of interest is intended to support:

- the group and/or its subsidiaries entering relationships, partnerships and ventures in the confidence that these do not conflict with legitimate personal interests
- the safeguarding of the assets, resources and reputation of all parts of the group, particularly in making good use of public funds

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- a culture of transparency, accountability and integrity, as core values the group wishes to uphold.

2.2 The disclosure of interests is intended to balance the protection of employees from exposure to, or allegations of, wrongdoing with the safeguarding of the group and its constituent parts from legal claims, reputational damage or financial loss. LTE group seeks to adopt a proportionate and fair approach to the management of conflicts of interest. It is anticipated that the majority of activities or associations which overlap, or could be seen to be at odds with, the personal interests of staff and the interests of the group will continue to operate as normal, in the confidence that they are properly understood and managed through effective disclosure.

3. Definitions

3.1 A **conflict of interest** arises when an individual's personal, financial professional or other interests influence, compromise of conflict with the best interests of the group. The conflict may be actual, potential or perceived and can be financial or non-financial in nature and include situations involving a conflict of loyalty (see definitions below). In some cases, it may not be clear that there is an obvious benefit, but nevertheless others could perceive or judge that impropriety has occurred as a result of the individual's interest.

3.2 **Financial interests** refer to situations where an individual receives a financial benefit, even where the value of the benefit is small or where the group receives a financial advantage. Situations include, but are not limited to, pay, commission, consultancy fees, equity interests, forgiveness of debt, property, royalties, intellectual property rights, other business interests which could be perceived as giving the individual a financial advantage if a decision was made as a result of that individual's influence within the group.

3.3 **Non-financial interests** refer to any non-financial benefit or advantage, including enhancement of an individual's career or personal or other business interest, education or professional reputation; access to privileged information or facilities, personal, business or family connections or associations which could affect or influence the individual's role within the group or a decision made as a result of that individual's influence within the group.

3.4 A **conflict of loyalty** refers to situations where an individual's duty to one organisation, group, person or role competes with their duty or loyalty to another organisation or group, even where there is a no personal or financial benefit (for example, where a trustee or senior member of staff is also involved with another organisation that works with or competes with the group). Such conflicts must be declared and managed in the same way as financial or non-financial conflicts.

3.5 A **person(s) connected** includes the individual's spouse or civil partner, immediate family, business partner or an organisation that is connected to the individual. In certain circumstances, the law determines who is a connected which includes:

- Selling or leasing charity land
- Providing goods or services to a charity where trustees are using the statutory power
- A charitable company that is transferring or receiving a substantial noncash asset.

4. Statutory and Regulatory Context

4.1 LTE group is a conglomerate made up of both charitable and corporate entities, as such the following legislation and regulation applies:

- Companies Act 2006 (a director of a company must avoid a situation in which he has or can have a direct or indirect interest that conflicts or may conflict with the interests of the company)
- Charity Act 2011 (general duty of trustees to avoid conflicts of interest)

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- Bribery Act 2010 (failure of commercial organisations to prevent bribery)
- The 'Honesty' strand of the 'Nolan Principles of Public Life' (holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest).

5. Roles and Responsibilities

5.1 **Trustees, governors, directors and co-optees** have a statutory duty to act in the best interests of the corporation or subsidiary for which they have been appointed. Failure to comply with these duties may constitute a breach of duty and could result in regulatory and disciplinary action.

5.2 **Trustees, governors, directors and co-optees together with members of the group executive** are expected to:

- Avoid conflicts of interest where possible
- Identify and declare any actual, potential, or perceived conflicts of interest on appointment to the Director of Governance and Company Secretary and promptly disclose any changes or new interests as they arise
- Manage conflicts in accordance with this policy alongside governing documents and statutory laws and regulations
- Complete an annual return for the register of interests confirming the information held is correct or provide updates as required
- Understand how conflicts of interest, whether actual or perceived can impact the group's performance and reputation
- Abide by the Nolan Principles of Public Life and promote transparency and integrity as part of their leadership role.

5.3 **Senior Leaders or Staff in Positions of Trust** (in any part of the group) as identified by the group executive, shall also be required to complete an annual return for the register of interests supplemented by ad hoc disclosures as interests arise or are amended. Senior staff also have a leadership role to play in promoting the importance of disclosing interests and support staff accordingly in doing so.

5.4 **All staff** have a responsibility to identify and disclose known or potential material personal, indirect, pecuniary or business interests which may interfere, or be perceived to interfere, with an individual's ability to properly discharge his or her duties to the group or the subsidiary where their employment contract resides if and when a conflict occurs as a result. The group may require designated categories of staff to complete periodic declarations where this is proportionate to risk.

5.5 **Contractors and external bodies** (individuals or bodies bidding, through competitive tender or otherwise, to enter into a contractual relationship with the group, whether consultants, service-providers or suppliers) are regarded to be in a position of trust and therefore have a duty to disclose interests with a potential to impact on their independence.

5.6 Staff responsible for the negotiation and approval of contracts with external bodies, service providers and suppliers (e.g., Procurement and Legal Services) will need to ensure that contractors are reminded of their duty to disclose interests, and the need for the management of conflicts of interests through this Policy.

6. Register of Interest

6.1 A Register of Interests shall be maintained by the office of the Director of Governance and Company Secretary.

6.2 Interests are registered on the basis of self-declaration.

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6.3 The Register of Interests will include, as a minimum:

- Name and role of the individual
- Nature of the interest (financial, non-financial, or loyalty conflict)
- Date declared and last updated
- Details of any actions taken to manage the conflict

6.4 The Register will be reviewed at least annually by the Governance Committee (or equivalent) to ensure completeness and accuracy.

6.5 Individuals will be required to confirm the accuracy of their declarations on an annual basis.

6.6 Completed returns are to be considered as public information and may be made available on request. Completion of a register of interest return implies consent for the data therein to be accessible for these purposes. Access to and processing of information within the Register of Interest will be handled in accordance with the group's data protection and privacy policies.

7. Management of Actual, Potential or Perceived Conflicts of Interest

7.1 Actual, potential and perceived conflicts must be disclosed to the Director of Governance and Company Secretary.

7.2 Advice may be sought from the office of the Director of Governance and Company Secretary as to whether a connection is capable of being considered an interest and whether a situation may be perceived as a conflict of interest.

7.3 Advice may be given informally or in writing. It is for the individual to then act upon that advice or in the case of a member of staff to seek instruction from an appropriate person in authority as to how to proceed. Advice may consist of but is not limited to the following:

- Interest noted but individual is free to proceed
- Interest noted and individual required make it clear to all others involved that the interest exists
- Interest noted and as the potential for conflict clearly exists, to withdraw from any group business associated with that interest
- Interest noted and as the potential for material, continuing conflict which has the potential to significantly or adversely impact the group or any part of the group, consideration be given to either ceasing the activity which gives rise to the interest or consideration be given by the individual to their continuing position in the group.

7.4 Conflicts of interests are included as a standing item on the agenda of all corporate meetings and are dealt with in accordance with the relevant articles or standing orders. Any new interests must be declared at the start of the meeting or when they become apparent.

7.5 Where a conflict of interest arises:

- The conflicted party must withdraw from all discussions and decision-making relating to the conflict unless it has been authorised as set out in this Policy
- The remaining members in consultation with the Director of Governance and Company Secretary will determine how the conflict is to be managed, in line with the group's constitution, relevant articles and legislative requirements, which may require that the individual:
  - Withdraws from all discussions
  - Does not participate in the decision or vote
  - Is not counted towards quorum for that meeting
- The remaining members will determine whether it is appropriate for the individual to provide factual information before withdrawing.

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7.6 All decisions and the rationale for managing the conflict must be clearly recorded in the minutes. Any exceptions to this process must be clearly justified and documented.

8. Authorisation of Conflicts

8.1 In limited circumstances, a conflict of interest may be authorised by the remaining members where:

- The conflict is permitted under the governing document or applicable law
- The conflicted individual does not participate in the decision to authorise
- The unconflicted members are satisfied that the arrangement is in the best interests of the group.

8.2 If the conflict cannot be appropriately managed or authorised by the remaining members, or the action required is unclear, advice shall be sought from the Director of Governance and Company Secretary as well as independent legal advisors and the Charity Commission where required.

8.3 Additionally, the Charity commission will need to be involved where:

- A decision is required urgently
- The proposal involves payments to trustees or a person connected to them.

8.4 All such decisions must be clearly recorded, including the rationale for concluding that the arrangement is in the group's best interests.

9. Non-Compliance and Serious Incidents

9.1 Failure to declare or properly manage a conflict of interest may:

- Result in a decision being challenged or not being valid
- Impact the performance or reputation of the group and may adversely affect funding
- Result in disciplinary action for the individual
- Be considered a breach of statutory duties and regulatory action taken against the individual or the group.

9.2 Significant or unmanaged conflicts may constitute a serious incident and may require reporting to the Charity Commission in accordance with regulatory requirements.

10. Training and Awareness

10.1 The Group will ensure that:

- Trustees and relevant staff receive appropriate information as part of their induction on conflicts of interest
- Periodic refresher training is provided as part of the annual return process
- Individuals understand their obligations under this policy.

11. Related Party Transactions

11.1 Any transaction involving a related party must be:

- Conducted on an arm's length basis
- Properly authorised in line with this policy
- Fully documented and recorded.

11.2 Additional scrutiny will be applied to such transactions to ensure they are in the best interests of the group and do not confer unauthorised benefit.

12. Associated Policies and Procedures

- Financial Regulations
- Gifts & Hospitality Policy
- Public Interest Disclosure ("Whistleblowing") Policy

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- Bribery and Corruption Policy
- Governor Code of Conduct
- Disciplinary Procedure (Staff)

13. Version Control and Accountability

Version number	Version 2		
Policy Owner	Director of Governance		
Accountable SMF	Director of Governance		
Approved by	LTE Group Corporation Board		
Approval Date	October 2026	**Next Review Date**	October 2029

Version	Status	Date	Revision Reason	Reviewed by	Outcome
1.0	First Draft	18/07/2023	New Policy	NA	NA
2.0	V2	Jul/October 2026	Review cycle	Kayleigh Hinchliffe, Assistant Company Secretary	• Updated format of policy. • Updated definition of a conflict of interest. • Added definitions for conflict of loyalty and persons connected. • Included reference to statutory duties for Trustees, Governors, Directors and Co-optees. • Expanded register of interests sections and management of conflicts. • Added sections to cover authorisation of conflicts, training and related parties

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Appendix: Additional Guidance on Conflicts of Interests

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Situations that may give rise to a Conflict of Interest

The examples below are intended to assist individuals in identifying and disclosing situations in which a conflict of interest may arise, as well as the actions that may be appropriate in response. They apply to all relevant roles, including trustees, governors, and directors. The approach taken to managing an actual, potential, or perceived conflict will depend on the specific circumstances and in line with LTE Group's Disclosure and Conflict of Interest Policy which can be found on the Hub, as well any applicable legislation and relevant good practice guidance.

Example 1: Financial Conflict - Reimbursing governors for loss of earnings
Governor A is required to attend a full day's safeguarding training course at the institution, which will take place during their working hours. Governor A will lose out financially by attending the training. They apply to the institution for compensation for loss of earnings. • Governor A has a financial conflict of interest which must be managed when the governors decide whether to make this payment. • The unconflicted governors must also comply with the rules on paying trustees if they decided to make payment to Governor A.
Example 2: Conflict of Interest – Employing connected people
The institution decides to recruit a senior researcher. The spouse of a member of the governing body (Governor B) is qualified for the position and may apply. Governor B declares a conflict of interest and does not take part in any discussions or activity about the role or its recruitment. The governing body has regard to relevant guidance on employing people connected to trustees to make sure: • they manage the financial conflict of interest if Governor B's spouse applies for the role • they comply with the rules on paying people connected to trustees if the Governor B's wife is the successful candidate.
Example 3: Financial Conflict – Employing a governor to a subsidiary role
The institution runs a local art gallery, and it owns a trading company which runs a gift shop and café. A new governor (Governor C) has significant business experience. The governing body considers it would be in the institution's best

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interests to appoint Governor C as a director of the trading company, which is a paid role. Governor C has a financial conflict of interest which must be managed. The governing must also comply with the rules on employing trustees.

Example 4: Financial Conflict – Leasing institutional property

The institution advertises that the ground floor of its property is available for lease. A Governor (Governor D) owns a company which is considering applying to rent the space. Governor D has a financial conflict, which they must declare. They must not take part in decisions about who the institution will lease the ground floor to. If the unconflicted governors decide to lease to the company, they must comply with the law on leasing charity land to a trustee or connected person.

Example 5: Financial Conflict – Paying governors for services

The institution is looking to decorate its premises. One of its governors (Governor E) is a self-employed painter and decorator. Governor E provides a quote, which is lower than others the institution receives. The governor decides to use the statutory power to pay a trustee for services. This requires the governors to meet certain legal conditions, one of which is that Governor E must withdraw from all discussions and the decision about who the institution charity will contract with.

Example 6: Conflict of loyalty – Competing for contracts

Governor F is a governor of two local educational institutions. Both institutions are planning to apply for the same funding opportunity offered by the local authority. Although Governor F will not benefit financially from either application, there is a significant loyalty conflict because information obtained through their role at one institution could potentially give the other institution an advantage in the application process. As a result, Governor F's duty to act in the best interests of each institution may conflict, and the conflict should be declared and managed in accordance with the institution's conflicts of interest policy.

Example 7: Conflict of loyalty – Contracting with a known party

The governing body of an institution are looking undertake electrical work. The preferred contractor is a local company owned by a longstanding friend of one of governors. The governor has no connection to their friend's business and there is no financial interdependence between them. This is a loyalty conflict which the governors must manage.

Example 8: Conflict of loyalty – External memberships

The governors of an educational institutional are making a decision about delivering a programme of work at regional arts centres, including a centre where one of governors (Governor G) is a member. Governor G has a conflict of loyalty because of their membership of the arts centre. Governor G must declare the conflict but the other governors decide this is a low risk conflict and Governor G can remain in the meeting but not take part in the decision or voting, because:

- Governor G's connection to the arts centre is through membership only
- Governor G's membership is unlikely to have a bearing on their approach to making the decision
- any benefits to the arts centre members as a result of the decision will only affect Governor G in the same way as other members.

Example 9: Conflict of Loyalty – Competition

A governor of a multi-academy trust is also a governor at a local maintained school. The academy trust is considering opening a new sixth form, which may attract students away from the maintained school. The trustee feels loyal to both organisations and may find it difficult to make decisions solely in the best interests of the academy trust. The trustee should declare the conflict of loyalty as soon as it becomes apparent which must be managed by the remaining governors to determine the level of risk and appropriate action.

Example 10: Conflict of Loyalty – Personal Relationship

A governor has a close friend whose child is applying for a place at the Trust. The friend asks the governor for advice and support regarding the admissions process. At the same time, the governor has a duty to act in the best interests of the Trust and to ensure that admissions decisions are fair, transparent, and compliant with the Trust's admissions arrangements. This creates a conflict of loyalty because the governor's personal relationship with their friend could influence, or be perceived to influence, their judgement or actions.

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