



Declaration of interest/register of business interests

Notes of guidance

Declaration of interest

1. In the Governance section (A6) of the Ofsted publication called 'Keeping Your Balance', there is a requirement for governors to maintain a register of business interests of governors, the headteacher and all staff who can influence financial decisions of the school.
2. **The Nottinghamshire Local Authority Scheme for Financing Schools** also requires that business interests are declared and recorded in a register (see section 2.9).
3. In addition, any person who is present at a meeting of the full governing body or one of its committees must declare a business interest whether direct or indirect which should be formally recorded in the minutes of the meeting. This relates to any contract, proposed contract or other matter that is being considered. The person must disclose their interest(s) as soon as is practical at the meeting and must withdraw from the meeting during consideration or discussion of the contract or matter concerned. In addition, the person cannot vote on any question with respect to the contract or matter.

Register of business interest

1. The standards set in section 2.9 of the Nottinghamshire Local Authority Scheme for Financing Schools are:
'The governing body should establish a register that lists for each member of the governing body, the headteacher and any other staff who influence financial decisions, any business interests that they or any member of their immediate family have. The governing body should ensure that the register is kept up to date with notification of changes and through an annual review of entries. The register should be made available both to the Local Authority and for public inspection, free of charge during reasonable school office hours.'
2. Each governing body should arrange for a register to be kept at the school. This register is normally kept by the headteacher in a loose-leaf binder.
3. The governing body should make arrangements for the register to be reviewed and updated annually so that existing governors and staff can record any changes and the completed forms from new governors or new members of staff can be put in the register. There should be formal evidence of this review.

There is no comprehensive definition of what constitutes a business interest. However, where there is doubt about whether an interest is declarable or not, advice should be sought from the chair of governors.

Direct business interests

The following are examples of a direct business interest:-

- actual payments;
- receipts or cash in kind;
- benefits or losses arising from the value of assets (eg land owned by a governor or member of staff that might be affected by proposals about the school's land or buildings).

Indirect business interests

A number of matters can be treated as an indirect business interest. Some examples are as follows:-

- a governor or member of staff own shares in or is a member of a company or another body which has a direct business interest;
- a governor or member of staff is a business partner of a person or company who has a direct business interest;
- a governor or member of staff is employed by a person or company which has a direct business interest;
- a governor or member of staff has another family member or close friend who has an interest in the contract or matter being discussed;
- the contract or matter relates to an appointment at the school which could result in another vacancy for which the governor or member of staff could be a candidate.

Interests that are not business

Some matters are not considered as creating a business interest. Some examples are as follows:-

- being a councillor on a local authority;
- being a rate payer or council tax payer in the area of the school;
- for members of school staff, having an interest that is no greater than the interest of the generality of staff in a matter;
- having an interest that is so remote or insignificant that it cannot reasonably be regarded as likely to influence a governor or member of staff.

Duty to declare

1. Governors, headteachers and members of staff are bound by Nottinghamshire Local Authority Scheme for Financing Schools and, therefore, must declare in the register any direct or indirect business interest they have in a personal capacity in any contract relating to the school. The declaration must be in writing and be recorded in the register.
2. In addition to any written declaration in the register, a governor or any other person attending a meeting of the governing body or one of its committees must declare orally their business interest in any matter on the agenda or discussed at the meeting. This declaration should also be formally recorded in the minutes of the meeting.
3. Observance of these rules is the responsibility of the individual governor, headteacher or member of staff.