



# **NORTHERN EDUCATION TRUST THE TRUST**

## **Code of Conduct for Board Members, Non-Executive Directors and Observers**

### **FOREWORD**

This document sets out essential information for board members and observers of Northern Education Trust regarding the organisation's values and its expectations of them as they carry out their duties. As such, it is also of interest to a wider readership: these standards are those by which the Trust and individual Board Members may be judged by our partners and stakeholders.

This document also reminds readers of the seven principles of public life; and includes some guidance on interpreting aspects of the code. All parts of the document are of equal importance and the principles outlined are important guidelines for our day to day actions.

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## NORTHERN EDUCATION VALUES

The Trust's approach to its work should be based on the following widely adopted **public service values and therefore all Board Members and observers will:**

1. at all times observe the highest standards of propriety involving **impartiality, integrity** and **objectivity** in relation to the stewardship of public funds and the management of the Trust. There should be complete honesty in dealing with the funds entrusted to the Trust, integrity should be the principle underlying all action taken by or on behalf of the Trust.
2. maximise **value for money** through ensuring that services are delivered in the most economic, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. Value for money is not the lowest price: it is the optimum combination of costs and quality to meet the user's requirement
3. be **accountable** to the Secretary of State, users of services, individual citizens and staff for the activities of the Trust, their stewardship of public funds and the extent to which key performance targets and objectives have been met
4. act in accordance with Government policy on **openness** and responsiveness, and fully comply with the Freedom of Information Act
5. have due regard to the need to **promote equality of opportunity** between different racial groups, men and women and between persons who are disabled and persons who are not, and to treat all persons fairly irrespective of race, age, disability, ethnic origin, gender, marital status, religion and sexuality, in all areas of the Trust's work and working practices
6. adhere to the **seven principles of public life** established by the committee on standards in public life (the Nolan committee) to guide its work. These principles are reproduced at **Appendix 1**.

## **Our Mission**

We are a not-for-profit organisation committed to supporting academies and helping them to improve. We know that first class education gives young people life chances and choices, and their achievement and development is central to our vision. Our family of academies has high expectations both for pupils and for the quality and breadth of their experiences. We believe in the best for all children regardless of their background. Our values mean that we are truly inclusive.

The Northern Education Trust was formed by Northern Education, a successful school improvement company. It is, however, a completely separate legal entity. The Trust is responsible and accountable for the performance of the academies within it and all school funding goes directly to the Trust.

One of the most important of our principles is that the context of any particular school must be respected. Schools and communities are different and the family of schools must respond to the differences. Each academy will have a unique ethos. Schools are part of their community and our aspiration is that they are an integral part of that community, contributing to social and economic well-being. Flexibility in responding to different contexts and different needs is one of our core principles.

The Trust will promote students' potential and we will regard it as important as an Academy sponsor to be seen to be developing strong relationships with industry, commerce and higher education. We see the development of bursaries, support for outdoor education and the promotion of jointly funded activities in the arts and sports as essential ingredients for our students' experience.

The purpose of the Northern Education Trust is to deliver continuously improving schools no matter their starting points. Our objective is for all the Trust's academies to be at the forefront of international standards of excellence in educational provision and learning.

We are committed to the children and young people who attend our family of schools. They will be supported and challenged as individuals to achieve the best they can. We are also committed to empowering the communities served by our schools, and helping their participation in bringing education alive for everyone.

Schools within our family will be active partners, helping to decide policy as well as taking part in school to school support activities. Our aim is to enable schools to be as autonomous as possible within a shared accountability framework. There will be very successful high performing schools within the Trust and many leaders will be National or Local Leaders of Education. A network of Associate Schools are also involved in school improvement activities and school to school support.

The Trust will provide services for academies that will ensure value for money and the highest possible quality. Resources will be shared to enable this to happen. Some services provided currently by Local Authorities are of a high standard and it is right that they should continue to be provided locally. Again, flexibility is the key, rather than "one size fits all".

## Our Values

We seek to ensure that each academy provides learning experiences enabling every individual to begin to look at learning as a life-long activity, pursued within a community which proclaims that:

***The welfare of others is the first concern of all***

Such a guiding principle requires all those skills and attitudes that encompass such words as tolerance, flexibility, sensitivity, compassion and respect. Trustees would wish to endorse the strength of each of these words and to expect that each of them be associated with the single most important principle of a **comprehensive education. That is:**

***The education of every child is held to be of equal value in the comprehensive community school.***

This principle applied to practice, needs more precise thought, determined implementation and constant monitoring than systems pretending greater simplicity. It must overarch decisions, guide planning and inform the style of relationships in each academy. It is through the discovery of organisational and human relationships which reflect this principle, that expectations can be raised.

It does not mean that everyone is equal in talent, social behaviour or opportunities. Rather it recognises individual differences and starting points, accepts proficiencies and deficiencies and notwithstanding these accepts the essential value and rights of the individual.

We believe that the progress of pupils and students in their academic, social and physical development should be our prime focus, no matter their starting points. We believe that the Trust's success should be measured against students' achievements and their progression to further education or training, higher education and to economic security and success in the world of work.

The principles of the **welfare of others** and of **equal value** must govern all decisions concerning pastoral and academic organisation and practices. It should also inform the style of relationships between staff, between staff and students, between academy and the community served.

In order to achieve this, we believe that investment in the development, welfare and care of our staff must be at the heart of our employment policies.

## **CORPORATE RESPONSIBILITIES OF TRUST BOARD MEMBERS**

### **General responsibilities**

1. Members and observers of the Trust have corporate responsibility for ensuring that the Trust complies with any statutory or administrative requirements for the use of public funds. Other important responsibilities of the Trust members, non-executive members and observers include:
  - ensuring that high standards of corporate governance are observed at all times;
  - establishing the overall strategic direction of the organisation within the policy and resources framework agreed with the Secretary of State;
  - ensuring that the Trust operates within the limits of its legal authority and any delegated authority agreed with DfE, and in accordance with any other conditions relating to the use of public funds
  - ensuring that, in reaching decisions, the Trust has taken into account any guidance issued by the DfE;

### **Strategic planning and control**

2. One of the main tasks of the board members, non-executive members and observers of the Trust will be to oversee the production of the Trust's Annual Business Plan. The process of preparing such a document provides an opportunity for agreeing, with the DfE, the policy and resources framework within which the Trust will discharge its duties; and for determining its key strategic objectives and targets. The Trust Board will have overall responsibility for ensuring that there is an effective system of internal control in line with the Combined Code of Corporate Governance and the guidance on the combined code produced by the Turnbull working party.

### **Delegation**

3.
  - a. The Trust Board will from time to time through its Scheme of Delegation delegate responsibility for specific matters to a Trust committee, the Chair or the Chief Executive.
  - b. The Trust committees will from time to time delegate specific matters to the chair of the committee.
  - c. Any decisions made by the Chair of the Board or committees in the circumstance of delegation will be reported back to the Board at its next meeting.
  - d. Where there is disagreement within the committee about a delegated decision the decision making power will revert to the Board.
  - e. In exceptional circumstances where a matter of urgency requires immediate action the Chief Executive may seek the authority of the Chair of the Board or an associated committee to progress and seek resolution. Any such delegated decisions would be reported at the next Board or Committee.

4. As Board Members and observers serve on a part-time basis, responsibility for day-to-day management matters should be delegated to the executive so far as is practicable, with a clearly understood framework of strategic control.
5. The Trust Board will not normally delegate responsibility for setting corporate strategy, deciding key objectives and targets or making major decisions on the use of financial and other resources.
6. In order to ensure that such authority is properly used, any delegation of authority will be formally agreed by the Trust Board and recorded in the minutes of the relevant meeting.
7. The Trust Board will receive regular reports on the activities and conclusions of any committees it has established.

### **Openness and responsiveness**

8. The Trust and its staff should conduct all their dealings with the public in an open and responsible way and ensure full compliance with the Freedom of Information Act. The Trust will make publicly available annual reports. The Trust will seek to follow best practice in making available information to the public, particularly through the world-wide-web, and co-operate with other bodies, to place relevant information in the public domain.
9. The Trust should ensure it can demonstrate to the public that it is using resources to good effect, with propriety, and without grounds for criticism that public funds are being used for private, partisan or party political purposes. It will act consistently with the nature of the Trust's business and the possible need for confidentiality on commercial or other grounds, always subject to the rights of Parliament and the Regulator and External Auditors to obtain information.
10. The Trust intends that its administrative decisions should be open to examination and has therefore put in place arrangements for considering complaints about its administration.

### **Accountability for public funds**

11. The Trust has responsibility for ensuring that public funds are properly safeguarded and that at all times the Trust conducts its operations as economically, efficiently and effectively as possible with full regard to the relevant statutory provisions and to relevant guidance in accounting. The Trust must ensure that any conditions subject to which a grant is made to the Trust by the Secretary of State are complied with and members are collectively responsible for ensuring that the Trust does not exceed its powers or functions in respect of the expenditure of public funds. It does this by setting its own Financial Regulations and ensuring compliance with the current Academies Financial Handbook.

12. The Trust is responsible for ensuring that it does not exceed its powers or functions, whether defined in statute or otherwise, or through any limitations on its authority to incur expenditure. The Trust Board will be advised on these matters by the Chief Executive and its Legal adviser.
13. The Chief Executive is designated as Accounting Officer for the funds spent by the Trust. The Accounting Officer is responsible to the principal accounting officer of the Education Funding Agency (the EFA) for ensuring the proper application of funds and accounting for them in the Trust's annual accounts.
14. On financial matters, the Trust is required to operate within the terms of a financial memorandum between the Trust and the DfE, which specifies the terms on which it receives and may spend funds provided by the Secretary of State.
15. To ensure that the financial implications of the Trust's decisions are clear, the Trust requires that any report recommending a decision by the Trust or any of its committees with delegated authority, set out clearly the financial implications of that decision.
16. To ensure that the Trust's responsibilities for the use of public funds are discharged without impropriety or misuse, the Trust has put in place financial regulations governing the proper control of its payments to individual academies which it funds directly and the use of its administrative budget.
17. The Trusts approach to the allocation of financial resources to local individual academies ensures fair and open methods of allocation. The Trust may attach conditions to the use of its funds.
18. In respect of the Trust's expenditure on supplies and services, the Trust has ensured that arrangements for securing value for money and competition are in place. In particular, the Trust ensures that, should a firm in which a Board Member has a major interest, tender for the supply of goods or services to the Trust, that member will not be involved in the development of the tender specification or in the consideration or award of any tender. In such cases the Trust ensures that the selection panel convened to decide on the award of a tender will include at least one person independent of the Trust who will have no major interest in the development of a tender or the outcome of the decision. In all such cases, whoever chairs the selection panel will declare to the panel the nature of the member's interest in the firm.
19. Following the award of any such tender to a firm in which the member has an interest, a report will be made to the Trust or relevant committee detailing the process by which the tender was awarded. The member involved will be required to withdraw during any discussion of such a report.

## ***Annual report and accounts***

20. The Trust is required by Statute, Charities SORP and EFA requirements to keep proper records in relation to the accounts and prepare an annual report and statement of accounts for each financial year. The annual report and accounts will be prepared in accordance with the accounts direction issued by the Secretary of State and such other guidance as may be issued from time-to-time by the DfE and the EFA.
21. The Trust will comply with all requirements set out in the Companies Act and Charities SORP in reporting its annual accounts to the EFA and Companies House.
22. The Trust has established an audit and risk committee that must be chaired by a member of the Trust (other than the Chair of the Trust) who has experience of financial matters. Membership may not include the Chief Executive. The role of the audit and risk committee is to help promote the highest standards of propriety in the use of public funds and to encourage proper accountability for the use of those funds and to ensure the Trust has in place an effective system of internal control.

# CODE OF CONDUCT FOR THE TRUST BOARD MEMBERS AND OBSERVERS

## Introduction

1. This Code describes the responsibilities of members and observers of the Trust and its committees, joint and sub-committees in relation to their individual conduct.
2. The Code also governs arrangements for the registration and declaration of interests by Board Members and Observers. 'Members' or 'Observers' in the context of this code refers to Members and Observers of the Trust and any one co-opted to the Board or any of its sub-committees. This Code also applies to anyone who assists the Trust in an advisory capacity
3. The seven principles of public life, set out in **Appendix 1**, shall guide the conduct of Members and Observers, and in particular:
  - Members and Observers should act with integrity
  - in dealing with public funds, Members and Observers should set and abide by the highest standards of propriety.

## Responsibilities and Conduct of Individual Members and Observers

4. Individual Members and Observers should at all times act with an awareness of their wider responsibilities as representatives of the Trust. They should at all times:
  - comply with this Code
  - act in good faith and in the best interests of the Trust
  - act fully in accordance with the normal principles of financial accountability
  - use reasonable care and skill in fulfilling their role.
5. Members and Observers should not:
  - act in a way which will bring the Trust into disrepute
  - use information gained in the course of their public service for personal gain
  - use the opportunity of public service to promote their private interests.
6. As a general guide, Members and Observers should not take any action that cannot be publicly explained.

## Liability of Board Members

7. Although any legal proceedings initiated by a third party are likely to be brought against the Trust as a corporate body, in exceptional cases

proceedings may be brought against the Chairman or other individual members. For example, a member may be personally liable if he or she were to make a fraudulent or negligent statement, which resulted in loss to a third party. A member who misuses information gained by virtue of his or her position may be liable for breach of confidence under common law or under insider dealing legislation. Members who act honestly, reasonably and in good faith should not normally incur any liability in an individual capacity.

8. The government has indicated that an individual member who has acted honestly, reasonably, in good faith and without negligence will not have to meet out of his or her own personal resources any personal civil liability which is incurred in execution or purported execution of his or her Trust function.
9. The Chairman may remove an individual Member from office if he or she has been absent from meetings of the Trust for a period longer than 6 consecutive months without the Trust's permission or is unable or unfit to carry out the functions of a Member.
10. The Trust may by notice in writing remove a Member or Observer of a committee if he or she has been absent from meetings of a Trust committee for a period longer than 6 consecutive months without the Trust's permission or is unable or unfit to carry out the functions of a Member.

## **Registration and Declaration of Interests**

### **Register of interests**

11. Those with responsibility for decisions, particularly those concerning money, should ensure that they distance themselves from any possibility of a conflict of interest between their personal interests and public responsibilities. The Senior Operations Officer maintains registers of the financial and other relevant / major interests of members. These are available for inspection at the Trusts Registered Office. Those wishing to inspect the Trust's registers may do so between 09.00 and 17.00 on normal working days. The registers are updated once a year.
12. Members and Observers should record relevant interests as soon as is reasonably practicable after the interest arises. Interests that should be recorded are direct or indirect pecuniary interests that members of the public might think could influence a member's judgement. Members and Observers should also register non-pecuniary interests that relate closely to the Trust's activities, and interests of close family members and persons living in the same household as themselves.
13. Examples of interests that should be registered include:
  - remunerated directorships
  - remunerated employment, office, profession or other activity or other connections with a body which receives funds from the Trust

- clients connected with the education sector or other aspects of the Trust's business
- employment or other connection with a local education authority
- employment or other connection with any firm which offers services to or supplies individual academies within the Trust
- gifts and hospitality of a significant value arising from membership of the Trust that is over the financial limits set out in the Trusts Financial Regulations.
- significant shareholdings in a public company which have a nominal value greater than £25,000, or less than £25,000 but greater than 1% of the issued share capital of the company; and similar shareholdings in a private company or body which may give rise to a conflict of interest
- public activity in support of a political party within the previous five years
- miscellaneous, for example unremunerated posts, honorary positions
- and other connections which may give rise to a conflict of interest or of trust
- any other interest which may give rise to a conflict of interest or trust. Members are invited to record relevant and known interests held by their spouse, partner or close family.

## **Declarations of Interest**

### ***Formal business***

14. Any member or observer who has a clear and major interest in a matter under consideration by the Trust or any committee as appropriate should declare that interest at any meeting where that matter is to be discussed, whether or not that interest is already recorded in the register of interests. Such declarations should make clear the interest and whether it carries either direct or indirect pecuniary interest to the individual.
15. Where such an interest constitutes a direct or indirect pecuniary interest, the Member or Observer involved should withdraw from any meeting and not speak, participate in or otherwise seek to influence any decision taken by the Trust or any committee relating to the matter under discussion.
16. Members and Observers who are also governors, principals or other employees of bodies which receive funds from the Trust may participate in general discussions and decisions regarding such bodies but should withdraw and not participate in any discussion or decision which relates principally to the particular institution with which they are associated.
17. Where a Member or Observer has an interest that is not financial but which is relevant to the Trust's business, that interest should be declared. Where the interest is substantial, the Member or Observer involved should withdraw from discussions and decisions relating to that interest. Where an interest arises

from membership of a public body and where there is no financial interest, full participation in the discussion and decision is permitted.

18. In all circumstances Members and Observers should ask themselves whether members of the public, knowing the facts of the situation, would reasonably conclude that the interest involved might influence the approach taken or the Trust's actions. If so, the interest is sufficient for the Member or Observer to withdraw.
19. Observers of the Trust Board or any of its committees will not be able to vote on any issue which is taken to a formal vote by the Chair.

### ***Membership of committees***

20. Members or Observers should not agree to participate in committees or working groups of the Trust where there is a clear possibility that a conflict of interest will regularly arise.

### ***Informal and other business***

21. Members and Observers should apply the same standards regarding the declaration of interests and non-involvement in relevant business in their dealings with members of the Trust's staff in informal meetings of the Trust and informal dealings with other parties related to the Trust's functions.

### ***Gifts and hospitality***

22. Members and observers should treat with caution any offer or gift, favour or hospitality arising from their association with the Trust. In general, meals may be accepted provided that they are working occasions and the apparent costs of the hospitality are reasonable. Attendance at social events and occasions where the invitation is clearly made because of the connection with the Trust is also acceptable although members should not accept lavish hospitality. Care should be taken not to accept hospitality from the same organisation too often or without reciprocal hospitality where appropriate; for example, if there is a need for a follow up meeting or lunch this should be provided by the Trust and not by the other party.
23. All gifts beyond the limits set from time-to-time under the arrangements for the register of interests at paragraph 11 of this code should be reported to the Chief Executive. Where it is not possible to refuse the gift without giving offence, the gift should be accepted on behalf of the Trust and either surrendered to the Trust (that is, not kept for personal use) or bought from the Trust at full value.

## **Resolution of Difficulties**

24. Advice on complying with this code can be obtained from the Clerk to the Board. If a member has a difficulty in complying with this code or believes that the Trust is proposing to act improperly, he or she should raise the issue with the Chair of the Trust who will advise on its resolution. If members remain concerned they may seek guidance from the Secretary of State.

## **Misconduct by Members and Observers**

25. The Secretary of State may remove a member of the Trust if he is satisfied that the member has been absent from meetings of the Trust for a period longer than 6 consecutive months without the Trust's permission or is unable or unfit to carry out the functions of a member. The Trust may remove observers of the Trust and members and observers of the Trust committees on the same grounds.
26. Where a member or observer of the Trust or any of its committees faces a serious allegation that they have failed to comply with this Code of Conduct or any other allegation of misconduct which if established would render them unfit to carry out the functions of a member, the Trust Board or any of its committees. The Trust may resolve that the Member or Observer should stand down for a period necessary to enable the Secretary of State or the Trust to be satisfied as to whether removal from the Trust Board or any of its committee is justified.
27. Where the Chairman of the Trust faces allegations of misconduct the Trust may resolve to refer the matter to the Secretary of State to investigate such allegations.

## **Role of Observers**

### **Background**

28. The Trust may invite representatives of partners or stakeholders to its meeting or meeting of the Trust committees as observers.
29. The Secretary of State and or a representative of the Secretary of State has the right to attend meetings of the Trust and committees. The Trust should provide these people with all the information relating to the meeting that have been distributed to members and is likely to be needed by the person in order to take part in the meeting.

### **Observers Role and Powers**

30. As indicated in previous sections of this guidance, observers should aim to operate to the same high standards of propriety and public service values as members of the Trust.

31. Observers will be expected to make a full contribution to discussions at Board meetings of the Trust and might be asked to lead from time to time in advising the Board on particular issues and to take part in committees

32. Observers will be asked in particular to:

- help promote collaborative, constructive partnership between the stakeholders they represent and the Trust
- advise the Board/committee on their stakeholders' priorities and perspectives and areas of concern and
- contribute more generally to discussions, including providing challenge, to
- help Board/committee reach the best possible judgements.

33. Observers attend and address meetings with the agreement of the Chair but do not have any voting rights.

### **Sources of Further information**

Note: If members or observers need help to access any of these sources or have any queries on them, please contact Andy Thom, Clerk to the Board

1. NET Business Plan
2. The Academies Financial Handbook
3. The Combined Code on Corporate Governance (Cadbury, Ruttman and Hampel Committees) and the Combined Code: A Practice Guide-The Turnbull Working Party.
4. FOIA Publication Scheme
5. Scheme of Delegation
6. Governance Statement (inc Committee Terms of Reference)
7. Assurance Framework
8. Conflicts of Interest Policy

# APPENDIX 1

## THE SEVEN PRINCIPLES OF PUBLIC LIFE

### 1. Selflessness

Holders of public office should act solely in terms of the public interest.

### 2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

### 3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

### 4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

### 5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

### 6. Honesty

Holders of public office should be truthful.

### 7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.