

Related Party Transactions Policy

Date approved:	23 October 2024
Review cycle/date	Every 3 years; October 2027
Party responsible:	Staffing, Finance & Premises Committee
Linked policies:	None

Goods or services provided by individuals or organisations connected to The Swanage School

The Swanage School must pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include services provided under a contract of employment):

- any member or trustee of The Swanage School;
- any individual or organisation connected to a member or trustee of The Swanage School. For these purposes the following persons are connected to a member or trustee:
 - a relative of the member or trustee. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but may not be limited to, a child, parent, spouse or civil partner;
 - an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee;
 - a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company;
 - an organisation which is controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes;

- any individual or organisation that is given the right under the trust's articles of association to appoint a member or trustee of The Swanage School; or anybody related to such individual or organisation;
- any individual or organisation recognised by the Secretary of State as a sponsor of The Swanage School; or anybody related to such individual or organisation.

A body is related to another individual or organisation if it:

- is controlled by the individual or organisation;
- controls the organisation; or
- is under common control with the individual or organisation.

For these purposes control means:

- holding more than 20% of the share capital (or equivalent interest); or
- having the equivalent right to control management decisions with regard to the body; or
- having the right to appoint or remove a majority of the board or governing body.

The Swanage School must ensure that any agreement with the individuals or organisations referred to above to supply goods or services to the trust is properly procured and is:

- supported by a statement of assurance from that individual or organisation to the trust confirming that their charges do not exceed the cost of the goods or services; and
- on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services. Full cost includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services); and
- indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads).

Full cost must not include an element of profit for any contract above the amount specified in the Academy Trust Handbook (e.g. £2,500 cumulative for the year starting September 2024).

Should any staff/personnel of the individuals or organisations referred to above be based in, or work from, the premises of The Swanage School, the individual or organisation and The Swanage School must agree an appropriate sum to be paid to The Swanage School for such

use/occupation of the premises, save to the extent that they are carrying out work for The Swanage School.

Whilst the above provisions do not apply to contracts of employment the same principles of securing value for money and using public money properly, including managing conflict of interest, will still apply. Salaries paid should be appropriate to the individual's skills and experience and the salary rates paid in the wider market.

Goods or services provided by individuals or organisations connected to Employees of The Swanage School

Employees of The Swanage School must immediately disclose any potential transaction with a related party. They may not seek to influence or otherwise participate in the award of any contract for goods and services including services provided under contracts of employment with the following:

- a relative of the employee. A relative is defined as a close member of the family, or member of the same household. This includes, but may not be limited to, a child, parent, sibling, spouse or civil partner;
- an individual or organisation carrying on business in partnership with the employee or a relative of the employee
- a company in which an employee or a relative of the employee (taken separately or together), and/or an employee or a relative of an employee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
- an organisation which is controlled by the employee or the relative of the employee (acting separately or together), and/the employee or a relative of the employee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes.

Reporting of Related Party Transactions

Any related party transaction approved by the Trust will be reported in the Annual Accounts in accordance with the Academy Accounts Directions. In the event that the total value in any one financial year of contract(s) and/or agreement(s) to be awarded to an individual related party exceeds £40,000, prior approval will be sought from the Education and Skills Funding Agency (ESFA) using the appropriate Identity and Access Management System (IDAMS) form.