

## **Guidance Notes for Register of Pecuniary Interests**

### **Background**

In May 1996 the Nolan Committee published a report on standards in public life as applicable to local spending bodies. The report identified seven principles that should be adhered to in public life. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

One important means by which a maintained school must demonstrate that it is applying these principles is by maintaining a Register of Pecuniary Interests. The statutory guidance issued by the DCSF under section 48 of the School Standards and Framework Act 1998 requires the governing body of each school to establish a register by 31 December 1999. It is recommended by the County Council that this standard is applied by all partners in extended services and children's centre work.

### **Requirements**

The board and committee members and service staff have a responsibility to avoid any conflict between their business and personal interests and affairs and the interests of the school. Paragraph 11.6 of the County Council's Scheme for Financial Management (as approved by the Secretary of State for Education) requires the governing body to maintain a register of pecuniary interests for all governors, the headteacher and staff with significant influence on spending decisions. This is recommended for those involved in delivering Extended Services and Children's Centre work also.

The register must include all business interests such as directorships, share holdings and other appointments of influence within a business or other organisation that may contribute to the provision of extended services. The disclosures should also include business interests of relatives and other individuals who may exert influence. Minor interests that are not material such as a small shareholding in a large organisation (e.g. British Telecom) do not need to be declared.

Service providers, boards and committees should ensure the register is up to date, complete, signed and includes all members and relevant staff. Signed and dated nil returns must also be completed if there are no such interests. The register does not remove the obligation to declare interests at meetings as and when they arise. The register should be available for inspection by governors, staff and parents.

## **Definitions**

### *Pecuniary interest*

Committee and board members and staff may well have business interests such as working for an organisation or owning a significant share of a company. They may also have personal interests such as being involved with a local scout group, sports club or amateur dramatic society. All of these will qualify as pecuniary interests but only need to be formally declared if the centre or extended services group is likely to be involved with the organisation or group e.g. quoting for contracts or hiring rooms.

### *Significant influence*

Staff will be deemed to have significant influence on spending if they authorise expenditure or recommend how funds are spent.

### *Relatives and other Individuals*

Presently, the County Council is defining "relations and other individuals" as immediate family (mother, father, brother, sister, son, daughter) and partners. This is a minimum requirement and individuals may think that it is appropriate to declare interests of additional people such as close friends or extended family members if their interests have extensive or repetitive dealings with the extended service or children's centre.

We cannot expect members and staff to be aware of all such interests. Therefore, the form requires members and staff to declare all interests to the best of their knowledge.

## **Documentation**

For each column on the form you should complete as follows:

- Name of business - name of business or organisation
- Nature of business - what the organisation does
- Nature of interest - how the person is connected with the organisation
- Date of appointment - when the person became connected with the organisation
- Date of cessation - when the person stopped being connected with the organisation
- Date of entry - when the register was updated.

The documentation attached is only an example of how the register of pecuniary interests could be compiled. It is not mandatory and groups and centres may choose to use different methods such as having one single sheet of paper signed by all individuals with no relevant pecuniary interests.

## **Maintenance of interests**

The register should be kept up to date throughout the year. However, as a reminder it is recommended that the issue of pecuniary interests should be discussed at the first governing body and staff meetings of each year. Completion of the register does not exempt that person from declaring interests at meetings where relevant.

Similarly, members and staff should also declare any relevant interests at meetings even if the interest is not yet recorded on the register. An opportunity to do so should appear as the first substantive item on each agenda.

## **Examples of pecuniary interests**

- working for an organisation that may quote or carry out work for the extended services cluster or children's centre e.g. working for computer supplier, child minder, child care organisation, nursery school
- owning or having at least a 10% share of a company that may quote for or carry out work for the school e.g. local builder-
- husband is an electrician who carries out the electrical tests for service providers
- leader of voluntary organisation using service provider facilities
- member of a parents group using service provider facilities

## **Examples of pecuniary interests which do not need to be recorded**

- working for a major national organisation. e.g. Lloyds Bank, Sainsbury, Scottish Power
- having a shareholding of less than 10% of the total shares in a company e.g. shares in HSBC, BP, BT
- working, owning or having some involvement with a local organisation which has no dealings with the school e.g. mother owns the local corner shop which has no official dealings any children's centre or extended services provider

## **Any doubts?**

If you have any doubt whether an interest should be declared or not, it is recommended that the interest should be declared.