

Linacre Institute

Policy on conflicts of interest

Trustees should make decisions which are impartial and founded solely in the best interests of charity. A conflict of interest arises when a trustee has (or could reasonably be seen to have) an interest (financial, emotional, political etc) which affects this impartiality. The charity's Trustees are committed to avoiding or managing actual and perceived conflicts of interest.

How to identify a conflict of interest

Legal requirement: a Trustee must declare a conflict of interest immediately he or she is aware of any possibility that personal or wider interests could influence his or her decision-making.

Each trustee will be asked to identify and disclose interests that could potentially conflict with the charity's interests. These will be recorded in a register of interests.

The Charity will have a standard agenda item at the beginning of each trustee meeting to allow trustees to declare actual or potential conflicts of interest.

Trustees will also declare any potential conflict between the charity's interests and those of a person or institution connected to a trustee. This might mean, for instance, a close family member who might benefit from a decision made by the charity. Connected persons include spouses, civil partners, children, parents, grandparents and grandchildren. They also include business partners.

How to deal with a conflict of interest

Once a conflict is identified, we will prevent it from affecting decision-making by either:

- finding an alternative way forward which doesn't involve the conflict of interest
- taking appropriate steps to manage the conflict. This will mean that the person affected doesn't take part in discussions about the issue, or vote on it.

The Charity is mindful of its legal obligations in regard to conflicts of interest, for instance in the area of paying a trustee.

Recording a conflict of interest

We will keep a written record of any conflicts of interest and how we dealt with them in the minutes of our meetings. This will explain:

- what sort of conflict of interest it was

- which trustee or trustees were affected
- if any conflicts of interest were declared in advance
- an outline of the discussion
- if anyone withdrew from the discussion
- how the other trustees made the decision in the charity's best interests

Our accounts will include details of any payments or benefits to the charity's trustees and people connected to them. We will say in these accounts why the payments were necessary and under what legal authority we could make them.

Employment of/payments to trustees

In certain circumstances, it may be the case that the Trustees feel one of their number is best suited – through experience, expertise or value – to performing a certain paid role, or to providing goods or services. This possibility is allowed for in the Charity's constitution.

The Charity is committed to managing conflicts of interest in this situation by following the guidelines below:

- No person with an interest will take part in the discussions/voting relating to such payment or employment.
- The Trustees will only ever take this step after due exercise of their Duty of Care, as outlined in Section 5 of the Charity Commission's Guidance on Trustee Expenses and Payments (published 11 March 2011). They will act honestly and in good faith and use care and skill in reaching decision
- The trustees will consider in full whether there is clear advantage in employing a trustee (eg they offer unusual value or knowledge). This discussion will be minuted.
- Any such payment will be outlined in a written agreement. This will contain a clause stating that anyone receiving payment will withdraw from any discussion or votes which other trustees consider raise a conflict of interest. It will also outline exactly how much will be paid and exactly what for
- Any such payment will be subject to independently drawn-up objectives. Any employed/contracted trustee will be subject to annual appraisal
- The sums paid will be demonstrably reasonable, eg in line with those paid for similar work
- The Trustees will act within the legal requirement that no more than half their number can be paid for services or goods at any one time.