



Conflicts of Interest Policy (Governors/Council Members)

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1. SCOPE

- 1.1 This policy applies to the governors of the London School of Hygiene and Tropical Medicine (LSHTM).

2. PURPOSE AND OVERVIEW

- 2.1 It sets out principles, guidelines and procedures for identifying, monitoring and managing actual and potential conflicts of interest.
- 2.2 LSHTM Ordinances set out some procedures in relation to conflicts of interest and this policy should be read in conjunction with them. Provisions in the Ordinances take precedence over this policy.

3. DEFINITIONS

- 3.1 “Conflicts” or “conflicts of interest” include actual and potential conflicts of interest and/or duty;
- 3.2 Persons who are “connected” with a governor include anyone with whom the governor has a personal or business relationship. This includes, but is not limited to, familial relations, partner, spouse, close personal friends, or business or personal associates.
- 3.3 “Benefit” includes any payment or material benefit (including property, loans, goods and services), other than reasonable out of pocket expenses.
- 3.4 “Governor” means a person who is a member of the LSHTM Council or one of its committees, including staff members, student members and co-opted members.

4. POLICY

4.1 Introduction

- 4.1.1 It is central to the proper conduct of public business that governors act and be perceived to act impartially, and not be influenced in their role as governors by personal, social or



business relationships. Governors have a fiduciary responsibility to LSHTM and are under a duty to act in its best interests. In particular, they must not place themselves in a position where they have, or may have, a direct or indirect interest that conflicts with their duties as a governor and must not profit from their position as a governor. A governor is not, however, considered to have a conflict of interest in matters under discussion merely because they are a member of staff or a student of LSHTM.

4.1.2 Conflicts of interest can inhibit open discussions and may result in governors taking irrelevant considerations into account or making decisions that are not in LSHTM's best interests. They can also damage the reputation of LSHTM whether or not there is an actual conflict, if it appears that the governors may be influenced by personal interests or loyalties. All governors must therefore be alert to the possibility that they, or their co-governors, could be affected by a conflict of interests.

4.2 Identifying Conflicts of Interest

4.2.1 A conflict of interest is any situation in which a governor's direct or indirect interests could, or could be seen to, prevent them from making a decision only in the best interests of LSHTM.

4.2.2 Conflicts of interest may arise:

(a) where a governor (or a person connected to them) stands to obtain a benefit from LSHTM; or

(b) where a governor has a duty of loyalty to a third party that conflicts with their duty to LSHTM.

4.2.3 When considering whether they have a conflict of interest, a governor must be aware of the following principles:

(a) a conflict of interest exists if there is a possibility that the governor's personal interest could influence their decision-making, even if the governor's decision-making is not in fact adversely affected by the conflict. A reasonable perception that a conflict of interest exists can be enough for a governor to be in breach of their duties; and

(b) the interest that gives rise to a conflict may be direct or indirect; a conflict may relate to the interests of someone who is connected to a governor as well as to their own personal interests.

4.2.4 A governor's duty to avoid a conflict of interest does not apply if, and to the extent that, the conflict of interest is authorised by any of the following:

(a) an express provision in LSHTM's governing documents;

(b) a statutory provision;

(c) Office for Students (or its successor body), the Charity Commission or the Court.

In any such case, the governor must follow any conditions that apply to the authorisation.

4.3 Declaring Interests and Conflicts

4.3.1 Each governor has a personal responsibility to declare any interest that might reasonably be regarded as potentially giving rise to a conflict: upon appointment, on an annual basis, and as situations arise.

4.3.2 The information provided by governors must be recorded in a register of governors' interests which shall be maintained by the LSHTM Secretary & Registrar and be available for public inspection.



- 4.3.3 Before a prospective governor is appointed, they must be asked to declare any direct or indirect interests that might give rise to a conflict of interests. If the governors consider it likely that the prospective governor will be subject to serious or frequent conflicts of interest, the governors should consider whether it is appropriate to proceed with the appointment.
- 4.3.4 If a governor considers that they have an actual or potential conflict, they must inform the chair as soon as possible and always before any discussion of the relevant matter. The declaration must specify the nature and extent of any direct or indirect interest that gives rise to the conflict.
- 4.3.5 If a governor is aware that another governor has an actual or potential conflict that has not been declared, they must notify the chair.
- 4.3.6 If the chair is declaring a conflict, they must inform the other governors.
- 4.3.7 If a governor is uncertain whether or not they are conflicted, they must err on the side of openness and declare the interest.
- 4.3.8 The secretary must note all conflicts declared in the minutes of the meeting in which they were declared or, if not declared in a meeting, in the minutes of the next meeting.

4.4 Dealing with conflicts

- 4.4.1 The way in which conflicts are dealt with will depend on the nature and extent of the conflict. The chair and the non-conflicted governors must therefore:
 - (a) assess the nature and extent of the conflict;
 - (b) assess the risk or threat to decision-making;
 - (c) decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent the governor from making decisions in the best interests of LSHTM, relates to a significant decision, results in a significant financial or other benefit to the governor or related person, or risks significantly damaging LSHTM's reputation). The chair may make the initial decision as to whether a conflict is serious but if any member objects to that decision, the non-conflicted governors will make the final determination by majority vote of the members present, excluding the member with the conflict.
 - (d) decide what steps to take to handle the conflict, taking all relevant factors into account, making decisions only in the best interests of LSHTM and seeking expert or legal advice as needed.
- 4.4.2 The conflicted governor must not take part in any discussion or decision about the conflict and how to handle it and will not be counted in the quorum for that part of the meeting.
- 4.4.3 In the event that a conflict is determined to be serious, with the assent of the Chair, the member with the conflict may be permitted to participate in preliminary discussion on the topic in question for the purpose of providing information and expert advice for which they are uniquely suited, but may not be present and may not count for quorum once the committee or Council begins to discuss the question for decision. In the event that any member present objects to the continued presence of the member with a conflict, whether the member may remain shall be determined by a majority vote of the members present, excluding the member with the conflict.
- 4.4.4 The chair must inform the conflicted governor of the non-conflicted governors' decision about how to manage the conflict.



- 4.4.5 The minutes of the relevant meeting must include a record of the nature and extent of the conflict, an outline of the discussion and the actions taken to manage the conflict.
- 4.4.6 Where a governor or a connected person receives a payment or benefit from LSHTM, this must be reported in the annual accounts.
- 4.5 Monitoring, enforcing and reviewing this policy
- 4.5.1 Any governor who becomes aware of a breach of this policy must report it to the LSHTM Secretary & Registrar as soon as possible.
- 4.5.2 The LSHTM Secretary & Registrar must:
- (a) report all breaches of the policy of which they are aware to the Chair/Committee chair as soon as possible and to the governors at the next LSHTM Council or relevant committee meeting; and
 - (b) ensure that all breaches are noted in the minutes of the relevant Council/committee meeting.
- 4.5.3 The governors have implemented this policy in order to monitor and manage conflicts of interest. Any failure to comply with the terms of this policy will not, in itself, result in a decision of the governors being invalidated.
- 4.5.4 This policy must be reviewed annually by the LSHTM Secretary & Registrar with any recommended changes reported to LSHTM Council for approval and must be comprehensively reviewed by LSHTM Council at least every five years.

5. PROCEDURE

These procedures are intended to enable governors to identify and manage conflicts of interest so that they can ensure that conflicts do not prevent them from making decisions in the best interest of LSHTM nor be perceived to do so.

5.1 Identifying Conflict of Interest

- 5.1.1 It is impossible to set out every situation which may result in a conflict, but situations include:
- (a) selling, loaning or leasing LSHTM assets to a governor (or a person connected to them);
 - (b) acquiring, borrowing or leasing assets from a governor (or a person connected to them);
 - (c) the exploitation by a governor or a person connected to them of any information or opportunity they become aware of by virtue of their membership on Council or a committee;
 - (d) paying a governor for carrying out:
 - (i) their role as governor beyond reimbursement of reasonable personal expenses incurred in carrying out their duties,
 - (ii) a separate paid post at LSHTM (unless the governor is filling a staff or student seat); or
 - (iii) paying a governor (or a person connected to them) for providing a service and/or goods to LSHTM;
 - (e) employing a person connected to a governor at LSHTM;



- (f) making decisions in relation to service provision where a governor (or a person connected to them) is a service user;
- (g) when a governor (or a person connected to them) owes a legal obligation or duty towards another organisation or person (for example, an employer or another charity of which they are a trustee) that conflicts with the governor's duty to LSHTM;
- (h) when a governor has a personal sense of loyalty to another organisation or person that conflicts with their loyalty to LSHTM.

5.2 Register of interests

5.2.1 On appointment, all governors must complete a declaration of interests form:

- (a) listing any personal interests, business interests or other direct or indirect interests that might potentially give rise to a conflict of interests.
- (b) listing any interests of persons connected to them that may potentially give rise to a conflict of interest;
- (c) declaring any gifts or hospitality received or offered to them in their capacity as governor;
- (d) confirming that they are not aware of any conflict, other than those already disclosed, that exists between their role and their personal circumstances or other interests;
- (e) confirming that they will update the form annually, or sooner if any changes occur; and
- (f) confirming that they will declare any conflict that arises in future

5.2.2 At least once in every 12-month period, all governors must review the information relating to them contained in the register of interests and declare that the information is correct or make a further declaration if necessary.

5.2.3 It is for individual governors to decide which matters to declare but, if in doubt, they should make a declaration. If a governor would like to discuss the issue, they may contact the LSHTM Secretary & Registrar for guidance.

5.2.4 The information provided by governors will be processed in accordance with GDPR requirements or its successor legislation. Data will be processed only for the purposes set out in this policy and not for any other purpose.

5.3 Maintaining the register of governors' interests

5.3.1 The LSHTM Secretary and Registrar will be responsible for maintaining the register of governors' interests, and will:

- (a) record in the register all conflicts, interests, gifts and hospitality declared by governors; and
- (b) circulate the register to LSHTM Council annually and any amendments or additions to the register as they arise.

5.3.2 The register of governors' interests will be available for public inspection.

5.4 Process for assessing and dealing with conflicts

5.4.1 The first item on the agenda of each meeting of LSHTM Council and its committees will be a standing item with respect to reporting of interests:

- (a) governors attending the meeting are to declare any conflicts of interest relating to the matters to be discussed at the meeting.
- (b) the chair will inform the other governors and the secretary of any conflict of interest that has been declared by a governor prior to the meeting that relates to the business to be discussed at the meeting; and



(c) the secretary will circulate any amendments or additions to the register of governors' interests made since the last meeting of the governors.

5.4.2 When a conflict is declared at a meeting, the governor in conflict must not participate in the discussion as to how the conflict should be dealt with.

5.4.3 The non-conflicted governors will assess the nature and seriousness of the conflict.

5.4.4 Depending on the determination with respect to the nature and seriousness of the conflict, a range of options is available to governors including the following:

for serious conflicts or conflicts of a financial nature

(a) securing the conflicted governor's resignation and/or appointing a new governor who is not conflicted;

(b) not pursuing the course of action that gives rise to the conflict or proceeding in a different way so that the conflict does not arise;

(c) seeking independent, expert advice about how to handle the conflict; and

(d) requiring the conflicted governor to withdraw from all or part of discussions and decisions in relation to the matter (in which case the governor will not be counted in the quorum for that part of the meeting)

for conflicts that are less serious and or not of a financial nature

(e) permitting the conflicted governor to remain in the meeting but requiring that they refrain from participation in discussion of and decision making on the matter

(f) requiring the conflicted governor to refrain from participating in the decision-making process on the matter but permitting continued participation in the discussion

(g) permitting the conflicted governor to participate in discussions and the decision-making process

5.5 Advisers and conflicts

5.5.1 Before appointing any advisers to LSHTM Council, the governors must consider whether the adviser has, or may be seen to have, any actual or potential conflict with the interests of LSHTM.

5.5.2 All advisers to LSHTM Council must be appointed under terms that include:

(a) an obligation to inform the Chair or LSHTM Secretary & Registrar if any circumstances arise in which they are or may be conflicted; and

(b) an obligation to address any conflicts that arise in the work they do for the governors.

5.6 Training

5.6.1 All newly appointed governors must receive training on this policy and on identifying situations that may result in a conflict and ways in which conflicts can be managed in practice.