



Conflict of Interest Policy

1. Introduction

This policy covers:

- Who it is applicable to
- The definition of connected persons
- Declarations via a standard form and to the relevant Chair where appropriate for a meeting
- Gifts and hospitality

- 1.1 Trustee and directors (hereinafter just referred to as 'trustees') of the Diocesan Board of Finance ("the DBF") have a legal obligation to act in the best interests of the DBF. This obligation applies irrespective of why the person is a trustee, i.e. even if they have been elected to represent another Diocesan grouping such as one of the Houses in the Diocesan Synod.
- 1.2 There is also a legal obligation which explicitly requires the trustees of the DBF to avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company, i.e. to avoid actual and potential conflicts of interest.
- 1.3 Therefore a workable policy is needed to ensure that the best interests of the DBF do not lose out to any other interests or loyalties of the trustees, their connected persons and those others to whom the trustees delegate any of their responsibilities.
- 1.4 Examples of actual or potential conflicts which might have to be declared under the policy, so that the risks can be managed, are as follows:

Stipendiary clergy: being a stipendiary member of the clergy in a parish has the potential for conflicts of interest and/or loyalties due to:

- being a post-holder financed by the DBF (a direct financial interest);
- possible grant requests (perhaps a conflict of loyalties or an indirect financial interest if a connected person is involved); and
- parish share (a potential conflict of loyalties).

Other potential conflicts of loyalty:

- Being a DBE Board member

Other direct financial interests:

- being a retired member of the clergy in receipt of a pension
- Members of staff in receipt of salary and pension benefits
- Trustee discussing the sale or purchase of a property to/from the DBF

Potential indirect conflicts - loyalties and/or financial interests:

- Spouse works for a Church of England school in the Diocese
- Spouse works for a charity in receipt of grant funding from the DBF
- Spouse works for a catering company used by the DBF

- 1.5 Unaddressed conflicts of interest or loyalty may bring risks. They can:
 - Prevent open discussion

- Result in decisions or actions not in the best interest of the DBF
- Result in the impression that the DBF has not acted properly
- Result in a loss of reputation and trust, potentially leading to an inability to raise voluntary income to support its activities

1.6 This policy is aimed at protecting the DBF from those risks, and at helping those responsible for the DBF's business to avoid all temptation to do anything other than act and be seen to act with the highest standards of honesty and integrity.

2. Scope

2.1 This policy covers actual and potential conflicts of interest and loyalty. It also covers the receipt of gifts and hospitality, to protect recipients from the accusation that gifts or hospitality have influenced any decisions taken by the DBF.

2.2 This policy applies to:

- Trustees (i.e. members of the Bishop's Council)
- Committee members
- Staff

2.3 Actual and potential conflicts of interest and loyalty for the above persons include those of their connected persons (see paragraph 3.1).

2.4 Other volunteers are asked to comply with the spirit of this policy.

3. Key definitions

3.1 Conflicts of interest: A conflict of interests arises when a person's interests which are independent of their DBF role could influence the decisions or activities they are carrying out on behalf of the DBF.

3.2 Interests: A person has an 'interest' in any situation where they or one or more of their connected persons could personally benefit. Interests can be financial or non-financial, and direct or indirect. An example of a direct financial interest would be where a Committee member is selling an asset to the DBF. An example of an indirect non-financial interest would be where a person connected to a Committee member benefits from the services provided by the DBF.

3.3 Gifts and hospitality: Gifts or hospitality are only those which a person is in a position to receive as a result of their DBF role.

3.4 Committee members: Members of Diocesan Committees or Groups to which any trustees' duties or authority have been delegated (and which should have agreed terms of reference), including: the DFG; the Parsonages Committee; the Glebe Committee; the DAC; the Investment Sub-Committee; the Audit Committee; the COEG; and the Mission Fund Committee.

3.5 Staff: Officers and employees of the DBF, including any stipendiary ministers with a DBF brief, including any joint workers with a Leicester DBF contract of employment.

3.6 Connected persons for trustees are those defined as such by relevant Charity or Companies Act legislation. If in doubt, trustees should seek legal advice, and the Chairs and Secretaries of the committee concerned may take advice from the Diocesan Registrar. For the purposes of this policy, persons connected to a trustee, committee member or staff member include:

- their spouse (including a civil partner or somebody living as their spouse);
- their children, step-children, parents, grandchildren, grandparents, brothers and sisters, and their spouses;
- individuals acting in their capacity as a trustee of any trust, not being a charity, the beneficiaries or potential beneficiaries of which include the trustee, committee member, staff member or their connected persons;

- individuals acting in their capacity as partners in the same firm as the trustee, committee member, staff member or their connected persons;
- companies in which the trustees, committee members, staff members and their connected persons have, taken together, a substantial interest.

4. Disclosure of potential conflicts in Committee Meetings

- 4.1 A trustee, committee member or staff member in attendance at a meeting, who has any interest in a matter under discussion which creates a real or perceived risk of bias, shall declare the nature of the interest and withdraw from the meeting, unless they have been given permission by the Chair to stay and either speak or not. Such a person who is a trustee or committee member may not vote on the matter.
- 4.2 A trustee or committee member who has any other interest which does not create a real risk of a conflict of interest, but which might reasonably cause others to think it could influence their decision, shall declare the nature of the interest, but may remain in the meeting, participate in the discussion and vote if they wish. The Chair shall determine whether the other interest does in fact create a real risk of a conflict of interest. The Chair may consult on whether this a real risk with the other members of the committee in the absence of the trustee or committee member declaring an interest.
- 4.3 Trustees, committee members and staff members in attendance at meetings should consider in advance whether they will need to declare an interest that is not already recorded on the register of interests and warn the Chair of the meeting at the earliest opportunity (or the Chair of the relevant part of the meeting) and in any event before the start of the meeting. If a trustee, committee member or staff member has failed to warn the Chair of the meeting in advance, the interest shall be declared in the meeting nonetheless, either before the start of the relevant agenda item, or if necessary after it has started.
- 4.4 If a trustee, committee member or staff member is in any doubt about the application of this policy, he or she should err on the side of caution, heed the spirit as well as the wording of the policy and consult the Chair.
- 4.5 If the Chair has an interest in a matter under discussion they shall declare it. The Vice-Chair shall take the role of the Chair for that matter and shall act as the Chair as described in this policy. If there is no Vice-Chair or if they are not present, the Committee, with the Chair having no vote, shall elect one of their number to be a temporary Vice-Chair.
- 4.6 Where a trustee or committee member is excluded from any vote because of this policy, he or she will not count towards the quorum for the vote.
- 4.7 All agendas for Bishop's Council meetings and other Diocesan Committees and Groups should have an agenda item at the start of the meeting giving the opportunity for actual or potential conflicts of interests relevant to the business of the meeting to be declared.
- 4.8 If a trustee or committee member fails to declare an interest that is known to the Chair or Committee Secretary, the Chair or Committee Secretary will declare that interest.
- 4.9 All decisions where there is a conflict of interest shall be minuted accordingly, to include:
- the nature, extent and value of the conflict,
 - the discussion which took place, and
 - the action taken to manage the conflict.
- 4.10 The interests of trustees and committee members, which give rise to actual or potential conflicts and which are declared, shall be recorded in the register of interests. This rule need not apply if it arose in relation to a once-off agenda item, is not expected to recur and is recorded in the minutes of the meeting.

5. Receipt of gifts and hospitality

- 5.1 All gifts and hospitality received in connection with an individual's role in the charity, other than those items listed in the next paragraph, shall be declared promptly on receipt to the Diocesan Secretary and recorded in the Register of Interests.
- 5.2 The following are not considered declarable or recordable in the register of interests:
- Gifts and hospitality received from the DBF or from persons acting properly in their capacity as trustees, committee members or staff members
 - Modest gifts and hospitality as part of a mutual personal friendship which exists outside of DBF affairs
 - Gifts under the value of £20 received at the time of Christmas or other festivals that are put into an open lottery for individuals based in a common location
 - Modest and proportionate hospitality provided as part of a service, meeting, course or conference
- 5.3 Gifts and hospitality should never be solicited.
- 5.4 Gifts and hospitality should never be accepted if it appears that they are intended to influence a decision of the DBF in such a way that it is not in the best interests of the DBF
- 5.5 Other gifts and hospitality below £75 may be accepted provided they are declared.
- 5.6 Where a gift or hospitality is offered which exceeds the value of £75, then:
- it should be declined or returned; or
 - the market price should be paid; or
 - it should be donated to the DBF or another organisation and the donor notified accordingly; or
 - if an offer of a reasonable level of hospitality, then if it is declared and approved in advance by the Diocesan Secretary (or for the Diocesan Secretary or in his absence by the Chair of the Board of Finance), it may be accepted.
- 5.7 The information about gifts and hospitality declared and recorded shall include its estimated value, the date on which it was received, who it was given by and the reason for the gift.

6. Declaration of Interests Form

- 6.1 Actual and potential conflicts of interest and loyalties and any gifts or hospitality received in connection with their role in the charity should be declared promptly as they arise, in addition to any declaration made in a meeting, using the DBF's Declaration of Interests Form, unless it is in relation to a once-off agenda item minuted as above.
- 6.2 Annually as at 1 January each year, continuing actual and potential conflicts of interest should be re-confirmed using the form, together with a confirmation of all declarable gifts and hospitality received in the previous year.
- 6.3 The information provided on the form will be processed in accordance with data protection principles as set out in the General Data Protection Act 2018. Data will be processed only to ensure that trustees, directors and all staff act in the best interests of the DBF.

7. Maintenance of a Register of Interests

- 7.1 The Diocesan Secretary is responsible for the maintenance of the DBF's Register of Interests, to include all declared actual and potential conflicts of interests and loyalties and gifts and hospitality, and for ensuring that Chairs of Committees and staff managers are aware of the relevant contents for their role.
- 7.2 Each Committee Chair and department manager at the start of each year will receive an updated Register of Interests for the Committee members and/or their staff members which highlights any potential conflicts of interests. The Register of Interest for staff will also be shared with HR/Operations Director.