

Executive Report Appendix

Conflicts of Interest policy (Southwestern Synod Trust and Synod Committees)

1. Introduction

1.1 This policy applies to members of all Synod and Trust Committees and sub-committees. All members of the Synod Committees are asked to act within the spirit of this policy when fulfilling their roles in all contexts, not just within Committees.

1.2 This policy sets out guidelines and procedures for identifying, monitoring and managing actual and potential conflicts of interest.

1.3 In this policy references to:

a) 'conflicts' or 'conflicts of interest' include actual and / or potential conflicts of interest and / or duty.

b) persons who are 'connected' with a committee member means:

- i. a child, stepchild, grandchild, parent, grandparent, brother or sister of a committee member;
- ii. the spouse, unmarried partner or civil partner of a committee member or of any person falling within paragraph (i) above;
- iii. any person who is in a business partnership with a committee member or any person who is in a business partnership with any person falling within paragraph (i) or (ii) above; and
- iv. any company, business, trust, or organisation in which a committee member (or any other person connected to them) has an interest as a beneficiary or through ownership, control or influence.

c) 'benefit' includes any payment or material benefit (including property, loans, goods and services), other than reasonable out-of-pocket expenses.

d) 'Committee(s)' means all Synod and Trust Committees.

e) 'Risks' associated to conflicts of interest primarily relate to financial and reputational risks. The nature of the relationships involved in the conflicts as relevant to the assessment of the level of risk associated to a conflict of interest.

2. The purpose of this policy

2.1 The URC has made a Statement outlining its commitment to effective management of conflicts of interests and, as such, seeks to apply the same standards to Committee members as applies to Charity Trustees; the decisions made in Committees are significant for the life of the church and often have financial implications. Committee members have a duty to act in the best interests of the Committee on which they serve.

2.2 Committee members must not place themselves in a position where they have, or may have, whether intentionally or not, a direct or indirect interest that conflicts with their duties as a committee member and must not profit from their position as a committee member.

2.3 Conflicts of interest can inhibit open discussions and may result in committee members taking irrelevant considerations into account, or making decisions that are not in the Committee's best interests. They can also damage the reputation of the Committee, and thereby other entities within the URC, if it appears that the committee members are influenced by personal interests or loyalties.

All committee members must, therefore, be alert to the possibility that they, or their co-committee members, could be affected by a conflict of interests.

2.4 The procedures in this policy will enable committee members 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 the Committee. The policy will also help protect both the Committee and its members from any appearance of impropriety should a conflict of interest arise.

3. Identifying conflicts of interest

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

3.2 Conflicts of interest may arise:

- a) where a committee member (or a person connected to them) stands to obtain a benefit from the Committee; or
- b) where a committee member has a duty of loyalty to a third party that conflicts with their duty to the Committee. In the context of the URC, this could include having duties to another Committee within the URC or Synod and / or being a director of the URC Trust or a Synod Trust.

3.3 When considering if they have a conflict of interest, a committee member must be aware of the following principles:

- a) a conflict of interest exists if there is a possibility that the committee member's personal interest could influence their decision-making, even if the committee member'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 committee member to be in breach of their duties.

- b) the interest that gives rise to a conflict may be direct or indirect. A conflict may, therefore, relate to the interests of someone who is connected to a committee member, as well as to their own personal interests.

3.4 It is impossible to set out every situation which may result in a conflict, but common situations include:

- a) selling, loaning or leasing Committee assets to a committee member (or a person connected to them).
- b) the Committee acquiring, borrowing or leasing assets from a committee member (or a person connected to them).
- c) the exploitation by a committee member (or a person connected to them) of any property, information or opportunity of which they become aware while acting as a committee member.
- d) paying a committee member for carrying out a post within Committee or in another charitable entity within the URC.
- e) paying a committee member (or a person connected to them) for providing a service and / or goods to the Committee.
- f) employing a person connected to a committee member at the Committee.

g) making a grant to a committee member (or a person connected to them) or determining the Committee's grant-making policy where the committee member (or a person connected to them) is a beneficiary.

h) making decisions in relation to service provision where a committee member (or a person connected to them) is a service user.

i) when a committee member (or a person connected to them) owes a legal obligation or duty towards another organisation or person (for example, an employer or another committee of which they are a committee member) that conflicts with the committee member's duty to the Committee; and

j) when a committee member has a personal sense of loyalty to another organisation (including a Synod Trust or URC Trust) or person that conflicts with their loyalty to the Committee.

4. Procedure for declaring interests

4.1 All committee members have a personal responsibility to declare any interest that might reasonably be regarded as potentially giving rise to a conflict. Therefore, training will be given to all new Committee members to help them understand conflicts of interests and the implications of this policy.

4.2 On appointment, all committee members 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 committee member.
- 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 the future.
- g) declaring any trusteeships or directorships of companies

4.3 The information provided by committee members must be recorded in a register of committee members' interests. At least once in every 12-month period, all committee members 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.

4.4 It is for individual committee members to decide which matters to declare but, if in doubt, they should make a declaration. If a committee member would like to discuss the issue, they may contact the Synod Clerk or Convenor of their Committee for confidential guidance.

4.5 The information provided by committee members will be processed in accordance with the principles for processing personal data set out in UK data protection legislation. Data will be processed only for the purposes set out in this policy, and not for any other purpose.

5. Maintaining the register of committee members' interests

5.1 The Secretary to the Committee will be responsible for maintaining the register of

committee members' interests, and will:

- a) record in the register all conflicts, interests, gifts and hospitality declared by committee members; and
- b) circulate amendments or additions to the register (if any) to the Committee at the start of each Committee meeting.

5.2 The Register of Committee Members' interests will be available (on request) for inspection by any member of the Committee to which the register relates.

6. Declaration of interests by prospective committee members

6.1 Before a prospective committee member is appointed, they must be asked as part of the safer recruitment process to declare any direct or indirect interests they have that might give rise to a conflict of interests. Such information is to be passed to the Pastoral Committee as part of the safer recruitment summary.

6.2 If the Pastoral Committee considers it likely that the prospective committee member will be subject to serious or frequent conflicts of interest, the Pastoral Committee should consider whether it is appropriate to proceed with the nomination.

7. Process for declaring conflicts

7.1 The first item on the agenda of each committee meeting will be a standing item requiring all committee members attending the meeting to declare any conflicts of interest relating to the matters to be discussed at the meeting.

7.2 If a committee member considers that they have an actual or potential conflict, they must inform the chair or convenor 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.

7.3 If a committee member is aware that another committee member has an actual or potential conflict that has not been declared, they must notify the Convenor.

7.4 A committee member may give general notice that they or a person connected to them has an interest in a specified company, business or organisation and is to be regarded as interested in any transaction or arrangement with that company, business or organisation that may be entered into by the Committee, after the date of the notice. Such notice must be given at a meeting of the committee members, or the relevant committee member must take reasonable steps to ensure that it is brought up and read at the next meeting of the committee members after it is given. The notice must state the nature and extent of the interest that the committee member or a person connected to them has in the company, business, or organisation.

7.5 If the Convenor is declaring a conflict, they must inform the Deputy Convenor (where the Committee has such a role) or the Secretary.

7.6 If a committee member is uncertain whether they are conflicted, they must err on the side of openness and declare the interest.

7.7 The Secretary to the Committee 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 Committee meeting.

8. Procedure for declaring interests in transactions and arrangements

8.1 A committee member who has a direct or indirect interest in any proposed transaction or arrangement with the committee must declare the nature and extent of that interest before the transaction or arrangement is entered into by the Committee.

8.2 If a committee member has a direct or indirect interest in a transaction or arrangement that has already been entered into by the Committee but has not declared that interest, they must declare the nature and extent of that interest as soon as is reasonably practicable.

8.3 If a declaration made under paragraph 8.1 or paragraph 8.2 proves to be or becomes inaccurate or incomplete, the conflicted committee member must make a further declaration giving correct information about the nature and extent of their interest.

8.4 A declaration made under paragraph 8.1, paragraph 8.2 or paragraph 8.3 must be made either at a meeting of the committee members or by sending written notice to the other committee members.

9. Procedure for assessing conflicts at meetings

9.1 At the start of each meeting of the committee members:

- a) the Convenor must inform the other committee members and the Secretary to the Committee of any conflict of interest that has been declared by a committee member that relates to the business to be discussed at the meeting; and
- b) the Committee will consider any amendments or additions to the register of committee members' interests circulated by the Secretary in accordance with paragraph 5.1(b).

9.2 The way in which conflicts are dealt with will depend on the nature and extent of the conflict. The non-conflicted committee members must therefore:

- a) assess the nature and extent of the conflict.
- b) assess the risk or threat to decision-making by the committee members.
- c) decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent the committee members from making decisions in the best interests of the Committee, relates to a significant decision, or risks significantly damaging the Committee's reputation); and
- d) decide what steps to take to handle the conflict.

When considering the conflict, committee members must take all relevant factors into account, make decisions only in the best interests of the Committee, and always protect the Committee's reputation.

9.3 The conflicted committee member 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.

9.4 The non-conflicted committee members must consider whether it is necessary to seek the advice of the Clerk on whether the conflict is serious and / or on how to manage the conflict declared.

10. Authorised conflicts of interest

10.1 The committee member's duty to avoid a conflict of interest does not apply if, and to the extent that, the conflict of interest is authorised by:

- a) an express provision in the Committee's Terms of Reference; or
- b) Committee decision.

10.2 Examples where conflicts may be authorised would include:

- a) Ministers, officers and lay staff involved in pension decisions when they are a member of a relevant pension scheme.
- b) Ministers or officers in receipt of a stipend who are involved in decisions relating to any inflationary increase applied to stipends.
- c) Lay staff in receipt of a salary who are involved in decisions relating to any inflationary increase applied to salaries.

10.3 If the Committee authorises a member's conflict of interest, it can do so with or without conditions attached.

10.4 In each case, the committee member must always follow any conditions that apply to the authorisation and must still follow the procedures for declaration.

11. Procedures for managing conflicts

11.1 If the conflict arises owing to a financial transaction between the Committee and a committee member (or a connected person), or because a committee member (or a connected person) will or may obtain a benefit from the Committee:

- a) any potential or proposed benefit must be authorised in advance (see section 10 (Authorised conflicts of interest) above); and
- b) the conflicted committee member must:
 - i. withdraw from all discussions and decisions in relation to the matter; and
 - ii. not be counted in the quorum (if the committee Terms of Reference provide for a quorum; the majority do not) or from the assessment of the number of the votes required to reach a majority for that part of the meeting.

11.2 If the non-conflicted committee members decide that a conflict is serious, they must consider:

- a) securing the conflicted committee member's resignation and / or appointing a new committee member 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 the advice of the Synod Clerk or Moderator about how to handle the conflict.

11.3 If a conflict is not serious, the non-conflicted committee members must decide what procedures and level of participation by the conflicted committee member are appropriate. Steps that can be taken to deal with the conflict include:

- a) requiring the conflicted committee member to withdraw from the meeting for the relevant item.
- b) allowing the conflicted committee member to remain in the meeting for the relevant item to take part in the discussion, but requiring them to withdraw from the meeting during decision-making and to have no right to vote on the matter; or
- c) advertising for a new, non-conflicted committee member, if the Terms of Reference allow. This would be considered if there were numerous conflicts of interest of the same nature present in a committee.

11.4 If the non-conflicted committee members decide that the conflict is low risk (in that it will not prevent the conflicted committee member from making decisions in the best interests of the Committee), they may agree that the conflicted committee member may continue to participate in discussions and the decision-making process.

11.5 The chair must inform the conflicted committee member of the non-conflicted committee members' decision about how to manage the conflict.

11.6 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.

11.7 Where a committee member or a connected person receives a payment or benefit from the Committee, this must be minuted and reported to the Clerk & Moderator to record.

12. Advisers and conflicts

12.1 Before appointing any external advisers to the Committee, the committee members must consider whether the adviser has, or may be seen to have, any actual or potential conflict with the interests of the Committee.

12.2 All advisers to the Committee must be appointed by the committee members under terms that include:

- a) an obligation to inform the committee members 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 committee members.

12.3 Some employed staff and office holders are members of Committees with an advisory function as part of their role. They too are expected to follow the provisions of this policy.

13. Conflict resolution

13.1 In the event of conflicts arising between entities of the Church, then resolution will be facilitated by a non-conflicted party. This could include through the Convenor of another entity, a Moderator, a convenor of another committee, or one of the Trust officers. If the nature of the conflict means this approach is not possible, then external facilitation may be available. As such external facilitation would come at a cost, this can only be instigated after approval has been received from Trust Officers.

All newly appointed committee members must receive training on this policy, on identifying situations that may result in a conflict, and ways in which conflicts can be managed in practice. In addition, committee members must be familiar with the principles contained in the Charity Commission's guidance on conflicts (see paragraph 1.2).

14. Monitoring, enforcing and reviewing this policy

14.1 Any committee member who becomes aware of a breach of this policy must report it to the Secretary to the Committee as soon as possible.

14.2 The Secretary to the Committee must:

- a) report all breaches of the policy of which they are aware to the committee members at the next committee member meeting; and
- b) ensure that all breaches are noted in the minutes of the relevant committee meeting.

14.3 If the breach relates to actions of the Convenor or Secretary then this should be reported to the Clerk in the first instance for guidance.

14.4 In such circumstances a failure to comply with the terms of this policy will not, in itself, result in a decision of the committee members being invalidated, or in any liability to the Committee's beneficiaries.

14.5 This policy should be reviewed biennially by Synod Executive, or sooner if required, with changes communicated to Committees accordingly.