

High Street Baptist Church, Tring

CONFLICTS OF INTEREST POLICY

High Street Baptist Church, Tring (the “**Charity**”) is a registered charity which is governed by its Constitution (the “**Constitution**”). This policy applies to the Trustees of the Charity.

1. Why we have this policy

- 1.1 The Trustees, as charity trustees, have a legal duty to act in the best interests of the Charity. The charity trustees are the Minister(s), deacons and other members of the church leadership team.
- 1.2 In accordance with this duty and the legal requirements relating to conflicts of interest under charity law, Trustees should avoid putting themselves in a position in which their obligation to act in the best interests of the Charity potentially conflicts with their personal interests or duties. Such conflicts may create problems because they can:
 - 1.2.1 inhibit free discussion;
 - 1.2.2 result in decisions or actions that are not in the best interests of the Charity;
 - 1.2.3 risk giving the impression that the Charity, or an individual Trustee, has acted improperly, which could damage the reputation of the Charity.
- 1.3 However, from time to time, conflicts of interests may arise where a Trustee’s personal interests and loyalties conflict with those of the Charity.
- 1.4 Even the appearance of a conflict can damage the Charity’s reputation and so any interests, duties or obligations which may give rise to the appearance of a conflict must be recognised, disclosed appropriately and dealt with in accordance with this policy.

2. What is a conflict of interest?

- 2.1 A conflict of interest is any situation in which a Trustee’s personal interests or loyalties could, or could be perceived to, prevent the Trustee from making a decision which is in the best interests of the Charity. This includes actual conflicts of interest and of loyalty, as well as perceived and potential conflicts.

Types of conflict

- 2.2 Conflicts of interest usually arise where either:
 - 2.2.1 there is a potential **financial interest or other material benefit** directly to a Trustee, or indirectly through a person connected to the Trustee, or
 - 2.2.2 a Trustee’s duty to the Charity may compete with a **duty or loyalty** they owe to another organisation or person.
- 2.3 Conflicts relating to financial or other material benefits are particularly serious.
- 2.4 Conflicts of duty or loyalty arise because, although the affected Trustee does not stand to gain any material benefit, their ability to make decisions solely in the best

interests of the Charity could directly or indirectly be influenced by other interests, duties, roles or loyalties.

Connected persons

- 2.5 A conflict can arise indirectly because of a Trustee's relationship with, or connection to, another person or organisation. This is because of the risk that the Trustee's decision-making could be affected, or that it could be perceived that there is a conflict of interest.
- 2.6 Examples of connected persons include: members of a Trustee's family, a business partner or colleague, anyone whose finances are interdependent with the Trustee, businesses in which a Trustee has an interest through ownership or influence, or anyone else receiving a benefit where it could be perceived that the benefit could influence the Trustee's ability to make decisions only in the best interests of the Charity.

3. Declaring interests

- 3.1 Many possible conflicts can be managed by ensuring appropriate transparency as to a Trustee's potentially conflicting interest. This is done by Trustees declaring any interest (including a perceived or potential conflict) at the earliest possible opportunity and orally at any meeting where a conflict may arise. Conflicts of interest are a standard agenda item at the beginning of each meeting of the Trustees.
- 3.2 If a Trustee is aware of an undeclared conflict issue affecting another Trustee, they should notify the Chair or the other Trustees.

Data protection

- 3.3 Some personal information about third parties can only be held with their agreement. Generally the limited information needed to declare a conflict will not require such consent. If consent is needed it is the responsibility of the Trustee providing the information to ensure consent is given.

4. Managing conflicts of interest

Default procedure

- 4.1 Whenever a Trustee has an actual or potential conflict of interest, the following procedure must be followed:
 - 4.1.1 the affected Trustee must declare the nature and extent of the interest as soon as it arises and before discussion begins on the matter at any meeting,
 - 4.1.2 the affected Trustee must be absent from any part of any meeting where the issue is discussed or decided, after providing any information requested by the other Trustees,
 - 4.1.3 the affected Trustee should not vote or be counted in deciding whether a meeting is quorate in relation to the relevant matter, and
 - 4.1.4 any other requirements which the other Trustees resolve is necessary should be complied with.

Departure from the default procedure

4.2 However, the unconflicted Trustees (if they form a quorum without counting the Trustee and are satisfied that it is in the best interests of the Charity to do so) may by resolution passed in the absence of the Trustee, permit the Trustee to:

4.2.1 continue to participate in discussions leading to the making of a decision, or to vote, or both,

4.2.2 disclose to a third party information confidential to the Charity,

4.2.3 take any other action not otherwise authorised which does not involve the receipt by the Trustee (or a connected person) of any payment or material benefit from the Charity, or

4.2.4 refrain from taking any step required to remove the conflict.

Guidance

4.3 In relation to interests where there is a material benefit to a Trustee or a person connected to a Trustee, the affected Trustee should never be authorised to vote on the matter.

4.4 In other circumstances, such as a conflict of loyalty, having evaluated the level of conflict the Trustees must decide how it is to be managed and generally the following will be appropriate:

Category of interest	Action to manage the interest
A. The interest is low risk and does not create a real danger of bias or conflict	The Trustee must declare the interest and may contribute information to the meeting and remain in the meeting, be counted in the quorum and vote
B. The interest creates a significant but not substantial danger of bias or conflict	It shall be at the discretion of the other Trustees (who do not themselves have an interest in the matter) whether the Trustee may contribute information to the meeting and remain in the meeting, but in any event the Trustee must not participate in the discussion, or vote on the matter and will not be counted in the quorum for that issue
C. The interest creates a substantial danger of bias or conflict of duty	The Trustee must leave the meeting, not participate in the discussion or vote on the matter and will not be counted in the quorum for that issue
D. The interest creates a severe or substantial and recurring danger of bias or conflict of duty	Other steps will need to be taken to manage the conflict in addition to those referred to above and in a serious case a Trustee may have to consider resigning

5. Recording steps taken

5.1 All decisions affected by a conflict of interest must be recorded by the Trustees and reported in the minutes of the meeting. The record will include:

- 5.1.1 the nature and extent of the conflict;
 - 5.1.2 which Trustee or Trustees were affected;
 - 5.1.3 whether any conflicts of interest were declared in advance;
 - 5.1.4 an outline of the discussion;
 - 5.1.5 whether anyone withdrew from the discussion;
 - 5.1.6 what other actions taken to manage the conflict;
 - 5.1.7 how the Trustees took the decision in the best interests of the Charity.
- 5.2 Where a Trustee or a connected person receives a payment or other benefit from a decision, this must be reported in the Annual Report and Accounts in accordance with the Charities' Statement of Recommended Practice.
- 5.3 Minutes or other documents relating to the item presenting a potential conflict must be appropriately redacted before being provided to the person facing the conflict. A balance needs to be made to ensure that the person still receives sufficient information about the activities of the Charity generally without disclosing information which it would be inappropriate for the person to receive.

Date of policy: []

Date last reviewed: []