Conflict of Interest Policy

INTRODUCTION

Those responsible for administering a charity (the 'charity trustees') must act in the best interests of the charity. Amongst other things, that requires them to avoid anything that prevents decisions being taken by reference to other considerations. It also follows that charity trustees need to avoid putting themselves in a position in which their duty to act only in the best interests of the charity could conflict with any personal interest they may have.

This has implications in practice for both individual charity trustees and for the charity trustees collectively:

• individual charity trustees must identify and declare any conflict of interest on their part; and
• the charity trustees collectively must ensure that they have arrangements in place that enable conflicts of interest to be identified and dealt with effectively.

The Charity Commission provides guidance for charities in managing conflicts of interest and suggests charities should draw up a policy to suit the needs of the charity[1]. This policy supplements and tailors the Charity Commission guidance for the Parochial Church Council of Cirencester with Watermoor and St Lawrence (PCC), and is derived from a template provided by the Church of England[2]

The early identification of conflicts of interest is key to ensuring that both individual charity trustees and the charity trustees collectively do what is expected of them. This conflict of interest policy is designed to ensure that the discussions and decisions of charity trustees are not influenced by any other interests. Its purpose is to make sure that everything that may affect an individual charity trustee's contribution to a decision is identified, dealt with appropriately and recorded.

A PCC is in no different a position in these respects from any other charity. Its charity trustees (ie all the individual members of the PCC) are under a legal obligation to act in its best interests. The church does not, however, operate in a vacuum: both it and its members form an integral part of the life of the community. This can give rise to conflicts of interest for individual members of the PCC where the best interests of the PCC may be at odds with those of other community organisations. And other conflicts of interest may arise from personal or family circumstances.

Where a conflict of interest is not identified and dealt with appropriately, it can result in decisions or actions that are not in the best interests of the PCC and/or which, in the case of interests of a personal kind, can confer an unauthorised benefit on one or more members of the PCC.

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1 Charity Commission, Conflicts of interest: a guide for charity trustees (CC29), https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29, (accessed 23 June 2025)

2 The National Giving Team, Parish Resources, PCC Policies, Policies Relating to the Operation of the PCC, https://parishresources.org.uk/the-pcc-as-a-charity/pcc-policies/, (accessed 23 June 2025)

Conflicts of interest can take many forms. Some will make it inappropriate for the individual to participate in a discussion or decision; others may simply need to be identified and declared, so allowing the individual to continue to contribute their experience and expertise to the matter at hand.

APPLICABILITY

This policy applies to all members of the PCC, the Standing Committee and any other committees or working parties set up by the PCC.

DEFINITION

A conflict of interest is any situation in which a member's personal interests or loyalties could prevent, or could be seen to prevent, the member from making a decision only in the best interests of the PCC. Such a situation may arise either:

(a) where there is a potential financial benefit to a member, whether directly or indirectly through a connected person (such as a close family member or business partner); or

(b) where a member's duty to the PCC may compete with a duty of loyalty he or she owes to another organisation or person (eg by virtue of being a trustee or committee member of a body which has an interest in the matter).

DECLARATIONS

Charity trustees have a personal responsibility to declare conflicts of interest if they are to fulfil their legal duty to act only in the best interests of the charity.

Conflicts of interest should be declared to the Chair of the meeting as soon as the agenda is circulated. They must also be declared at the meeting before the relevant agenda item is reached. Additionally, a general Declaration of Interests form will be maintained and completed by all PCC members at the following times:

▪ **At First Meeting**: Every new PCC member will be asked to complete a Declaration of Interests form.

▪ **Annually**: After each Annual Parochial Church Meeting (APCM) at the first full subsequent PCC meeting, PCC members will be asked to review their Declaration of Interests form and either update it or confirm that it is still correct.

▪ **When any significant changes take place**: New matters should not wait until an annual declaration is made before being notified. PCC members should notify the PCC Secretary of all changes or additions as soon as they are known to the PCC member.

The form at Appendix 1 will be used for this purpose. This data will be held only to ensure that PCC members act in the best interests of the Charity. Information provided to the PCC will not be used for any other purpose. PCC members naming a third party as a connected person on their declarations shall ensure that they have permission from that individual to pass personal data about that individual to the PCC. The Secretary will retain these forms consistent with accounting principles (about 7 years after the PCC member departs the council) and destroy when no longer required.

INTERESTS THAT SHOULD BE DECLARED

There are many different types of conflict of interests meeting the definitions above; the three most common are:

Direct Financial Conflict of Interest – where a PCC member is employed by the charity, or acting as a consultant or paid adviser. Or where the charity engages the services of a company where a PCC member is employed, is a director or shareholder. Or where land is sold to or used by a Trustee. Or where a PCC member grants loans to a charity.

Indirect Financial Conflict of Interest – where financial benefits accrue to a close member of the PCC member's family, a friend, business partner, employer or colleague of a PCC member.

Non-Financial Conflicts of Interest – where there may be a conflict of interest (often referred to as a conflict of duty or loyalty) should a PCC member have another appointment or be associated in some way with another agency or organisation operating in the same area of work as the Charity or providing the Charity with services or grant funding.

In all the above situations it is up to the PCC member to determine whether his or her involvement in a matter relating to a third party represents a potential conflict of interest and should therefore be declared. If the PCC member is not sure what to declare, or whether and when a declaration needs to be updated, the PCC member should err on the side of caution.

PROCEDURES

Once a conflict of interest is identified a PCC member should declare it to the Chair and Secretary. Additionally, the PCC member should update his or her Declaration of Interest form at the earliest opportunity.

The Agenda of meetings will include a standing agenda item for declaring conflicts of interest, if any.

The *Addressing a conflict of interest: checklist*[3] in the Charity Commission guidance note *Conflicts of interest: a guide for charity trustees (CC29)* should be utilised in determining a course of action but, in general, where a conflict of interest arises in connection with a personal benefit, the PCC member concerned must withdraw from the meeting and not take part in any discussions relating to it (including discussions for the purpose of obtaining any authority from the Charity Commission that would be required to authorise a benefit to the PCC member).

Additionally, where a conflict of loyalty arises, the PCC will consider what level of participation, if any, is acceptable on the part of the conflicted member, having regard to the duty to act in the best interests of the PCC. The Chair of the meeting may require that the conflicted member be requested not to participate in the discussion or voting, or even to withdraw from the meeting during discussion of the item of business in question. The Charity Commission provides additional guidance on dealing with a conflict of loyalty in paragraph 4.5 of *Conflicts of interest: a guide for charity trustees*[4], which should be consulted when determining a course of action.

The existence of a conflict of interest must be recorded in the minutes, together with the decision as to how it was dealt with.

Approved by PCC Resolution on the 15th of October 2025.

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[3] Charity Commission, Addressing a Conflict of interest: checklist, https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29, (accessed 24 June 2025)

[4] Charity Commission, Guidance, *Conflict of interest: a guide for charity trustees,* https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29/conflicts-of-interest-a-guide-for-charity-trustees#preventing-conflicts-of-interest-from-affecting-decision-making-legal-requirement, (accessed 19 September 2025)