

Code of Conduct and Conflict of Interest Policy

1. Code of conduct

1.1 As members of a publicly funded body with a responsibility to discharge public business, members the Lincolnshire Pension Board and Pensions Committee should have the highest standards of conduct.

1.2 Members should have regard to the Seven Principles of Public life:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

1.3 All Board and Committee members must undertake to act in accordance with the following:

- You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.
- You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
- You must make all choices on merit and must be impartial, and seen to be impartial, when carrying out your public duties.
- You must co-operate fully with whatever scrutiny is appropriate to your role.
- You will on occasions be privy to confidential and sensitive information, such as personal information about someone, or commercially sensitive information which, if disclosed, might harm the commercial interests of the Council or another person or organisation. This information must not be revealed without proper authority.
- You must, when using or authorising the use by others of the resources of your authority, ensure that such resources are not used improperly for political purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

- You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.
- You will have consideration for your stewardship responsibilities in respect of your role in the Lincolnshire Pension Fund.
- You will sign adherence to the Conflict of Interest Declaration and declare any further potential conflicts of interest that may arise once appointed as a member of either the Committee or the Board.
- You should comply with the Lincolnshire Pension Fund Code in addition to existing compliance with the Member or Officer Code of Conduct.
- You should be aware of and act upon guidance on the role and conduct of trustees of pension schemes issued from time to time by the Pensions Regulator

2. Conflict of interest

- 2.1 The regulations covering conflicts of interest for the Board and the Committee are under two different acts, as set out below:

Pension Board

The Public Service Pensions Act 2013, Section 5(4), requires that any member of a Pension Board **must not** have a “conflict of interest”, which is defined in Section 5(5) as a “financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the board, but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme.”

Pensions Committee

The Localism Act 2011, chapter 7, requires all County Councillor members to complete an annual declaration of pecuniary interests (DPI). Other Committee members are required to declare any conflicts at each meeting. Unlike Board members, Committee members may serve if they do have a conflict of interest, however this must be transparently managed.

- 2.2 There is also a requirement to be aware of and act upon guidance on the role and conduct of trustees of pension schemes issued from time to time by the Pensions Regulator.
- 2.3 A conflict of interest exists where there is a divergence between the individual interests of a person and their responsibility towards the Lincolnshire Pension Fund, such that it might be reasonably questioned whether the actions or decisions of that person are influenced by their own interests. A conflict of interest would prejudice an individual's ability to perform their duties and responsibilities towards the Pension Fund in an objective way. Examples of potential conflicts of interest for all those involved in managing the Pension Fund are listed at appendix A.
- 2.4 All prospective Pension Board members are required to complete the Lincolnshire Pension Board Conflict of interest declaration before they are appointed to the Pension Board, attached at appendix B. All Pensions Committee members are also required to complete a declaration if they have not completed a DPI.
- 2.5 All appointments to the Pension Board should be kept under review by the Deputy Chief Executive and Executive Director – Resources.
- 2.6 It is the duty of any appointed Board or Committee member to declare any potential conflict of interest, as set out below:

Pension Board

This declaration should be made to the Chair of the Lincolnshire Pension Board in the first instance or to the Scheme Manager and recorded in a register of interests. The Chair and/or Scheme Manager will decide whether this potential conflict of interests forfeits them continuing to sit on the Pension Board.

Pensions Committee

For County Councillor members, this declaration should be made in the normal way, as set down in the Council's own Conflict of Interest Policy. For other Committee members, this should be made to the Chair and/or Scheme Manager and recorded in the register of interests.

- 2.7 Any potential conflict of interests shall be identified and monitored in a register of interests (example attached at appendix C). The register of interests should be circulated at appropriate intervals to the Board, Committee and Scheme Manager for review and can be accessed publically if requested.
- 2.8 If any member suspects any conflict of interest their concerns should be reported to the Scheme Manager.

2.9 For Committee members, when seeking to prevent a potential conflict of interest becoming detrimental to the conduct and decisions of the Committee, members or officers of the Pension Fund should consider obtaining legal advice when assessing its course of action and response and may wish to consult the Council's Chief Legal Officer in the first instance.

2.10 Education on identifying and dealing with conflicts of interest is included within the training requirement in the Committee and Board's Training Policies, as part of the CiPFA Knowledge and Skills Framework.

3. Alleged breaches of the Code of Conduct and Conflict of Interest policy

3.1 Any alleged breaches will be investigated by the Scheme Manager, or in line with the Council's process for County Councillors, and appropriate sanctions applied. Legal advice will be taken from the Chief Legal Officer if considered necessary. Any such action will be reported to the Board or Committee as required.

Appendix A

Examples of Potential Conflicts of Interest

- a) An elected member on the Pension Committee is asked to provide views on a funding strategy which could result in an increase in the employer contributions required from the employer he or she represents.
- b) A member of the Pension Committee is on the board of a Fund Manager that the Committee is considering appointing.
- c) An officer of the Fund or member of the Pension Committee accepts a dinner invitation from a Fund Manager who has submitted a bid as part of a tender process.
- d) An employer representative on the Pension Board is employed by a company to which the administering authority has outsourced its pension administration services and the Local Pension Board is reviewing the standards of service provided by that company.
- e) The person appointed to consider internal disputes is asked to review a case relating to a close friend or relative.
- f) An officer of the Fund is asked to provide guidance to the Local Pension Board on the background to an item considered at the Pension Committee. This could be a potential conflict as the officer could consciously or sub-consciously avoid providing full details, resulting in the Board not having full information and not being able to provide a complete view on the appropriateness or otherwise of that Pension Committee item.
- g) The administering authority is considering buying its own payroll system for paying pensioners, rather than using the payroll system used for all employees of the Council. The Executive Director of Resources, who has responsibility for the Council budget, is expected to approve the report to go to the Pension Committee, which, if agreed, would result in a material reduction in the recharges to the Council from the Fund.
- h) Officers of the Fund are asked to provide a report to the Pension Board or Pension Committee on whether the administration services should be outsourced which, if it were to happen, could result in a change of employer or job insecurity for the officers.
- i) An employer representative employed by the administering authority and appointed to the Pension Board to represent employers generally could be conflicted if he or she only acts in the interests of the administering authority, rather than those of all participating employers. Equally, a member representative, who is also a trade union

representative, appointed to the pension board to represent the entire scheme membership could be conflicted if he or she only acts in the interests of their union and union membership, rather than all scheme members.

- j) A Fund adviser is party to the development of a strategy which could result in additional work for their firm, for example, delegated consulting of fund monies or providing assistance with monitoring the covenant of employers.
- k) An employer representative has access to information by virtue of his or her employment, which could influence or inform the considerations or decisions of the Pension Committee or Local Pension Board. He or she has to consider whether to share this information in light of their duty of confidentiality to their employer. Their knowledge of this information will put them in a position of conflict if it is likely to prejudice their ability to carry out their functions as a member of the Pension Board.

Appendix B

Declaration of Interests relating to the management of Lincolnshire Pension Fund administered by Lincolnshire County Council

I,[insert full name], am:

Tick as appropriate

- an officer involved in the management
- Pension Board Member
- Pensions Committee Member

of Lincolnshire Pension Fund and I set out below under the appropriate headings my interests, which I am required to declare under Lincolnshire Pension Fund Conflicts of Interest Policy. I have put “none” where I have no such interests under any heading.

Responsibilities or other interests that could result in a conflict of interest (please list and continue overleaf if necessary):

A) Relating to me

B) Relating to family members or close colleagues

Declaration of Other Appointments:

In addition to the declaration overleaf, I list below any appointments that I hold that may be considered as potentially related:

Undertaking: I declare that I understand my responsibilities under the Lincolnshire Pension Fund Conflicts of Interest Policy. I undertake to notify the Head of Lincolnshire Pension Fund of any changes in the information set out above.

Signed _____ Date _____

Name (CAPITAL LETTERS) _____

Appendix C

Lincolnshire Pension Fund - Register of Potential and Actual Conflicts of Interest

All new reported conflicts of interest will be recorded in the minutes and a register of conflicts will be maintained and reviewed regularly by Lincolnshire County Council, the Administering Authority.

Date identified	Name of Person	Role of Person	Details of Conflict	Actual or Potential	How notified? (1)	Action taken (2)	Follow up Required	Date Resolved

(1) E.g. Verbal declaration at meeting, written conflicts declaration, etc.

(2) E.g. Withdrawing from a decision-making process, left meeting, etc.