

CAMBRIDGESHIRE PENSION FUND



Pension Fund Board

Date: 20 April 2018

Report by: Head of Pensions

Subject:	Cambridgeshire Pension Fund Conflicts of Interest Policy
Purpose of the Report	To present the Conflicts of Interest Policy to the Pension Fund Board.
Recommendations	The Board are asked to approve the attached Conflicts of Interest Policy
Enquiries to:	Michelle Oakensen, Governance Officer moakensen@northamptonshire.gov.uk

1. Background

- 1.1 To ensure effective governance of the Fund it is appropriate to have in place an appropriate Conflicts of Interest Policy in the event that a conflict of interest may arise. All conflicts whether potential or actual must be managed appropriately and to ensure that the correct course of action has been taken.
- 1.2 The Policy sets out the way in which conflicts of interest will be managed by Cambridgeshire County Council as the administering authority of the Cambridgeshire Pension Fund in respect of the Local Pension Board.
- 1.3 County Councillor elected members of the Local Pension Board are covered by the Code of Conduct for Cambridgeshire County Council as the administering authority, which includes conflicts of interest. As the Local Pension Board is not a County Council s101 committee it is important that non-elected members of the Local Pension Board are covered by this policy.

2. Legal Requirements

- 2.1 The overriding requirements in relation to the management of potential or actual conflicts of interest for those involved in the administration and governance of LGPS funds are contained in various elements of legislation and guidance.
- 2.2 The Public Service Pensions Act 2013 requires that the scheme manager (in the case of the LGPS, this is the administering authority) must be satisfied that a Pension Board member does not have a conflict of interest at the point of appointment and from time to time thereafter. It also requires pension board members to provide reasonable information to the scheme manager for this purpose.
- 2.3 The Local Government Pension Scheme Regulations 2013 place duty on each administering authority to satisfy itself that pension board members do not have

conflicts of interest on appointment or whilst they are members of the board. It also requires those pension board members to provide reasonable information to the administering authority in this regard.

- 2.4 Regulation 109 of the Local Government Pension Scheme Regulations 2013 states that each administering authority must have regard to guidance issued by the Secretary of State in relation to pension boards. Regulation 110 provides that the national scheme advisory board has a function of providing advice to administering authorities and pension boards
- 2.5 The Public Service Pensions Act 2013 also added a number of provisions to the Pensions Act 2004 related to the governance of public service pension schemes and, in particular, conflicts of interest. Section 90A requires the Pensions Regulator to issue a code of practice relating to conflicts of interest for pension board members. The Pensions Regulator has issued such a code and this Conflicts of Interest Policy has been developed having regard to that code.
- 2.6 The Local Government Act 2000, The Localism Act 2011 and the Seven Principles of Public Life also provide legislative context around conflicts of interest.

3 Responsibility

- 3.1 Cambridgeshire County Council as the administering authority for the Cambridgeshire Pension Fund must be satisfied that conflicts of interest are appropriately managed. For this purpose, Democratic Services are responsible for ensuring the operational procedure is carried out.
- 3.2 It is the responsibility of each individual covered by the Policy to identify any potential instances where their personal, financial, business or other interests might come into conflict with their pension fund duties

4. Operational procedure for pension board members

- 4.1 The operational procedure sets out three areas for managing conflicts of interest:
 - 1) initial identification;
 - 2) ongoing notification; and
 - 3) periodic review and demonstrates how each should be achieved.

5. Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

6. Finance & Resources Implications

6.1 Not applicable

7. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Insufficient training or poor understanding in relation to individuals' roles on pension fund matters Insufficient training or failure to communicate the requirements of this Policy Absence of the individual nominated to manage the operational aspects of this Policy and no one deputising, or failure of that individual to carry out the operational aspects in accordance with this Policy Failure by a chairperson to take appropriate action when a conflict is highlighted at a meeting.	Democratic Services and Chairperson to monitor and manage conflicts appropriately.	Amber

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
If the Fund does not have a Conflicts of Interest Policy in place, the Fund will have significant lack of understanding and control on the potential conflicts that could arise.	Red

8. Communication Implications

Direct Communications	The Conflicts of Interest Policy will be presented to the Local Pension Board for approval.
Website	The Conflicts of Interest Policy will be published on the LGSS Pensions Website

9. Legal Implications

9.1 Not applicable

10. Consultation with Key Advisers

10.1 Not applicable

11. Alternative Options Considered

11.1 There are no other options to consider.

12. Background Papers

12.1 Not applicable

13. Appendices

13.1 Appendix 1 – Conflicts of Interest Policy 2018

Checklist of Key Approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Head of Pensions?	Mark Whitby – 28 March 2018