



LOCAL PENSION BOARD - 24TH MAY 2021
REPORT OF THE DIRECTOR OF CORPORATE RESOURCES
CONFLICT OF INTEREST POLICY

Purpose of the Report

1. To seek comments from the Board for the draft Leicestershire Pension Fund Conflicts of Interest Policy attached as Appendix A.

Background

2. In February 2021 the Scheme Advisory Board published its final Good Governance Phase 3 Report which was produced by the Hymans Robertson Project Team. A key recommendation was “Each Fund must produce and publish a conflicts of interest policy which includes details of how actual. Potential and perceived conflicts are addressed within the governance of the fund, with specific reference to key conflicts identified in the Guidance”. Further detail on the recommendations is included within a separate report on the agenda.
3. Conflicts of interest have always existed for those with Local Government Pension Scheme (LGPS) administering authority responsibilities as well as for advisers to LGPS funds. This reflects the fact that many of those managing or advising LGPS funds will have a variety of other roles and responsibilities, for example as an elected member of an employer participating in the LGPS or as an adviser to more than one LGPS administering authority. Further, any of those persons may have an individual personal, business or other interest which might conflict, or be perceived to conflict, with their role managing or advising LGPS funds.

Conflict of Interest Policy

4. Whilst the current legislative background largely relates to managing conflicts of interest with respect to members of Local Pension Boards, in the interests of best practice, this Policy will relate to:
 - All members of the Local Pension Board (the Board)

- All members of the Pension Committee and Investment Subcommittee (the Committee), including non-voting employee representatives.
 - Senior officers involved in the governance and management of the Pension Fund
 - All advisers and suppliers to the Fund, whether providing advice or supplies to the Board, the Committee or Fund officers
5. The Policy is intended to aid good governance, in conjunction with the Fund's other governing policies, encouraging transparency and minimising the risk of any matter prejudicing decision making or management of the Fund. The Policy will be reviewed annually and will be revised if the conflict of interest management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant regulations or guidance which need to be taken into account.
6. If approved all members of the Committee and Board and Senior Officers will be required to complete a Declarations of Interest form.

Timetable for Decisions

7. A report on the draft Conflict of Interest Policy will be considered by the Pension Committee on 4 June 2021.

Recommendation

That the Board support the draft Conflict of Interest Policy.

Appendix

Draft Conflict of Interest Policy

Background papers

Local Pension Board 10 August 2020 Good Governance Phase 2 – Progress Report

<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=1122&MIId=6203&Ver=4>