

**Firefighters’ Pensions Board Conflict of Interest Policy**

**Policy No: POL**

**Scope**

This Policy is mandatory.

**Purpose**

This Policy addresses the need to identify and manage Conflict of Interests of Pension Board members as outlined in the Public Services Pensions Act 2013.

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| **Security classification** | | Official | |
| **Author** | | Firefighters’ Pension Scheme Manager / Head of Finance | |
| **Department** | | Finance | |
| **Approved by** | | Pension Board | |
| **Assessments done** | |  | |
| **Version** | **Date** | **Modified by** | **Changes** |
| 1 | August 2015 | HR Manager | New |
| 2 | 24/10/19 | Head of Finance | Minor changes only – eg new format. |
| 3 | 02/11/22 | Head of Finance | Minor changes to reflect new Behavioural Framework and updated Employee Code of Conduct |

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| 1.Introduction |
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* 1. The Public Service Pensions Act 2013 (The Act) introduced a framework for governance and administration of public service pension schemes and provides an extended regulatory oversight by the Pensions Regulator.
  2. The Act requires that the Scheme Manager:
* Be satisfied that a person to be appointed as a member of the Pension Board does not have a conflict of interest; and
* Be satisfied from time to time that none of the members of the Pension Board has a conflict of interest.

1.3 A conflict of interest is a financial or other interest likely to prejudice the way in which someone carries out their role as a member of the Pension Board. It does not include, however, a financial or other interest arising from being a member of the Firefighter Pension Scheme or any connected scheme for which the Board is established.

| 2. Policy statement |
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2.1 The Scheme Manager must be satisfied that:

* + - A person to be appointed as a member of the Pension Board does not have a conflict of interest
    - On an ongoing basis that none of the members of the Pension Board have a conflict of interest

2.2 The Pension Board members will be required to provide the Pension Scheme Manager with such information as the Scheme Manager requires for the purposes of meeting the requirements referred to above.

2.3 Actual conflicts of interest are prohibited under the pension regulations and therefore cannot be managed. Only potential conflicts of interest can be managed.

**Application**

* 1. A conflict of interest may arise in the following circumstance:

*Pension Board members fulfil their statutory role of assisting the Scheme Manager in securing compliance with the Scheme Regulations, other legislation relating to the governance and administration of the scheme and any requirements imposed by the regulator or with any other matter for which they are responsible whilst having a separate personal interest (financial or otherwise) the nature of which gives rise to a possible conflict with their statutory role*.

2.5 Members of the Pension Board will be expected to comply with both the requirements of the Public Services Pensions Act 2013, the Authority’s [Behavioural Framework](https://apps.powerapps.com/play/e/default-7b03c4a7-e6c8-46b4-893a-551613813a5f/a/089998ca-2d95-4e73-a558-0db0b8dd629b?tenantId=7b03c4a7-e6c8-46b4-893a-551613813a5f?DocTitle=Behavioural%20Framework.pdf) and [Employee Code of Conduct](https://apps.powerapps.com/play/e/default-7b03c4a7-e6c8-46b4-893a-551613813a5f/a/089998ca-2d95-4e73-a558-0db0b8dd629b?tenantId=7b03c4a7-e6c8-46b4-893a-551613813a5f?DocTitle=POL%202213%20NFRS%20Code%20of%20Conduct_.pdf). This includes the seven principles of public life (formerly known as the Nolan principles) which are set out below:

i) Selflessness – holders of public office should act in terms of the public

interest;

ii) Integrity – holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships;

iii) Objectivity – holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias;

iv) Accountability – holders of public office are accountable for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this;

v) Openness – holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing;

vi) Honesty – holders of public office should be truthful;

vii) Leadership – holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

* 1. In the event that a Pension Board Member has a dual interest which may include other responsibilities, the Scheme Manager and Pension Board Members will need to consider all other interests, financial or otherwise when considering interests which may give rise to a potential or actual conflict.

2.7 For example, a Finance Officer appointed as a Pension Board member can offer their knowledge but may be involved in a decision or matter which may be, or appear to be, in opposition to another interest. For instance, the Pension Board may be required to scrutinise a decision which involves the use of departmental resources to improve scheme administration, whilst the Finance Officer is at the same time tasked, by virtue of their employment, with reducing departmental spending. In this case the Scheme Manager must be satisfied that their dual interests are not likely to prejudice the Pension Board member in the exercise of any particular function.

2.8 Conflicts of interest will be considered in line with a three stage process:

* Identification of the potential conflict;
* Monitoring of the potential conflict;
* Managing the potential conflict.

**Identifying Potential Conflicts**

2.9 Pension Board members will be expected to be open and transparent in disclosure of potential conflicts.

2.10 Disclosure of interests which have the potential to become conflicts of interest should be declared to the Pension Scheme Manager.

2.11 Pension Board members will have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest.

2.12 Pension Board members will be required to formally declare any interests including other responsibilities, which could become a conflict of interest and which may adversely affect their suitability for the role, to the Scheme Manager, before they are appointed to the Pensions Board.

2.13 Pension Board members will be required to provide the Scheme Manager with any information that they reasonably require to be satisfied that Pension Board members do not have a conflict of interest.

2.14 The Scheme Manager will consider what issues or important matters or decisions are likely to be considered in the following year ahead and identify and consider any potential or actual conflicts of interests that may arise in the future.

2.15 Where potential conflicts exist Pension Board members should be notified as soon as is practically possible to enable risk controls to be put in place to mitigate the impact of the conflict.

2.16 The following examples have been provided by the Pensions Regulator of potential conflicts of interest. This list is for illustrative purposes only and is not exhaustive.

1. Investing to improve scheme administration versus saving money

An employer representative, who may be a Finance Officer or local Councillor, is aware that system x would help to improve standards of record keeping in the scheme, but it would be costly to implement. There is a recognition of the need to meet the costs of the new system at a time when there is internal and external pressure to keep costs down. In order to meet the costs of the new system, the money may be found by using a budget that was intended for another purpose. The decision could prove unpopular with tax payers. A conflict of interests could arise where the employer representative was likely to be prejudiced in the exercise of their functions by virtue of dual interests.

1. Outsourcing an activity versus keeping in house

A member representative is aware that system X would help to improve standards of record keeping in the scheme, but it would mean outsourcing an activity that is currently being undertaken in-house. The member representative could be conflicted if they were likely to be prejudiced in the exercise of their functions by virtue of their employment.

1. Assisting the scheme manager versus furthering personal interests

A Pension Board member who is also a scheme advisor, may recommend the services or products of a related party, for which they might derive some form of benefit, resulting in them not providing, or not being seen to provide, independent advice or services.

Pension Board member who is involved in procuring or tendering for services for a scheme administrator and who can influence the award of a contract, may be conflicted where they have an interest in a particular supplier, for example a family member works for that organisation.

1. Sharing information with the pension board versus a duty of confidentiality to an employer

An employer representative has access to information by virtue of their employment, which could influence or inform the considerations or decisions of the pension board. They have to consider whether to share this information with the pension board 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.

**Monitoring Potential Conflicts**

2.17 The Scheme Manager will be responsible for evaluating and managing dual interest risks which have the potential to become conflicts of interest and pose a risk to the scheme if they are not mitigated.

2.18 On appointment Pension Board Member will be expected to complete a Pension Board Register of Interests for recording and monitoring dual interest and responsibilities. (Attached at Appendix A).

2.19 Where decisions are taken to manage potential conflicts of interests this should be recorded on a risk register by the Scheme Manager.

2.20 The Pension Board register of interests and other relevant documents will be circulated to the Pension Board for ongoing review and be published on the Service intranet.

2.21 Conflicts of interest should be included as an opening agenda item at all Pension Board meetings and revisited during the meeting, where necessary. Those present will be required to declare any conflict of interest, including other responsibilities, which have the potential to become conflict of interests. Any discussion about how the conflict of interest is to be managed should be minuted (although published minutes may redact this information if it is confidential).

**Managing Potential Conflicts of Interest**

2.22 The Pension Board should not be compromised at any stage by potentially conflicted members. The roles and responsibilities of Pension Board members should be carefully considered to ensure that any potential conflicts do not arise or are not perceived to have arisen.

2.23 Appropriate risk controls should be implemented where a potential conflict of interest has been identified.

| 3. External standards |
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N/A

| 4. Definitions |
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As outlined in the Policy.

| 5. Roles and responsibilities |
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**5.1 Fire Authority**

The Fire Authority is the Scheme Manager for the Firefighters’ Pension Scheme. This role is defined in the Public Service Pension Act 2013 as the person / body who is responsible for managing or administering the scheme and any statutory pension scheme that is connected with it.

**5.2 Scheme Manager**

The role of Scheme Manager has been delegated to the Head of Finance.

The Pension Register of Interests will be held by the Scheme Manager. The Scheme Manager will advise Members of the Pension Board on issues relating to potential conflict of interests.

The Pension Board declaration of interests register should be reviewed by the Scheme Manager on an ongoing basis to ensure that it is current.

**5.3 Firefighters’ Pension Scheme Board**

The role of the Pension Board is set out in the Public Service Pension Act 2013: The Board has responsibility for assisting the Scheme Manager in relation to the following matters:

* Securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory scheme that is connected with it;
* Securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pension Regulator.

Potential conflicts of interest should be declared at the commencement of all Pension Board Meetings

| Related documents |
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1. Pension Board Constitution
2. Public Service Pension Act 2013

| Appendices |
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Appendix A – Pension Board Member Register of Interests.

Appendix B – Initial Equality Impact Assessment Questionnaire.

**Appendix A**

**PENSION BOARD MEMBER REGISTER OF INTERESTS**

As a general principle, members of the Pension Board should err on the side of caution and declare any interests that they think may be a potential conflict of interest. Assistance can be sought from the **Scheme Manager**

|  |  |  |
| --- | --- | --- |
| **Name** | **Nature of Role on pension Board ie employer of NFRS, elected member, Representative Body Member** | **Date** |
|  |  |  |

| **Interest** | **Detail** | **Scheme Manager’s Control Measures** |
| --- | --- | --- |
| 1. **Companies and Securities**   e.g. where you or a close relative or friend has a significant shareholding of a company (£25k or 1% of total shareholding) or is actively involved in running a company which might impact on the running of the Firefighter pension Scheme |  |  |
| 1. **Contracts**   e.g. where you or a close relative of friend intends to bid for a contract that may have an impact on the administration of the **Firefighter Pension Scheme** |  |  |
| 1. **Employment or Business**   Any employment or business carried on by the pension Board member. |  |  |
| 1. **Directorship**   Any contract for goods, services or works made between the Authority and the employee or a firm in which the employee is a partner or a company director. |  |  |
| 1. **Outside bodies**   Any outside body to which you have been appointed by the Fire Authority. |  |  |
| 1. **Other Outside Bodies of which I am a member or in a position of general control or management.**   Any body which provides functions of a public nature or is directed towards charitable purposes. |  |  |
| 1. **Other interests**   **Other interests which may in any way conflict with membership of the Fire fighter pension Board.** This may include membership of any organisation not open to public without formal membership and with a commitment of allegiance which has secrecy about rules of membership or conduct and where there is potential for questions to be raised in relation to the award of contracts or employment between members. |  |  |

**Declaration**

**I declare that the information provided is accurate to the best of my knowledge and belief and understand that I must notify the Scheme Manager in writing of any changes to the interests specified above within 28 days of becoming aware of such changes.**

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Appendix B**

**Initial Equality Impact Assessment Questionnaire**

**APPENDIX B**

This questionnaire will enable you to decide whether or not the new or proposed policy or service needs to go through a full Equality Impact Assessment.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Title of policy or service: Employees Register of Interests | | | | | | | | |
| Name of Employee completing assessment:  Becky Smeathers | | | | Department and Section:  Scheme Manager | | | | |
| 1. State the purpose and aims of the policy or service.   *This should identify “(the legitimate) aim” of the policy or service*    The purpose of this policy is to ensure that arrangements are in place to manage any potential conflict of interest for members of the NFRS Fire Pension Scheme pension board. | | | | | | | | |
| 2. Who is responsible for implementing it?  Scheme Manager | | | | | | | | |
| 3. Who is likely to be disproportionately affected by the proposal? People from which of the equality strands? (please tick) | | | | | | | | | |
| Age | Disability | Family Status | Gender | Race | | Sexual Orientation | | Religion or Belief | |
|  |  |  |  |  | |  | |  | |
| 4. If no boxes are ticked – there is no need to continue the EIA | | | | | | | | | |
| 5 If 1 or more boxes are ticked, describe how these groups are likely to be affected: | | | | | | | | | |
| 6. Identify the individuals and organisations that are likely to have an interest in, or be affected by the policy or service.  The policy is aimed at ensuring arrangements are in place for managing conflicts that may arise in relation to members of the pension board. This policy aims to ensure that there is a transparent and open approach taken to managing conflicts which may have the potential to impact on the Firefighter pension scheme and its members | | | | | | | | | |
| 7. Has consultation (with managers, employees, TUs etc) on the policy or service been undertaken? | | | | | Yes  x | | No | | |
| 8. If yes, set out who has been consulted and any agreements and/or concerns identified:  The Policy has been reviewed by the Pension Board which contains representatives from the FBU, managers and employees. | | | | | | | | | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 9. Has monitoring been undertaken? | | | | Yes | | | | No  x | | |
| 10. What does this monitoring show?  The register of interests is reviewed on an ongoing basis | | | | | | | | | | |
| 11. If no to Q9, has a monitoring system been established to check for impact on equality strands? | | | | | Yes | | | | No  x |
| 12. Other comments: | | | | | | | | | | |
| 13. Taking into account the information gathered to date, does the policy or service have a different impact on any equality group? Please identify: | | | | | | | | | | |
| No Impact | Positive Impact | Negative Impact | | | | Impact Not Known  x | | | | |
| 14. **If No Impact or Positive Impact box is ticked there is no need to continue the EIA. If Negative Impact or Impact not Known is ticked, please proceed to full assessment.** | | | | | | | | | |
| 15 Proceed to Full Equality Impact Assessment | | | Yes | | | | No  x | | | |
| 16. What are your reasons for your decision?  The policy is aimed at members of the pension board only and is designed to ensure there is an open and transparent process to managing potential conflicts of interest. It does not impact on any specific protected characteristic or grouping under the Equality Act as it relates to governance of the pension scheme. | | | | | | | | | | |

**1st Authorising signature (Completing Employee/s)**

**Becky Smeathers………………………………….**

**Date: 07th October 2019………………………………………..**

**Once completed and authorised, please send copy of this form to the Equality and Diversity Officer.**

**2nd Authorising Signature (Equality and Diversity Officer)**

**……………………………………………………………….**

**Date: ………………………………………………………..**