

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD

15 March 2018

Code of Conduct and Conflict of Interest Policy for the Local Pension Board

Purpose of the Report

1. The purpose of this report is to request the Local Pension Board (LPB) review the current Code of Conduct and Conflict of Interest Policy for the Board prior to consideration by the Wiltshire Pension Fund Committee.

Background

2. To ensure sound governance of the LPB, there are certain principles that LPB Members must follow, particularly in relation to code of conduct and conflicts of interest.
3. The Regulations, along with the Pension Regulators Code of Practice (no 14), and the Scheme Advisory Board's guidance, outline a duty on Wiltshire Council to satisfy itself that LPB Members don't have conflicts of interest on appointment or whilst they are Members of the LPB. LPB Members need to be made aware of their duties under a code of conduct.
4. To fulfil this obligation officers, with assistance from Wiltshire Council legal services and Hymans Robertson, developed a Code of Conduct and Conflicts of Interest Policy which was agreed by the Wiltshire Pension Fund Committee in December 2015.
5. Training was provided to Board members as to its purpose and application of the policy document. In essence the guidelines place a requirement on all LPB Members to act in accordance with the Seven Principles of Public Life and to notify Democratic Services of any potential conflict of interest arising as a result of their position on the Board.
6. It is stated in the Code of Conduct and Conflict of Interest Policy that the document will be reviewed at least annually by the Committee, in December 2016 the policy document was reviewed by the Committee following suggestions from the Board, and updated with regards to its references to the status of the Scheme Advisory Board. The changes are available to view [here](#).
7. The previous [report](#) to the Committee also addressed questions posed by Board members as to how the scope of the Policy Guidelines were proportionate to the statutory requirements, and the practical implications of the policy. A [benchmarking exercise](#) was undertaken comparing the Policy Guidelines to those of other Funds.

Considerations for the Board

8. The Code of Conduct and Conflict of Interest Policy states it should be reviewed and approved by the Committee at least annually. The Board is invited to consider the policy prior to this submission to the Committee.
9. There have been no material changes to the Regulations and relevant legislation since the last review of the document therefore it is not considered that material changes to the content of the document are required.

10. It is however recommended the Policy Guidelines be amended to state they will be reviewed and approved by the Committee at least every two years, or upon any material changes to the Regulations, relevant legislation and scheme guidance.
11. There is no requirement to review the policy on a yearly basis, relevant legislation and Scheme Advisory Board Guidance states such a policy should be kept 'under regular review'. It is considered the proposal above accords with this requirement.

Environmental Impact of the Proposal

12. There are no known environment implications from this report.

Financial Considerations & Risk Assessment

13. There are no significant financial implications from this report.
14. The Code of Conduct and Conflict of Interest Policy Guidelines will assist in mitigating the reputational risk should an issue arise which hasn't been identified or managed.

Legal Implications

15. There are no material legal implications arising from this report. Legal Services have been consulted regarding the legislation referred to in this report.
16. The Policy Guidelines have been drafted to reflect the requirements of Wiltshire Council's constitution, legislation and the guidance of regulatory bodies including the Pension Regulator's Code of Practice No 14 and the Scheme Advisory Board guidance.
17. If the administering authority fails to ensure that each LPB member follows Policy Guidelines which fulfil the requirements of the constitution, legislation and guidance, the following risks may apply:
 - a) the LPB may actually act improperly or be perceived to have acted improperly;
 - b) there may be a challenge to the work carried out by the LPB, for instance, challenge by judicial review as a result of failure to comply with statutory obligations;
 - c) there may be intervention by the Regulator;
 - d) there may be adverse comment by the Scheme Advisory Board, and associated reputational harm.
18. Any individual LPB member who fails to follow Policy Guidelines adopted by the administering authority may be in breach of:
 - a) regulations 108(3) and (4) of the LGPS Regulations 2013; and
 - b) Protocol 2 of Wiltshire Council's constitution,

which may also lead to the risks set out at paragraph 16 above.

Safeguarding Considerations/Public Health Implications/Equalities Impact

19. There are no known implications at this time.

Reasons for Proposals

20. To ensure the LPB has an up to date policy to direct members' conduct and to address any conflicts of interest.
21. The Board has operated in accordance with this policy since December 2015 and is now well-established. It is considered an annual review of this policy is no longer required by the Administering Authority and the alternate proposal accords with statutory requirements to keep the document under regular review.

Proposals

22. The Board is requested to endorse the attached Code of Conduct and Conflict of Interest Policy Guidelines to the Wiltshire Pension Fund Committee, subject to an amendment that *these guidelines will be reviewed and approved by the Committee at least every two years, or upon any material changes to the Regulations, relevant legislation and scheme guidance.*

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Unpublished documents relied upon in the production of this report: NONE