



Worcestershire Pension Fund

# Conflicts of Interest Policy

March 2025



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## Introduction

1. This is the Worcestershire Pension Fund (the Fund) Policy on conflict of interests. The Fund is managed by Worcestershire County Council as the (Administering Authority). This Policy outlines how actual and potential conflict of interests will be identified, and managed. It is the responsibility of those involved with the management and governance of the Fund to oversee this.
2. The Fund administers the Local Government Pension Scheme (LGPS). The LGPS has always had conflicts of interest. These can arise for Trustees (Local Pension Board (LPB) and Pension Fund Committee (PFC)) members and their advisors. This reflects the fact they will have a variety of other roles and responsibilities.
3. Trustees have a strict duty to act in the best interest of the beneficiaries (members). This does not prevent a trustee from having other roles or responsibilities which may result in a conflict of interest. For example, a member of a Pensions Committee may also:
  - Be employed by an employer participating in that LGPS Fund
  - Be an adviser to more than one LGPS Fund/Pool or
  - Have an individual personal, business, or other interest which might conflict
4. Trustees must be able to identify conflicts of interest and have procedures in place to manage them.
5. LGPS Funds have both fiduciary and public law duties to act in the best interests of both LGPS members and participating employers.
6. This Policy should be read in conjunction with Worcestershire Pension Fund fundamental documents [Governance Policy Statement](#) and [Worcestershire County Council Terms of Reference](#).
7. This Policy applies to all members of the Pensions Committee, Pensions Investment Sub Committee (PISC) and Pensions Board. This also applies to:
  - All officers involved in managing the Fund who are also required to adhere to the [Worcestershire County Council Code of Conduct](#) for Employees which includes requirements in relation to the disclosure and management of personal and other interests and receipt of [gifts and hospitality](#) (paragraphs 1, 11 & 12).
  - All advisers and suppliers to the Fund who may also be required to meet their own professional standards relating to conflict of interest

## General Requirements

8. The Chief Financial Officer will monitor potential conflicts of interest, having highlighted the Policy to all those involved in the daily management of the Fund when they first become involved.

The Chief Financial Officer will promote a culture of:

- acknowledging any actual or potential conflict of interest;
  - be open with each other on any potential or actual conflicts of interest they may have and speak up;
  - adopt practical solutions; and
  - plan and agree on how they will manage conflicts of interest which arise
9. Attendees of Pensions Committee or Pension Board meetings will be required to sign a Record of Conflicts of Interest Declarations Made form, at the start of each meeting.
10. The Fund will maintain a register of interest which could give rise to a conflict. This will be reviewed annually and signed to ensure that all declared interest contained in the register are accurate or highlight any changes that may need to be declared.
11. All members of the Pensions Committee, PISC and Pension Board are required to:
- Register and declare disclosable pecuniary interest
  - Abide by the [Code of Conduct for Members and Co-opted Members of Worcestershire County Council](#). This sets out the rules governing the behaviour of all elected Councillors, co-opted and independent members of the Council with voting rights (collectively called “Members”). Anyone wishing to seek advice on the Code should contact the Assistant Director for Legal and Governance
  - State clearly at meetings if they are providing a specific point of view on behalf of an employer (or group of employers) or member (or group of members)
12. All individuals must abide by The Severn Principles of Standards in Public Life ([The Nolan Principles](#)) which are integral to the successful implementation of this Policy. These principles are:
- Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership

## What constitutes as a conflict or potential conflict?

13. The [Public Service Pension Act 2013](#) defines a conflict of interest as a financial or other interest which is likely to prejudice a person’s exercise of functions. A conflict of interest may arise when an individual has a responsibility or duty in relation to the management of or advice for the Fund, and at the same time has a separate personal interest which may affect or influence any decisions made. Examples of a potential or actual conflict of interest faced by those who are covered in this policy can be found within [appendix 1](#).
14. The [Public Service Pension Act 2013](#) defines that a person will not have any other interest arising merely by virtue of membership of the scheme or any connected scheme.

## Registering and declaring interests and participating in meetings

15. The fund will regularly review a Declaration of Interest Register. This is maintained from the verbal declarations of interest made during the meetings. The appropriate declarations are disclosed and highlighted (usually the second) agenda item. Which may be viewed by an interested party at any point. It records:
  - Date identified
  - Name of person
  - Role of person
  - Details of conflict
  - Whether actual or potential
  - How notified
  - Action taken
  - Follow up required
  - Date resolved
16. Individuals are responsible for maintaining their register of interest on a continuous basis.
17. Any individual who considers that they have a potential or actual conflict of interest which relates to an item of business at a meeting, must advise the Chairperson and LGPS Senior officer or as delegated, prior to the meeting.
18. The Chair of the Pension Board is also required to include an item on conflict of interest in its annual report.

## Managing and Mitigating conflicts of interest

19. Further to this policy the Fund will manage and mitigate conflicts of interest by having clear governing strategies and policies that coincide, in relation to the responsibilities of the dual role of Worcestershire County Council as Administering Authority and Employer, and the role it holds in relation to LGPS Central. Documents in relation to this are found within [appendix 2](#).
20. The Fund's budget will be separate to Worcestershire County Council.
21. During the procurement process ensure that actual or potential conflicts of interest are considered
22. Asking the individual concerned to abstain from discussion, decision making or providing advice in relating to the relevant issue.
23. Exclude the individual from the meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a Pensions Committee meeting)
24. Establish a working group or sub-committee, excluding the individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permits this to happen)

25. Where internal conflicts of interests are made between officers of the Fund, these will be managed and monitored periodically.

## Identifying the risks

26. The risks to the delivery of this Policy are outline below, and the Chief Financial Officer will monitor these and other key risks and consider how to respond to them.

- Insufficient training or poor understanding in relation to individuals' roles
- Insufficient training or failure to communicate the requirements of this Policy
- Failure by an individual to follow the requirements of this Policy
- Absence of the individual nominated to manage the optional 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 the Chair to take appropriate action when a conflict is highlighted at a meeting

## Individuals Responsibilities

27. It is the responsibility of everyone covered by this Policy to ensure all obligations in this policy are met. Identify any potential instances, where there could be a personal, financial, business or other interest which may conflict with their Pension Fund duties. All individuals covered in this policy must ensure these interests are registered and declared.
28. Where an individual believes another individual has a potential or actual conflict of interest, they must inform the LGPS Senior Officer or as delegated at the earliest opportunity.
29. Where a conflict is so fundamental that it cannot be effectively managed, or where a committee or Board member has an actual conflict of interest, the individual will be requested to reconsider their position and will be required to resign.
30. The Pension Committee, Local Pension Board, Officers and the LGPS Senior Officer will keep under observation these and other key risks and consider how to respond to them.

## Approval and Review

31. All costs related to the operation and implementation of this Policy will be met directly by the Fund. However, no payments will be made to any individuals in relation to any time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest under this Policy.
32. This Policy will formally be reviewed and updated at least once every three years, or sooner if required.

## Appendix 1 – Examples of Conflict of Interests

- Being required to provide views on a funding strategy which could result in an increase in the employer contributions payable by the employer he or she represents
- Being a board member of an investment manager that the Fund is considering appointing
- Being on an LGPS Central Limited board / group when a matter is being considered that would benefit their originating Council or LGPS fund to greater degree than other participating Councils or Funds
- Accepting a dinner invitation from an investment manager who has submitted a bid as part of a tender process or might be in the process of preparing a bid for an open tender process
- Being asked to review a case or calculate a benefit relating to a close friend or relative
- Being asked to provide a technical advice to a scheme employer about an outsourcing contract, including being asked questions about the impact on that employer and the employer requirements relating to the outsourcing contract
- Having a role in driving carbon reduction in one's local authority
- A Fund adviser being part to the development of a strategy which could result in additional work for their firm

## Appendix 2 – Worcestershire Pension Fund Governing Policies

- [The Funding Strategy Statement](#)
- [Pension Administration Strategy](#)
- [Policy Statement on Communications](#)
- [The Investment Strategy Statement](#)
- [Climate Change Risk Strategy](#)
- [Governance Policy Statement](#)
- [Training Policy Programme](#)



## Appendix 3 - Register of Potential and Actual Conflicts of Interest

All conflicts of interest will be reported and recorded in the minutes. These conflicts will be recognised and documented on the Register of Potential and Actual Conflicts of Interest. These conflicts will be monitored and reviewed annually by Worcestershire County Council, the Administering Authority.

Date Identified	Name	Role	Details of Conflict	Actual/Potential/Perceived conflict	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 meet

FOR OFFICE USE ONLY:

Worcestershire Pension Fund Conflict of Interest Policy Version:

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