GMPF Conflicts of Interest Policy

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The Assistant Director for Pensions Administration owns this policy
Internal policy document

Contents

1. Introduction

1.1 The purpose of this policy

This policy details how GMPF manages actual and potential conflicts of interest. Its purpose is to guide all trustee members, officers, and advisors of GMPF to ensure they do not act improperly or create a perception that they may have acted improperly. It will be reviewed annually, usually at the start of the municipal year.

1.2 To whom it applies

This policy applies to:

- all members of the GMPF Pension Fund Management Panel
- all members of the GMPF Pension Fund Advisory Panel
- all members of the GMPF Local Pensions Board
- he Director of Pensions and all officers of the GMPF Fund Management Team
- all statutory officers to GMPF
- all advisors to GMPF

It applies to all trustee members, including scheme member representatives and employer representatives, whether they have voting rights or not.

It also applies to all advisors, no matter which panel or body they advise. The term 'advisors' extends to any supplier or party providing advice or services to the Administering Authority concerning pension fund matters. This includes but is not limited to actuaries, investment consultants, independent advisors, benefits consultants, fund managers, lawyers, custodians and AVC providers. Where an advisory appointment is with a firm rather than an individual, reference to advisors is to all advisors responsible for delivering advice and services to the Administering Authority rather than the firm.

The Director of Pensions will monitor potential conflicts for all GMPF officers and highlight this policy to them whenever appropriate.

1.3 Aims

The main aims of this policy are:

- to encourage the disclosure of actual, potential, or perceived conflicts of interest
- to ensure the interests of GMPF are promoted and protected
- to minimise the risk of someone negatively influencing a decision
- to aid good governance
- to encourage transparency

1.4 Why it is required

Conflicts of interest often exist for those persons with LGPS administering authority responsibilities and for advisors to LGPS funds. This situation reflects the fact that many of those managing or advising LGPS funds will have a variety of other roles and responsibilities, for example, as a member of the scheme or as an elected member of an employer participating in the LGPS. Individuals may also have a personal, business, or other interest that might conflict or that others might perceive to conflict with their role in managing or advising LGPS funds.

LGPS administering authorities have fiduciary and public law duties to act in the best interest of their fund members and participating employers. However, this duty does not prevent those who manage or advise a fund from having other roles or responsibilities that may result in an actual or potential conflict of interest. Therefore, GMPF believes it is vital to have a conflicts of interest policy to protect GMPF's interests.

There are several legislative requirements regarding how funds should manage potential or actual conflicts of interest, plus guidance from the Pensions Regulator. You can find more information about these requirements in section 4 of this policy.

1.5 The benefits it brings

The policy will help us to ensure that:

- GMPF's interests are protected
- trustee members, officers and advisors have the information they need to fulfil their responsibilities for conflicts of interest
- we can demonstrate our approach to external bodies, including the Pensions Regulator

2. Managing conflicts of interest

2.1 What is a conflict of interest?

The Public Service Pensions Act 2013 defines a conflict of interest as a financial or other interest likely to prejudice a person exercising their functions.

Therefore, a conflict of interest may arise when an individual has a responsibility or duty for the management of, or provision of advice to GMPF and at the same time has:

- a separate personal interest (financial or otherwise) and, or
- another responsibility concerning that matter, giving rise to a possible conflict with their first responsibility

An interest could also arise due to a family member or close colleague having a specific responsibility or involvement in a matter.

2.2 The Administering Authority's approach

Tameside MBC, as the Administering Authority for GMPF, aims to promote and maintain a culture of openness and transparency. It will encourage individuals to be vigilant and to develop a clear understanding of their role and the circumstances in which they may have a conflict of interest. It will give guidance to individuals who identify potential conflicts.

It will do this in various ways, including but not limited to publicising this policy to all relevant persons, highlighting their responsibilities in its induction training and procedures, and reminding people to declare any interest at the beginning of each governance meeting.

The Administering Authority will evaluate the nature of any dual interests or responsibilities that a person highlights and assess the impact on pension fund operations and good governance should an actual conflict of interest materialise.

2.3 Ways in which conflicts of interest may be managed

The ways in which conflicts of interest may be managed include:

- The individual concerned abstaining from discussion, decision-making or providing advice relating to the relevant issue.
- The individual being excluded from the meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a Management Panel meeting).
- A working group or sub-committee being established, excluding the individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permit this to happen).

Provided that the Administering Authority (after having taken any professional advice deemed to be required) is satisfied that the method of management is acceptable, it will avoid the need for an individual to resign due to a conflict of interest. However, where the Administering Authority considers the conflict to be so fundamental that it cannot manage it effectively, or where a Local Pension Board member has an actual conflict of interest as defined in the Public Service Pensions Act 2013, the individual will be required to resign from the Panel, Board, or appointment.

2.4 The receipt of minor gifts

Gifts such as t-shirts, pens, trade show bags and other promotional items will be subject to Tameside MBC's Protocol on Gifts and Hospitality. If you obtain gifts at events, such as conferences, training events, seminars, and trade shows that are offered equally to all members of the public attending the event you do not need to declare them unless their collective value exceeds £25. It is good practice to declare all gifts received regardless of their value. Tameside MBC officers may be subject to lower limits or alternative restrictions within Council employee policies.

2.5 Responsibility

Tameside MBC, as the scheme manager for GMPF, must be satisfied that individuals are managing conflicts of interest appropriately. The Director of Pensions is the person designated as responsible for ensuring everyone follows the procedure outlined in section 3.

However, it is the responsibility of everyone covered by this Policy to identify any potential instances where their personal, financial, business, or other interests might conflict with their pension fund duties and to disclose them.

3. Operational procedure

3.1 Requirements for disclosure and the Council's Code of Conduct

All persons to which this policy applies must follow the procedures outlined in section 3.2.

However, all members of the Management and Advisory Panels have an overriding requirement to follow and abide by the requirements of the Tameside MBC Members' Code of Conduct relating to the treatment and disclosure of certain personal and prejudicial interests. Accordingly, for those members, disclosures under this policy may be in addition to disclosures under the Council's Code of Conduct.

3.2 Disclosure framework

What is required	How this will be done
Step 1 - Initial identification of interests which do or could give rise to a conflict	On appointment, GMPF will provide you with a copy of this Policy. You must then complete a Declaration of Interest form. GMPF will collate the information from all declarations into the Pension Fund Register of Conflicts of Interest.
Step 2 - Ongoing notification and management of potential or actual conflicts of interest	At the start of any management panel, working group, local pension board, or another formal meeting where pension fund matters are to be discussed, the Chair will ask all those present who are covered by this Policy to declare any new potential conflicts. GMPF will record these in the minutes of the meeting and in the Fund's Register of Conflicts of Interest. In addition, the latest version of the Register will be made available by the Director of Pensions to the Chair before every meeting if required. At management panel, working group and local board meetings, there will be an additional agenda item for trustee members to declare any interests under the Members' Code concerning any item on that agenda. If you consider that you or another individual has a potential or actual conflict of interest, as defined by this Policy, that relates to an item of business at a meeting, you must advise the Chair and the Director of Pensions before the meeting, where possible, or state this clearly at the meeting at the earliest possible opportunity.

What is required	How this will be done
	The Chair, in consultation with the Director of Pensions, will then decide whether you will need to leave the meeting during the discussion on the relevant matter or withdraw from voting on it. If you identify a conflict outside of a meeting, you must notify the Director of Pensions. You must also notify the Chair of that meeting where it relates to the business of a meeting. The Director of Pensions, in consultation with the Chair where relevant, will consider what action is necessary to manage the potential or actual conflict. Where you have provided information about any potential or actual conflict, the Director of Pensions may seek professional advice as she thinks fit on to how to address any identified conflicts. GMPF must and will record any such potential or actual conflicts of interest and the action taken in the Register of Conflicts of Interest and in the minutes of the meeting if raised during a meeting.
Step 3 - Periodic review of potential and actual conflicts	At least once every 12 months, the Director of Pensions will provide to all individuals to whom this Policy applies a copy of their currently declared conflicts of interest. You must review the information and confirm if it is correct or provide details of any changes.

3.3 Operational procedure for advisors

GMPF expects all advisors to have their own policies on managing conflicts of interest in their relationships with their clients, and GMPF expects them to share these policies with the Fund as and when requested.

Although this Policy applies to all advisors, the operational procedures outlined in steps 1 and 3 above about completing ongoing declarations do not apply to advisors.

Instead, GMPF will:

- Provide all advisors with a copy of this Policy on appointment and whenever it is updated.
- Confirm to advisors when appointed that GMPF expects them to adhere to the principles of this Policy.
- Make clear its expectations, being that all advisors must provide to the Director of Pensions on request details of how they will manage and monitor actual or potential conflicts of interests relating to providing advice or services to the Administering Authority.
- Ensure advisors are clear that they must notify the Director of Pensions immediately should a potential or actual conflict of interest arise.
- Remind advisors that they must declare an interest at any meeting should a potential or actual conflict of interest arise, preferably at the start of the meeting.

GMPF will record all potential or actual conflicts notified by advisors in the Register of Conflicts of Interest.

3.4 Monitoring and reporting

Any interested party may review the Register of Conflicts of Interest at any time. The Director of Pensions will make it available on request.

The Administering Authority will review the Register of Conflicts of Interest annually to identify whether the objectives of this Policy are being met and to consider whether there have been any potential or actual conflicts of interest that were not declared at the earliest opportunity.

3.5 Key risks

The key risks to the delivery of this Policy are:

- insufficient training or poor understanding of individuals' roles in pension fund matters
- insufficient training or failure to communicate the requirements of this Policy
- failure by a chairperson to take appropriate action when a conflict is highlighted at a meeting

All these risks could result in an actual conflict of interest arising but not being managed properly. The Director of Pensions will monitor these and other risks and will consider the effectiveness of the controls in place.

3.6 Costs

GMPF will meet all training costs related to this Policy. However, GMPF will not reimburse any individual for the time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest under this Policy.

3.7 External Legal Advice

Where a potential conflict of interest is particularly complex or requires specialist input, GMPF will seek external legal advice to help resolve the issue.

4. Details of legislative requirements and guidance

4.1 Legislative context

Several of the overriding requirements relating to the management of potential or actual conflicts of interest for those involved in LGPS funds are as follows:

The Public Service Pensions Act 2013

Section 5 of this Act requires that the scheme manager (the Administering Authority) must be satisfied that a Local Pension Board member does not have a conflict of interest at the point of appointment and from time to time thereafter. It also requires Local Pension Board members (or nominated members) to provide reasonable information to the scheme manager for this purpose.

The Act defines a conflict of interest as "a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme)."

The Act requires that scheme managers must have regard to any such guidance that the national scheme advisory board issues (see below).

The Local Government Pension Scheme Regulations 2013

Regulation 108 of these Regulations applies the requirements of the Public Service Pensions Act (as outlined above) to the LGPS, placing a duty on each Administering Authority to satisfy itself that Local 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.

Regulation 109 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 LGPS Scheme Advisory Board has a function of providing advice to Administering Authorities and Local Pension Boards. The LGPS Scheme Advisory Board issued guidance relating to the establishment of Local Pension Boards including a section on conflicts of interest. This Conflicts of Interest Policy has been developed having regard to that guidance.

The Pensions Act 2004

The Public Service Pensions Act 2013 also added several 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 Local 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.

Furthermore, under section 13, the Pensions Regulator can issue an improvement notice where it is considered that the requirements relating to conflicts of interest for Pension Board members are not being adhered to.

CIPFA Investment Pooling Governance Principles for LGPS Administering Authorities Guidance

The CIPFA governance principles guidance states "the establishment of investment pooling arrangements creates a range of additional roles that committee members, representatives, officers and advisors might have." It includes some examples of how conflicts of interest could arise in these new roles. It highlights the need for Administering Authorities to:

- update their conflicts policies to have regard to asset pooling
- remind all those involved with the management of GMPF of the policy requirements and the potential for conflicts to arise in respect of asset pooling responsibilities
- ensure declarations are updated appropriately

Local Government Act 2000

All members and co-opted members of the GMPF Management and Advisory Panels are required by the Local Government Act 2000 to abide by Tameside MBC's Members' Code of Conduct. The Code contains provisions relating to personal interests, personal and prejudicial interests, their disclosure and limitations on members' participation where they have any such interest.

Advisors' Professional Standards

Many advisors will be required to meet professional standards relating to the management of conflicts of interest, for example, the GMPF Actuary will be bound by the requirements of the Institute and Faculty of Actuaries. Any Protocol or other agreement entered between an advisor and the Administering Authority in relation to conflicts of interest, whether as a requirement of a professional body or otherwise, should be read in conjunction with this Policy.

4.2 Guidance from the Pensions Regulator

The Pensions Regulator provides comprehensive guidance on conflicts of interest.

See [Conflicts of interest | The Pensions Regulator]

4.3 Other administering authority requirements

Management and Advisory Panel Members

In addition to the requirements of this Policy, Panel members are required to adhere to the Tameside MBC Members' Code of Conduct and Tameside MBC Constitution.

Local Pension Board Members

Local Pension Board members required to adhere to the Local Pension Board Terms of Reference, which includes declaring any interests that may lead to a conflict situation.

Employees

Officers of Tameside MBC are required to adhere to the Tameside MBC Officers' Code of Conduct which includes requirements in relation to the disclosure and management of personal and pecuniary interests.

Advisors

The Administering Authority appoints its own advisors. There may be circumstances where these advisors are asked to give advice to Tameside MBC or other scheme employers, or even to scheme members or member representatives such as the Trades Unions, in relation to pension matters. Similarly, an advisor may also be appointed to another administering authority which is involved in a transaction involving GMPF and on which advice is required or to a supplier or organisation providing services to the GMPF. An advisor can only continue to advise the Administering Authority and another party where there is no conflict of interest in doing so.

Conduct at Meetings

There may be circumstances where a representative of employers or members wishes to provide a specific point of view on behalf of an employer (or group of employers) or member (or group of members). The Administering Authority requires that any individual wishing to speak from an employer's or member's viewpoint must state this clearly, such as during a Local Pension Board or Panel meeting, and that this will be recorded in the minutes.

Review date	Reviewed by	Amendments	Version
23 June 2023	Emma Mayall	New, original version	2023.1
18 December 2024	Adrian Aguilera	Section 3.7 added	2024.1

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