

# **Annex A to the Terms of Reference for the Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme**

## **Conflicts of Interest Policy**

### **Introduction**

The Public Sector Pensions Act 2013 requires that members of the Warwickshire Fire and Rescue Local Pension Board (the Board) do not have conflicts of interests. As such all Board Members (Members) will be required to declare any interests and any potential conflicts of interests in line with legal requirements in the Act and the Pension Regulator's code. These declarations are required as part of the appointment process, as well as regular intervals throughout a Member's tenure to the Scheme Manager's satisfaction.

### **Conflict of Interests – General Principles**

A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board. The basic principle in relation to conflicts of interest can be found in the High Court case of *Re Thompson's Settlement* [1986] where the Court held that:

*'...a man must not put himself in a position where duty and [personal] interest conflict or where his duty to one conflicts with his duty to another unless expressly authorised'*

Conflicts of interest may arise for Members and their advisers. This simply reflects the fact that individual Members and their advisers will have a variety of other roles and responsibilities outside the Board.

Members and their advisers must be able to identify potential conflicts of interest, and have procedures in place to manage them. This document outlines the procedure the Members have adopted to do this.

### **Procedure**

For this procedure to work the Members have agreed that they must:

- declare any actual or potential conflict of interest they may have;
- be open with each other on any conflicts of interest they may have;
- provide information reasonably requested to assess whether there is any actual or potential conflict of interest;
- adopt practical solutions; and
- plan ahead and agree on how they will manage any conflicts of interest which arise.

With these objectives in mind the following procedure shall apply:

1. On appointment to their role or on the commencement of this Policy if later, all individuals will be provided with a copy of this Policy (and any other relevant policy, terms of reference or code of conduct) and be required to complete a Declaration of Interest.

2. The Scheme Manager will assess the extent to which any declarations are relevant to the individual's role as Board Member.
3. Each individual is responsible for maintaining their declaration of interest on a continuous basis and ensuring that they are kept up to date.
4. At the commencement of any Board Meeting, the Chair will ask all those present to declare any interests. All interests declared will be detailed in the record of the meeting.
5. 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 Chair and the Scheme Manager prior to the meeting, where possible, or state this clearly at the meeting at the earliest possible opportunity.
6. The Chair, in consultation with the Scheme Manager, will seek advice as necessary and will advise the individual whether they need to leave the meeting during the discussion on the relevant matter. Where an actual conflict of interest on an agenda item is identified, the presumption is that an individual will exclude themselves from participating in the discussion on the relevant matter. The conflict of interest and the action taken must be recorded in the minutes.
7. If such a conflict is identified outside of a meeting the individual must complete an updated Declaration of interest. The Scheme Manager will consult with the Chair and consider any necessary action to manage the potential or actual conflict. The conflict of interest and the action taken must be recorded.
8. All individuals will be required complete a declaration of interest at least once every 12 months.

## **Management of Confidential Information**

With regard to Members sharing confidential information received by them in their capacity as a Board Member with other parties, it is important to remember that each Member has a fundamental responsibility to act on behalf of the Board and this duty should not be compromised by acting on behalf of other groups.

## **Advisors**

There may be circumstances where advisors are asked to give advice to the Board but this can only happen where there is no conflict of interest. All of the Board's advisors have a professional responsibility to advise the Members if any circumstances arise in which they feel they are conflicted. These responsibilities and guidelines for dealing with actual or potential conflicts of interest are covered by rules of their respective professional bodies.