

Firefighters' Scheme Advisory Board (England)

Conflict of Interest Policy

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Policy statement

The Public Service Pension Act 2013¹ introduced the framework for the regulatory oversight of the governance and administration of public service pension schemes.

The Scheme Advisory Board (“the Board”) is responsible for providing advice:

- In response to a request from the Secretary of State on the desirability of making changes to the Scheme and any connected scheme
- To scheme managers and Local Pension Boards in relation to the effective and efficient administration and management of the Scheme and any connected schemes.

A conflict of interest is a financial or other interest which is likely to prejudice a person’s exercise of functions as a member of the Board.

This policy is to help the Secretary of State meet the legal requirement under regulation (4)(G)² of The Firefighters’ Pension Scheme (Amendment) (Governance) Regulations 2015 to be satisfied that Scheme Advisory Board members do not have any conflict of interest.

This policy:

- outlines the steps to be followed by Scheme Advisory Board members and the Secretary of State to address the situation where Board members have a potential or actual conflict of interest
- includes a three-stage process to identify, monitor, and manage potential conflicts of interest

Scope

This policy applies to those individuals appointed as members of the Scheme Advisory Board by the Secretary of State in accordance with their [terms of reference](#).

Principles

As a member of the Scheme Advisory Board, regard will be given to the following seven principles of public life³;

1. Selflessness

Holders of public office should act solely in terms of the public interest.

¹ <https://www.legislation.gov.uk/ukpga/2013/25/crossheading/governance>

² <http://www.legislation.gov.uk/uksi/2015/465/regulation/4/made>

³ <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>

2. 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.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. 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.

6. Honesty

Holders of public office should be truthful.

7. 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.

Responsibility of the Secretary of State

The Secretary of State must be satisfied:

- that a person to be appointed as a member of the Scheme Advisory Board does not have a conflict of interest and
- from time to time, that none of the members of the Scheme Advisory Board has a conflict of interest

Each member or proposed member of a Pension Board should provide to the Board secretariat information as is reasonably required for meeting the requirements as above.

Actual and potential conflicts of interest

Actual conflicts of interest are prohibited by the 2013 Act and cannot, therefore, be managed. Only potential conflicts of interest can be managed.

A potential conflict of interest is one that:

- May exist already
- May arise in the future, or
- Are perceived by others whether they are conflicts of interest

A potential conflict of interest is where a person has an individual interest and their responsibility which may conflict with their role as a Scheme Advisory Board member, such that it might be reasonably questions whether the actions or decisions of that person are influenced by their own interests. Examples of potential conflicts of interest, not only for the Board members are covered in [Examples of a conflict of interest](#) section below.

The key issue for a Board member is to consider whether they are subject to a conflict of interest which prevents them from acting entirely independently in their capacity as a Board member. It is recognised that, from time to time, a person may have interests or responsibilities which are not aligned with their responsibilities as a Board member, but these do not prevent the person from fulfilling their responsibilities on the Board. This situation may occur when the separate interest is sufficiently immaterial and so does not conflict with the Board member's first obligation to the Board

All prospective Board members are required to complete the Conflict of Interest declaration before they are appointed to the Scheme Advisory Board.

It is the duty of any appointed Board member to declare any potential conflicts of interest. All approved Board members will be asked to renew their declaration on an annual basis.

When seeking to prevent a potential conflict of interest becoming detrimental to the conduct and decisions of the Board, the Board secretariat will look to discuss with the Secretary of State, and the appropriate legal advice will be sought.

Education on identifying and dealing with conflicts of interest will be included within the Board's knowledge and understanding policy.⁴

Procedure

Managing conflicts of interest

In the event that the Board is of the view that a potential conflict of interest may become an actual or perceived conflict in respect of one or more of its members, the Board must determine the appropriate mechanism for managing that conflict. The approach taken will

⁴ <https://www.fpsboard.org/index.php/about-the-board>

depend on the nature and extent of the potential conflict. Some possible methods for the management of potential conflicts are given below.

- Requiring that the Board member for whom the conflict exists takes no part in discussions or votes in respect of the matter for which they are conflicted, or leave the meeting;
- If practical, the Board member may relinquish or divest themselves of a personal interest which is the source of a conflict of interest with their Board responsibilities;
- If the conflict is likely to persist and continue in such a way that it is likely limit a Board member's meaningful participation in the Board, that member should consider resigning from their position.

The three stage process allows management of potential conflicts. However, if at any stage of the process it becomes likely that a potential conflict has become an actual conflict, it cannot be managed and must be reported to the Secretary of State.

Stage 1. Identifying conflicts of interest

Scheme Advisory Board members should have a clear understanding of their role and the circumstances in which a potential conflict of interest may arise.

For Board members to demonstrate they have fulfilled their obligations independently and without prejudice, they must identify and declare all conflicts of interest. The secretariat to the Board will keep records of conflicts of interest that have been declared and will maintain a register of conflicts of interest.

Stage 2. Monitoring conflicts of interest

The Secretary of State may review the register of conflicts of interest at any time.

At the start of each meeting of the Board, all members will be asked to declare whether they have any new conflicts of interest, either due to a change in circumstances, or because of a particular item that is to be considered at the meeting.

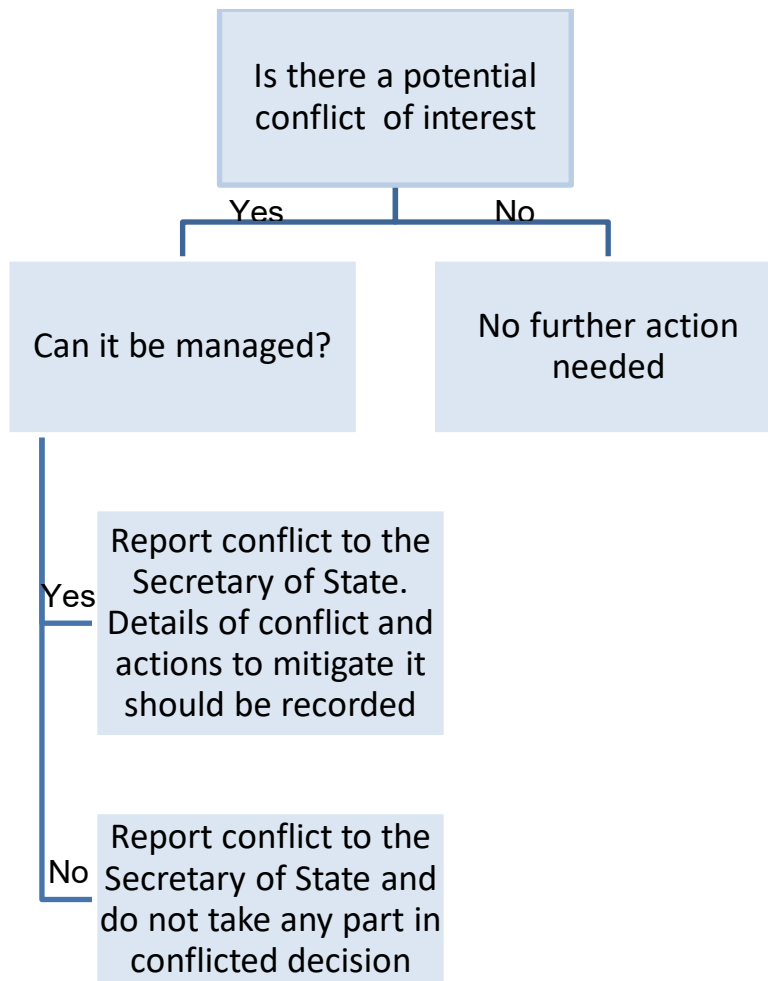
If a conflict of interest arises unexpectedly during a meeting it must be declared at the point it is identified to the Chair.

The minutes of the meeting shall record details of any conflicts reported and actions taken regarding the conflict.

Decisions on the management of any potential conflicts of interest will be added to the Board's risk register.

Stage 3. Managing conflicts of interest

The following process will be followed to manage Conflicts of Interest:



- The Secretary of State seeking independent advice from other professionals, for example an accountant or actuary, on the matter in question.

In some cases, it will become apparent that even the potential for a conflict is so significant that a Scheme Advisory Board member may be obliged to resign.

Perceived Conflicts of Interest

Board members should be aware that even if no actual conflict of interest exists, it is important to guard against the perception among, for example, Scheme members, the Pensions Regulator, elected members or the general public that a real conflict of interest exists.

If there is the possibility that a perceived conflict of interest may exist, it should be managed by the Board in the same way as a real conflict of interest.

Confidential Information

A Board member may, by virtue of their employment, have access to confidential information about their employer. A Board member is not obliged to reveal this as part of their role on the Board. However, if an affected member considers that the information to which they are party may:

- a) Adversely affect the Scheme Advisory Board or their employer
- b) Reasonably cause the Board to interpret a decision differently or act in a different way were it to be known at the time and
- c) The information will not be made available to the Board through some other means within such time as the Board is able to fully act on it.

The Board member shall withdraw from all discussions in relation to that issue and notify the Chair that a conflict of interest exists. The details of the conflict need not be disclosed.

Adviser conflicts

The Board is supported and advised in its day-to-day business by advisers i.e. legal and actuarial. Similarly, the Board may seek independent or professional advice, for example legal, actuarial or governance.

The Board must be confident that the advice it receives is independent and truly in the best interests of the Board. For this reason, advisers giving advice must also declare any situation where a potential, perceived or actual conflict exists, in order that it can be appropriately managed.

Examples of a conflict of interest

Below are some examples of potential or actual conflicts of interest which could arise, or be perceived to arise, in relation to public service pension schemes. These will depend on the precise role, responsibilities and duties of a Board member. The examples provided are for illustrative purposes only and are not exhaustive.

Example 1. A member representative, who is also a trade union representative, appointed to the Board to represent the entire scheme membership could be conflicted if they only act in the interests of their union and union membership, rather than all scheme members.

Example 2. Assisting scheme managers versus furthering personal interests

i. A Scheme Advisory Board member, 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

ii. A Scheme Advisory Board member who is involved in procuring or tendering for services on behalf of the Board (e.g. legal or actuarial services), 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 there.

Example 3. Sharing information with the Board versus a duty of confidentiality to a scheme manager or employer (or vice-versa).

A Board member may have access to information by virtue of their employment, which could influence or inform the considerations or decisions of the Board. They have to consider whether to share this information with the 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 Board.

Further matters

The Scheme Advisory Board will have an equal number of employer and member representatives to ensure that there is a fair and transparent balance of skills, experience and representation.

Having a variety of people and representation on the Board will help the scheme to minimise potential conflicts of interest by ensuring that Scheme Advisory Board matters, discussions or votes on decisions are made fairly and all parties involved in the scheme are taken into consideration.

The Secretary of State will consider the mix of skills and experience needed on the Pension Board so that the Board can operate effectively and can exercise their responsibilities without prejudice and with independent judgement.

Links to other documents

The Pension Regulator's General Code of Practice⁵ sets out standards of conduct and practice expected of those who exercise functions in relation to legal requirements for public service schemes.

The regulator also offers a 'Conflicts of interest' course on the Public Service toolkit⁶, to learn more about what conflicts of interest are, their potential impact and how to manage them in them.

Monitoring and review

This policy will be reviewed every two years or at such times as needed by the Board secretariat. The next review will be due in December 2027.

Version Control

Date	Author	Publication	Reason for Change
19/04/2016	Board secretariat		N/A
20/01/2020	Board secretariat	V1	General review

⁵ <https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice>

⁶ <https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/learn-about-managing-public-service-schemes>

11/12/2025	Board secretariat	V1.2	General review and addition of version control
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Annex 1

DECLARATION OF BUSINESS AND PERSONAL INTERESTS

The purpose of maintaining the Register of Business and Personal Interests is to demonstrate openness in accountability by providing evidence that private or personal interests do not influence decisions taken by the Scheme Advisory Board. This form is to be completed by all Board members and advisors.

If there are no such interests, then please complete the relevant section below.

I declare that I **do not have any interest(s)** which may conflict with my duties as a Scheme Advisory Board member or influence any decisions I may have to make.

☐

I declare that I **do have an interest(s)** which may conflict with my duties as A Scheme Advisory Board member or influence any decisions I may have to make. The details of which are provided in the table below.

☐

(Please tick the appropriate box and complete the details below if applicable)

Name of Company, Supplier or staff member with whom I have an interest / related	Type of Business	Nature of the Interest or the Relationship	Date interest arose	Date interest was first declared

I agree that any interests arising after making this declaration will be declared to the Scheme Advisory Board, and I will complete a further form. I understand that I should also disclose orally any interest at any specific meeting and should the leave the meeting whilst that agenda item is being considered.

Signed _____ **Date** _____

If a scheme advisory board member is in any doubt about registering specific interests, the prudent approach would be to include the item on the register as a precaution.

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 2018 and EU General Data Protection Regulation 2016. Data will be processed only to ensure that Scheme Advisory Board members and Scheme Advisory Board meeting

attendees act in the best interests of Firefighter Pensions. The information provided will not be used for any other purpose however will be hosted on the Board's website as part of a central register.



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