

Item No. 7.	Classification: Open	Date: 17 July 2023	Meeting Name: Pensions Advisory Panel
Report title:		Conflicts of Interest Policy	
From:		Technical Accountant	

Recommendation

1. To approve the conflicts of interest policy for the Pensions Advisory Panel (PAP) members and for those officers dealing with matters relating to the Pension Scheme.

Background information

2. Southwark Council undertakes the role of Administering Authority for the Southwark Local Government Pension Scheme. Whilst the Council is the major employer in the scheme, the scheme does include over 60 other employers. It is therefore important that these distinct roles are fully understood and any potential conflicts of interest are clearly stated.
3. The Local Pension Board (LPB) agreed a bespoke conflict of interest policy in July 2021. This was to ensure that LPB members are not conflicted or perceived to be conflicted both upon appointment and on an ongoing basis.
4. The primary objective of the Pensions Advisory Panel is to assist the Strategic Director of Finance in the management of the pensions function within the Council. The roles and functions are set out in Southwark's constitution. Given the strategic importance of the PAP and in the interests of good governance and the need to draw a distinction between Southwark Council's role as an employer member of the Fund and its separate role as an Administering Authority, it was suggested that a bespoke conflict of interest policy could be drafted for approval by PAP members.
5. This draft policy was presented to the PAP on the 6 March 2023. The PAP asked that this was re-presented at the next meeting with a legal concurrent. This has been added at paragraph 18-21.

PAP Conflict of Interest Policy

6. The intention of establishing a conflict of interest policy is to ensure that PAP members and the relevant officers follow sound governance principles and that conflicts of interest (and potential conflicts of interest) are properly managed.

7. The draft conflicts of interest policy is at Appendix 1. If adopted, the policy will apply to all members of PAP whether voting or not and sets out the procedures in place to ensure that interests are declared, potential conflicts are identified and how any such conflicts or potential conflicts are to be managed.
8. The policy establishes an operational procedure for PAP members and the relevant officers (and new members prior to appointment) to ensure an ongoing review, monitoring and reporting of potential and actual conflicts of interest.
9. If adopted, a register of interests will be kept which will be circulated annually to PAP members for review.

Community, Equalities (including socio-economic) and Health Impacts

Community Impact Statement

10. There are no immediate implications arising.

Equalities (including socio-economic) Impact Statement

11. There are no immediate implications arising.

Health Impact Statement

12. There are no immediate implications arising.

Climate Change Implications

13. There are no immediate implications arising.

Resource Implications

14. There are no immediate implications arising.

Legal Implications

15. There are no immediate implications arising

Consultation

16. There are no immediate implications arising.

Financial Implications

17. There are no immediate implications arising.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive - Governance and Assurance

- 18. The report is asking the panel to approve a conflict of interest policy which will apply to members of the panel and to anyone advising or reporting to the panel.
- 19. There is no legal requirement for such a policy to be in place, although it is a recommendation of the Good Governance project (referred to in the policy) and has been referred to in previous guidance relating to pension committees and panels. The Good Governance Project envisages that statutory guidance will be produced advising authorities to establish such conflict of interest policies.
- 20. This policy builds on the conduct requirements that are already relevant for councillors and officers. Councillors have a responsibility to comply with the council's code of conduct for members, setting out any interests in the council's register of interests and ensuring that do not deal with any matter where they have a disclosable pecuniary interest. Officers have to declare any potential conflict of interests in accordance with their code of conduct. Officers and councillors also have to complete an annual declaration of any related party interests.
- 21. The policy additionally makes provision for others who advise the panel to declare any potential conflict of interest in order that these can be dealt with appropriately. Adherence to the conflict of interest policy should be included in the terms and conditions of any appointment of advisers.

APPENDICES

Name	Title
Appendix 1	Draft conflict of interest policy

AUDIT TRAIL

Lead Officer	Clive Palfreyman, Strategic Director, Finance	
Report Author	Geraldine Chadwick, Technical Accountant	
Version	Final	
Dated	5 July 2023	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive - Governance and Assurance	Yes	Yes
Strategic Director, Finance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team		5 July 2023