

# SCOTTISH BORDERS COUNCIL PENSION FUND

## CONFLICTS OF INTEREST POLICY

Finance  
Pension Fund  
Version 2024 1.0  
Presented: Joint Pension Fund Committee and Pension Board  
12 December 2024

# 1.Introduction

The Conflicts of Interest Policy for Scottish Borders Council Pension Fund, Local Government Pension Scheme (LGPS) is designed to ensure transparency, fairness, and accountability when decisions are made regarding the management of the pension fund. This policy helps to identify, manage, and mitigate any conflicts of interest that may arise among decision-makers, such as fund managers, trustees, and pension administrators.

- **Purpose:** This policy aims to identify, manage, and mitigate any conflicts of interest that could arise in the governance, management and administration of the Local Government Pension Scheme (LGPS) to ensure that decisions are made in the best interests of scheme members.
- **Scope:** This policy applies to all individuals involved in the governance, management, and administration of the LGPS, including trustees, fund managers, administrators, and advisors. It should be noted that the Pension Fund is governed by Pension Fund Officers and Council members. Officers, who are employees of the Scottish Borders Council (SBC), will follow the SBC employee conflicts of interest rules. Council members will follow the National Code of Conduct for Councillors.

## 2.Responsibilities

The Pension Fund Committee and Pension Board are responsible for assisting the Scheme Manager (Scottish Borders Council) in relation to compliance with scheme regulations and the requirements of the Pensions Regulator.

## 3.Key Areas of Potential Conflicts of Interest

### 3.1 Personal Financial Interests:

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 Pension Committee or Pension Board. If, for example, a trustee or decision-maker has investments in companies or assets that are part of the pension fund's portfolio. It does not include a financial or other interest arising merely by virtue of that person being a member of the scheme or any connected scheme for which the committee and board is established.

### 3.2 Outside Employment or Activities:

If a decision-maker holds a position in a related entity, such as an investment firm that manages assets on behalf of the fund.

### **3.3 Relationships with Providers:**

Personal or professional connections with service providers (e.g., consultants, auditors, fund managers).

### **3.4 Gifts and Hospitality: Employees**

Acceptance of gifts, hospitality, or other benefits from parties with interests in the scheme.

- In the course of your employment, you must not accept personal gifts from other organisations or members of the public, colleagues, pupils etc. except for items of nominal value for example pens, diaries, calendars, flowers or other small tokens of gratitude.
- In accordance with the good governance employees must declare the offer of gifts valued at over £50, whether accepted or not, by completing the Register of Hospitality and Gifts form on Business World.

Appendix 1 contains further guidance to assist employees in responding to offers of gifts and hospitality.

### **3.4 Gifts and Hospitality: Members**

Members should adhere to the Code of Conduct for Councillors and adhere to the requirements of Appendix 2 regarding gifts and hospitality. They will not accept any gifts or hospitality, other than under the limited circumstances allowed, and understand there is currently no need to register any such gifts or hospitality, although the Monitoring Officer should be advised in certain circumstances where hospitality has been declined as being inappropriate.

### **[Code of Conduct for Councillors](#)**

### **3.5 Potential conflicts of interest:**

Will be managed in accordance with the regulations and with guidance provided by the Pension Regulator.

No person may be appointed to the Pension Committee or Pension Board that has a significant conflict of interest.

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 Pension Committee or Pension Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the scheme or any connected scheme for which the committee and board are established.

All Committee and Board members will be required to make a declaration of interests, and a Register of Interests will be maintained by the Scheme Manager.

## 4. Conflicts of Interest-Councillor's

4.1 All Councillors are legally bound under the Ethical Standards in Public Life etc. (Scotland) Act 2000 to adhere to the Code of Conduct made by Parliament under the provisions of that Act. The Code applies to every elected member of a local authority in Scotland. It is the Councillor's own responsibility to ensure they are familiar with the Code and that their actions comply with its requirements. The code can be accessed via the link below.

<https://www.standardscommissionscotland.org.uk/codes-of-conduct>

The code is designed to promote and maintain high standards of conduct by elected members of the Pension Fund Committee and Pension Board across all activities including the stewardship of the Fund's assets.

4.2 A key element of the Code is the requirement to register any notes of interest with the local authority's Monitoring Officer within one month of becoming a Councillor. Councillors are also required to notify the Monitoring Officer of any changes to their register of interest within one month of the change.

The code details the key definitions and includes explanatory notes to assist Councillor's in deciding if they must register an interest. The key categories are Remuneration, Related undertakings, Contracts, Elections Expenses, Houses, land & buildings, Interest in shares & securities, Gifts & hospitality, and non-financial interests.

The Register of Interest for each Councillor is a publicly available document and is contained on the Council's website.

4.3 It is a mandatory requirement of that Code that Councillor's identify any item of business in which they have a Conflict of Interest, and that they then declare that Interest and remove themselves from any discussion on that item. Failure to report a conflict of interest may potentially result in a referral to the Standards Commission.

If a Councillor is found to have breached the Code of Conduct by the Standards Commission a range of penalties could be imposed from censure all the way through to disqualification from holding office.

## 5. Procedures for Managing and Resolving Conflicts

5.1 Review: The governing body will periodically review conflicts of interest to ensure compliance with the policy.

5.2 Training: Trustees and decision-makers will receive training on identifying and managing conflicts of interest.

5.3 Audit: Regular internal and external audits will review compliance with this policy.

## 6. Disclosure and Reporting

6.1 All conflicts of interest will be disclosed in a public register, subject to legal and confidentiality constraints.

6.2 The governing body should report conflicts of interest to the relevant authorities, including the Pensions Regulator, if necessary.

## 7. Conclusion

7.1 The Local Government Pension Scheme is committed to acting in the best interests of its beneficiaries, ensuring the scheme is managed impartially, and maintaining public trust.

7.2 This policy will be reviewed regularly and updated in line with best practices and regulatory changes.

# Appendix 1

## Guidance On Responding to Offers of Hospitality or Gifts

### 1 GENERAL GUIDANCE

1.1 This guidance note is intended to give you, as a Scottish Borders Council employee, further guidance on what action is appropriate if you receive an offer of hospitality or a gift in the course of your employment.

1.2 The following apply to offers of both hospitality and gifts:

- you should treat all offers of hospitality or gifts with caution.
- where you receive any offers of hospitality or gifts, you should be sensitive to the timing of decisions which affect the provider of the offer, for example, during the tendering process for letting contracts or the processing of an application for a Council service such as licensing or planning.
- you must reject any offer where it might be seen as intended to influence you in the discharge of your duties.
- you should accept an offer only if you feel that by doing so you can comply with these guidelines. If you feel that an offer should not be accepted, or you have any doubt that it should be accepted, you should err on the side of caution and refuse the offer.
  - where you decline an offer of hospitality or a gift, you should do so courteously and inform the offerer of the requirements and standards of the Council as set out in the Code.
- you must declare any offer of hospitality or gifts valued at over £50, whether accepted or not, in your departmental register as soon as possible after the offer, by completing the Register of Hospitality and Gifts form on Business World.

### 2 GUIDANCE ON OFFERS OF HOSPITALITY

2.1 Offers of hospitality may be made to Council employees for a variety of reasons and whether any such offers should be accepted will depend on several different factors. The following guidance is intended to assist you in making judgements on these matters.

- you should only accept offers of hospitality if you can answer 'Yes' to the questions.
- 'Can I justify this?' and
- 'Can I be sure I will not be subject to legitimate criticism?'
- you should accept an offer of hospitality only if there is a genuine need for you to impart information or represent the Council in the community.
- you should only accept offers to attend social or sporting events where

these are clearly a part of the life of the community or where the Council would be expected to be represented.

- you should not accept regular hospitality from the same source.

### **3 GUIDANCE ON OFFERS OF GIFTS**

**3.1** Similar considerations apply to dealing with the offer of gifts. Such offers may vary from items of token value which it would be discourteous to refuse, to items of Code of Conduct for Employees revised May 2022 Page 14 of 18 HR POLICIES, PROCEDURES & GUIDELINES value where the offer may be interpreted as either an attempt to influence your judgement or to reward you for services supplied or to be supplied to the offerer of the gift.

**3.2** You may only accept small personal gifts of low value such as pens, diaries, calendars, flowers or other small tokens of gratitude.

**3.3** You must not encourage anyone to offer you a gift or other personal benefit from any organisation or individual in connection with your duties.

Also, you must not accept an offer of a gift from any company which you know to be in negotiation with or tendering for a contract with the Council.

**3.4** On rare occasions senior officers may be asked to accept a gift on behalf of the Council. Such gifts should only be accepted following consultation with the Director of the department and will become the property of the Council.

A record of the receipt of such official gifts will be maintained by the Monitoring Officer (currently the Chief Legal Officer).

**3.5** The acceptance of a gift or other hospitality may constitute a breach of the Bribery Act 2010, which carries severe criminal sanctions.

[Conduct for Employees revised May 2022 HR POLICIES, PROCEDURES & GUIDELINES](#)



## Appendix 2

### Gifts and Hospitality: Members

- 1.1 I understand that I may be offered gifts (including money raised via crowdfunding or sponsorship), hospitality, material benefits or services (“gift or hospitality”) that may be reasonably regarded by a member of the public with knowledge of the relevant facts as placing me under an improper obligation or being capable of influencing my judgement.
- 1.2 I will never ask for or seek any gift or hospitality.
- 1.3 I will refuse any gift or hospitality, unless it is: a) a minor item or token of modest intrinsic value offered on an infrequent basis.
- b) a civic gift being offered to the Council.
- c) hospitality which would reasonably be associated with my duties as a councillor or as a member of an arm’s length external organisation to which I have been appointed or nominated by my council (“ALEO”); or
- d) hospitality which has been approved in advance by my council or the ALEO.
- 1.4 I will consider whether there could be a reasonable perception that any gift or hospitality received by a person or body connected to me could or would influence my judgement.
- 1.5 I will not allow the promise of money or other financial advantage to induce me to act improperly in my role as a councillor. I accept that the money or advantage (including any gift or hospitality) does not have to be given to me directly. The offer of monies or advantages to others, including community groups, may amount to bribery, if the intention is to induce me to improperly perform a function.
- 1.6 I will never accept any gift or hospitality from any individual or applicant who is awaiting a decision from, or seeking to do business with, my council.
- 1.7 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to the Council at the earliest possible opportunity and ask for it to be registered.
- 1.8 I will promptly advise my council’s Monitoring Officer if I am offered (but refuse) any gift or hospitality of any significant value and / or if I am offered any gift or hospitality from the same source on a repeated basis, so that my council can monitor this.



## VERSION CONTROL TABLE

Version	Nature of Amendment	Date of Change	Author
2024 1.0	Creation of Pension Conflicts of Interest Policy	28 November 2024	Jill Murray

You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jill Murray can also give information on other language translations as well as providing additional copies.

Contact us at Jill Murray, Pensions Investment & Accounts Manager, Scottish Borders Council Head Quarters, Newtown St Boswells, Melrose, TD6 0SA  
01835 822830, [Jill.Murray@scotborders.gov.uk](mailto:Jill.Murray@scotborders.gov.uk)