

# WIRRAL COUNCIL

## PENSIONS BOARD

13 OCTOBER 2015

<b>SUBJECT:</b>	<b>GIFTS &amp; HOSPITALITY POLICY</b>
<b>WARD/S AFFECTED:</b>	<b>NONE</b>
<b>REPORT OF:</b>	<b>HEAD OF PENSION FUND</b>
<b>KEY DECISION?</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report sets out a draft gifts and hospitality policy for the Board to consider with a view to implementing a policy for Pension Board members.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Merseyside Pension Fund has a gifts and hospitality policy in place which was approved by Pensions Committee in 2012. Pensions Committee also agreed that it should be best practice guidance for those members of Committee who otherwise are not subject to personal conduct arrangements.
- 2.2 It is recognised that members of the Pensions Board are not decision makers in relation to the pension fund's business. Nonetheless, in view of the public office that they fulfil, it is recommended that an equivalent policy is adopted by Pension Board members.
- 2.2 The Fund's policy follows the Council's policy and is set out below:

For Fund employees, no employee or connected person may accept from any person any gift/hospitality or other benefit unless it is abundantly clear that, taking into account:

- the value of the gift/hospitality, and the circumstances in which it was given,
- there could be no suspicion in any one's mind that the recipient might be tempted to favour the giver to the prejudice of the Fund's interest.

In deciding whether or not it is appropriate to accept any gift or hospitality the following guidelines should be taken into account;

- (a) There should be no cause for concern where an offer of hospitality is made by another non-commercial public body or one of its officers.

(b) Normal business courtesies, for example lunch and dinner invitations may be accepted where these follow or form part of a business meeting.

(c) Small gifts of modest value such as diaries and calendars may be accepted.

Hospitality/Entertainment is sometimes offered to senior officers as official representatives of the Fund and may be accepted in the following circumstances:

(a) If the Head of Pension Fund can justify acceptance in the context of fulfilling duties as a representatives of the Fund e.g. speaking at a public conference or representing the Fund at business meetings.

(b) If the extent of the hospitality/entertainment is reasonable and is likely to be regarded as a normal part of the courtesies of public life e.g. a lunch or dinner invitation or social event offered at a conference or similar event to participants generally.

(c) If details of the hospitality/entertainment are recorded as soon as practicable in a register to be maintained by the Head of Pension Fund PA, reviewed by the Fund Accountant (Compliance).

Regarding hospitality, where an invitation is to an event involving a number of clients, there is unlikely to be an issue as organisations regulated by the FCA must, themselves, comply with the criteria issued by the FCA. Where an invitation is personal, greater discretion should be exercised. In all cases, where an organisation is seeking work or is likely to be tendering for a contract within six months, or there is a risk of a conflict of interest (actual or perceived), acceptance should be avoided.

When an unacceptable gift is received without warning, this should immediately be reported to the Fund Accountant (Compliance) who will decide whether the gift should be returned.

Gifts and hospitality must be reported to Compliance on the appropriate form if they are above the monetary limits for reporting (£25) or if there are circumstances which a reasonable person might conclude would require reporting to Compliance.

The description of the gift/hospitality needs to be sufficient to allow a third party to assess accurately what the gift/hospitality is and to attribute a fair market value to it where this is not immediately obvious. It should also be recorded on the form whether events are group or individual events.

Compliance will not normally consider it necessary to report a gift or hospitality unless it exceeds £25 in value or, in aggregate, gifts or hospitality received from the same party over 6 months, exceeds £50 in value.

Returns should be made on a monthly basis.

2.2 The policy also seeks to differentiate what might normally be construed as hospitality (as set out above) from attendance at conferences and such like investor events which are organised or sponsored by investment management firms. The Financial Conduct Authority regulates the activities of the Fund's counterparties and regulated investment firms through a number of avenues:

- The Conduct of Business Sourcebook provides, in COBS 2.3, guidance on Inducements
- Its March 2012 guidance on the anti-bribery and corruption legislation
- Ongoing consultation on "Proposed Guidance for and amendments to 'Financial Crime: a guide for firms'".

It is recognised that attendance at these events plays an important part in fulfilling the ongoing knowledge and understanding requirements. Consequently, although they are declared, they are declared as Continuous Professional Development/Training not as hospitality.

Returns should be made on a monthly basis.

### **3.0 RELEVANT RISKS**

3.1 There are none arising from this report.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 No other options have been considered.

### **5.0 CONSULTATION**

5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

### **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

6.1 There are no previously approved actions outstanding.

### **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 There are none arising from this report.

### **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 There are none arising directly from this report.

### **9.0 LEGAL IMPLICATIONS**

9.1 There are none arising from this report.

### **10.0 EQUALITIES IMPLICATIONS**

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

## **11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 There are none arising from this report.

## **13.0 RECOMMENDATION/S**

13.1 That Board Members consider the draft policy and approve a gifts & hospitality policy to be adopted for Board members.

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 It is best practice that gifts, hospitality and related matters arising from the discharge of Pension Board duties are declared to ensure that there can be no suggestion of impropriety.

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## **APPENDICES**

None

## **BACKGROUND PAPERS/REFERENCE MATERIAL**

## **BRIEFING NOTES HISTORY**

<b>Briefing Note</b>	<b>Date</b>

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>