

LEICESTERSHIRE LOCAL PENSION BOARD

TERMS OF REFERENCE

Introduction

1. This document sets out the terms of reference of the Local Pension Board of Leicestershire County Council (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as 'the Board') is established in accordance with Section 5 of that Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).
2. The Board is established by the Administering Authority and operates independently of the Local Pension Committee. Relevant information about its creation and operation are contained in these Terms of Reference.
3. The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly included in this document.
4. The Board's Terms of Reference as set out in this document have been produced in line with the relevant regulations, legislation and guidance, a list of which is included as the appendix.

Responsibility and Role of the Board

5. The responsibility of the Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013, is to assist the Administering Authority as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including:
 - securing compliance with the LGPS Regulations and other legislation relating to the governance and administration of the LGPS;
 - securing compliance with requirements imposed in relation to the LGPS by the Pensions Regulator; and,
 - such other matters as the LGPS Regulations may specify.
6. The Administering Authority retains ultimate responsibility for the administration and governance of the scheme. The role of the Board is to support the Administering Authority to fulfil that responsibility and secure compliance with any requirements imposed by the Pensions Regulator.

7. In its role, the Board will have oversight of the administration and governance of the Fund including:
 - the direction of the Fund and its overall objectives;
 - the administration of benefits and contributions.

8. The activity of the Board can also include:
 - reviewing the Fund's governance and policy documents;
 - reviewing compliance with the Fund's governance and policy documents;
 - reviewing the administrative and investment performance of the Fund as part of the Fund's annual report;
 - reviewing LGPS Central pooling as part of the Fund's annual report.
 - reviewing the ongoing arrangements for the training of Board members;
 - reviewing the Fund's Risk Register;
 - reviewing Audit and Assurance reports; and,
 - reviewing the Fund's website.

Membership

9. The Board shall consist of six voting members, as follows:

Three Employee Representatives; and

Three Employer Representatives.

10. There shall be an equal number of Employee Member and Employer Representatives.

Employee representatives

11. Employee representatives shall be members of the scheme in either an active, deferred or retired member capacity.
12. Employee representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
13. A total of three employee representatives shall be appointed following a transparent recruitment process which should be open to all Fund members and be approved by the Administering Authority. A vote will be held, if required, at the Fund's Annual General Meeting and employee representatives will normally serve a term of three years, provided they remain members of the Fund, but shall be free to stand for re-election at the end of that period provided they are still a member of the Scheme.

14. A reserve employee representative shall be appointed at the Fund's AGM. The reserve representative will act as a substitute at meetings of the Board where the elected employee representative is unable to attend.
15. In the event of a vacancy occurring during the course of the year the reserve employee representative shall serve on the Board as a full member until the Fund's AGM.
16. Subject to paragraph 15, where an employee representative vacancy remains mid-year the Administering Authority will seek to appoint a replacement who shall hold office until the next AGM of the Fund.

Employer representatives

17. No officer or elected member of the Administering Authority who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.
18. Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
19. Employer representatives shall be able to appoint substitutes, subject to the requirements set out in paragraph 17 above.
20. A total of three employer representatives shall be appointed to the Board by the Administering Authority and Leicester City Council and will comprise of two elected members from Leicestershire County Council (the Administering Authority) and one from Leicester City Council.
21. Where an employer representative vacancy occurs mid-year the Administering Authority will seek to appoint a replacement.

Terms of Office

22. The term of office for employee representatives is three years. The positions will be on a rolling basis to ensure that at least one employee representative position will become available at the Fund's Annual General Meeting.
23. The term of office for Employer Board members is one year.
24. A Board member may be appointed for further terms of office using the methods set out in paragraphs 13, 15, 16 and 20.
25. Board membership may be terminated prior to the end of the term of office due to:
 - (a) A employee representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund.

- (b) A Board member no longer being able to demonstrate to the Administering Authority their capacity to attend and prepare for meetings or to participate in required training.
- (c) The representative being withdrawn by the nominating body
- (d) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
- (e) A Board member becomes a member of the Local Pension Committee.
- (f) A Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Administering Authority under the Regulations.
- (g) An employer representative ceases to be an elected Councillor for the local authority they represent.

Appointment of chair

- 26. It will be the first business of the Board at its meeting following the Fund's AGM to appoint a chair and vice chair.

Meetings

- 27. The Board shall meet four times a year, at the Administering Authorities' offices, during working hours.

{Note – The statutory requirements is that the Board shall meet at least twice a year. The expectation is therefore that members of the Board must attend at least two meetings during the year.}

- 28. Urgent meetings of the Local Pension Board may be called by the Chair in consultation with the Scheme Manager if a matter arises that does not allow delay.
- 29. The Board's meetings will be open to the general public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the general public).
- 30. The Administering Authority shall also publish other information about the Board including:
 - (a) Public agendas and minutes
 - (b) Annual reports on the work of each Board member.

31. *The Local Pension Board is not a committee of the Administering Authority but the Authorities' rules, as set out in the [Constitution](#), regarding notice of meetings, publishing agendas, reports, minutes papers (unless confidential), will apply.*
32. Any member of the Board may request that an item be added to the agenda for consideration, subject to that matter being relevant to the remit of the Board as set out in these terms of reference. Any items considered outside of the remit will be discussed with the Chairman of the Board and the requestor notified of the outcome and rationale.
33. Subject to the agreement set out in paragraph 32 above, the Administering Authority will schedule the report for the next appropriate Board meeting, taking into account items already scheduled and the level of preparation required. Note – if the next meeting of the Board is to be held within 28 days of receipt of the request, the report is unlikely to be scheduled before the following meeting

Quorum

34. A meeting is only quorate when at least 50% of the total Board membership are present (ie. 3 members), including at least one employee representative and one employer representative.
35. A meeting that becomes inquorate may continue but any decisions will be non-binding.

Decision making

36. Each Member of the Board will have an individual voting right, however it is expected that the Board will, as far as possible, reach a consensus.
37. In the event of a tied vote the chair will not have a casting vote. The matter under consideration which has been the subject of a tied vote shall be referred to the Pension Committee and/or Administering Authority together with the views of the members on the matter.
38. Meetings of the Board will be formal occasions to be minuted accordingly. Meetings will be conducted adhering to the standing orders of the Administering Authority, as set out in its Constitution, so far as such do not make the business of the Board unviable.
39. Officers representing the Administering Authority will be expected to produce reports for the Board and provide advice and clarification during the Board's meetings.

Advisors to the Board

40. The Board may be supported in its role and responsibilities through the appointment of advisers and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties including:-
- a. The Governance Adviser
 - b. The Fund's Actuary;
 - c. The Administering Authority
 - d. The Fund's Legal Adviser;
 - e. The Scheme Manager.
 - f. Other advisers, so approved by the Scheme Manager.

Reporting

41. At all times the Board will comply with reporting requirements as set out in the Scheme Advisory Code of Conduct.

Standards of Conduct and Conflicts of interest

42. All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change and complete a register of interests, any potential conflict of interest arising as a result of their position on the Board.
43. 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. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.
44. The principles included in Leicestershire County Council's Code of Conduct for Members will apply to all Members of the Board. The Code is set out in the Council's [Constitution](#).

Knowledge and Skills

45. Following appointment, each Member of the Board should be conversant with:
- the legislation and associated guidance of the LGPS; and,
 - any document recording policy about the administration of the LGPS which is for the time being adopted by the Fund.

The Administering Authority will provide a training programme which all Board Members will be required to attend.

46. Where Board members attend external training, they will be required to provide a report back to the Board in order to share the knowledge gained with other Board members.

Expenses

47. The Pension Fund may meet reasonable expenses of the Board. Such expenses will be met by the Fund and have regard to the Administering Authorities Members' Allowance Scheme.
48. For the avoidance of doubt, Board members shall not receive an annual allowance of any kind.

Budget

49. The Board is to be provided with adequate resources to fulfil its role. In doing so the budget for the Board will be met from the Fund.
50. The Board will seek approval from the Administering Authorities Section 151 Officer for any expenditure it wishes to make.

Review of terms of reference

51. These Terms of Reference shall be reviewed on each material change to those part of the Regulations covering local pension boards and at least every three years.
52. These Terms of Reference were adopted on 16th September 2019.

Mr. C. Tambini
Signed on behalf of the Administering Authority

Mrs. R. Page CC
Signed on behalf of the Board

Published 16 September 2019

Appendix

The following documents/regulations have been referred to in formulating the Board's Terms of Reference;

- Local Government Pension Scheme (LGPS) – Guidance on the creation and operation of Local Pension Boards in England and Wales (issued by the Shadow Scheme Advisory Board);
- The Public Service Pensions Act 2013;
- The Local Government Pension Scheme Regulations;
- Code of Practice No 14 governance and administration of public service pension schemes (issued by the Pensions Regulator);
- The Local Government Pension Scheme (LGPS) - Questions and Answers on Local Pension Boards (issued by the Shadow Scheme Advisory Board);
- Template Terms of Reference for a Local Pension Board (issued by the Shadow Scheme Advisory Board).

Interpretation

The following terms used within the Terms of Reference document have the meanings as outlined below:

'the Act'	The Public Service Pensions Act 2013.
'the Code'	means the Pension Regulator's Code of Practice No 14 governance and administration of public service pension schemes.
'the Committee'	means the committee who has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.
'the Fund'	means the Fund managed and administered by the Administering Authority.
'the Guidance'	means the guidance on the creation and operation of local pension boards issued by the Shadow Scheme Advisory Board.
'the Regulations'	means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in

these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time).

'Relevant legislation'	means relevant overriding legislation as well as the Pension Regulator's Codes of Practice as they apply to the Administering Authority and the Board notwithstanding that the Codes of Practice are not legislation.
'the Scheme'	means the Local Government Pension Scheme in England and Wales.
Employee Representative'	means a person who will represent the interest of pension scheme members
'Employer Representative'	means a person appointed to represent the employers of the Fund's members