

Terms of Reference for the Local Pension Board of the London Borough of Redbridge

1. Introduction

This document sets out the terms of reference of the Local Pension Board of the London Borough of Redbridge (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).

The Board is established by the Administering Authority and operates independently of the Pension Fund Investment Panel. Relevant information about its creation and operation are contained in these Terms of Reference.

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.

Except where approval has been granted under regulation 106(2) of the Regulations the Board shall be constituted separately from any committee or sub-committee constituted under Section 101 of the Local Government Act 1972 with delegated authority to execute the function of the Administering Authority.

2. Interpretation

The following terms 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 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.

3. Statement of purpose

The purpose of the Board is to assist the Administering Authority in its role as a scheme manager of the Scheme. Such assistance is to:

- (a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in

relation to the Scheme and;

(b) to ensure the effective and efficient governance and administration of the Scheme.

4. Duties of the Board

The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members should be subject to and abide by the code of conduct for Board members.

5. Establishment

The Board is established on 1st April 2015 subsequent to approval by the Council at its meeting on the 19th March 2015. The recommendation to establish is contained in [to be inserted]. Subsequent to its establishment, the Board may establish sub-committees.

6. Membership

The Board shall consist of four voting members, as follows:

- Two Scheme Member Representatives; and
- Two Employer Representatives.

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

There shall also be one other representative who is not entitled to vote.

Scheme Member representatives

Scheme Member representatives shall either be scheme members or have capacity to represent scheme members of the Fund.

Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

Substitutes shall not be appointed.

Two member representatives shall be appointed following a transparent nomination process which should be open to the Trade Unions and all Fund members and be approved by the Administering Authority.

Employer representatives

Employer representatives shall be office holders or senior employees of employers of the Fund or have experience of representing scheme employers in a similar capacity. 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.

Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

Substitutes shall not be appointed.

A total of two employer representatives shall be appointed to the Board from the following sources:

One employer representative shall be an elected member and be appointed by the Administering Authority.

One employer representatives shall be appointed by the Administering Authority having asked all scheme employers to submit their interest in undertaking the role of employer representative on the Board.

Other members

There shall be one other member, with no entitlement to vote, being an independent member appointed by the Administering Authority.

7. Appointment of the Chair

The Chair of the Board will be the independent member whenever that position is filled, or will otherwise be a person appointed from time to time by the Board from the voting members.

In this respect the term independent means having no pre-existing employment, financial or other material interest in either the Administering Authority or any scheme employer in the Fund or not being a member of the Fund.

8. Duties of the Chair

The Chair of the Board:

- (a) Shall ensure the Board delivers its purpose as set out in these Terms of Reference;
- (b) Shall ensure that meetings are productive and effective and that opportunity is provided for the views of all members to be expressed and considered; and
- (c) Shall seek to reach consensus and ensure that decisions are properly put to a vote when it cannot be reached. Instances of a failure to reach a consensus position will be recorded and published.

The term of office for the Chair will be three years.

9. Notification of appointments

When appointments to the Board have been made the Administering Authority shall publish the name of Board members and the appointment processed followed.

10. Terms of Office

From the inception of the Board, the Employer and Scheme Member representatives shall serve as follows:

- First Employer representative – 2 years
- Second Employer representative – 3 years
- First Scheme Member representative – 2 years
- Second Scheme Member Representative – 3 years

Thereafter the employer and Scheme Member representatives will serve for a fixed term of three years which can be extended for a maximum of two periods in total subject to re-nomination.

The independent member shall serve for a fixed term of three years which can be extended for a maximum of two periods in total subject to re-nomination.

Board membership may be terminated prior to the end of the term of office due to:

- (a) A Scheme Member representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund;
- (b) A member representative no longer being a scheme member or a representative of the body on which their appointment relied;
- (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied;

- (d) 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;
- (e) The representative being withdrawn by the nominating body and a replacement identified;
- (f) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy;
- (g) A Board member who is an elected member becomes a member of the Pension Fund Investment Panel;
- (h) 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.

11. Conflicts of interest

All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any potential conflict of interest arising as a result of their position on the Board.

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.

On appointment to the Board and following any subsequent declaration of potential conflict by a Board member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Board's conflicts policy and the requirements of the Code.

12. Knowledge and understanding (including Training)

Knowledge and understanding must be considered in light of the role of the Board to assist the Administering Authority in line with the requirements outlined in paragraph 3 above. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board members under the Act. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy and framework.

Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

13. Meetings

The Board shall as a minimum meet four times each year.

Meetings shall normally take place in the evenings at Redbridge Town Hall.

The Chair of the Board with the consent of the Board membership may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

14. Quorum

A meeting is only quorate when at least 50% of both member and employer representatives are

present.

A meeting that becomes inquorate may continue but any decisions will be non-binding.

15. Board administration

The Administering Authority shall;

Give notice to all Board members of every meeting of the Board;

Agree with the Chair an agenda prior to each Board meeting.

Issue (where reasonably practicable) the agenda and supporting papers at least five working days in advance of the meeting except in the case of matters of urgency.

Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members as soon as practical after the meeting. These draft minutes will be subject to formal agreement by the Board at their next meeting. Any decisions made by the Board should be noted in the minutes and in addition where the Board was unable to reach a decision such occasions should also be noted in the minutes.

The minutes may with the agreement of the Board, be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A (2) of that Act and/or they represent data covered by the Data Protection Act 1998.

Ensure that Board members meet and maintain the knowledge and understanding as determined in the Board's Knowledge and Understanding Policy and Framework and other guidance or legislation.

Arrange such advice as is required by the Board subject to such conditions as are listed in these Terms of Reference for the use of the budget set for the Board.

Ensure that an attendance record is maintained and arrange for allowances and expenses to be paid under these terms.

16. Public access to Board meetings and information

Board meetings can 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).

The following will be entitled to attend Board meetings in an observer capacity:

- (a) Members of the Investment Panel,
- (b) Any person requested to attend by the Board.

Any such attendees will be permitted to speak at the discretion of the Chair.

In accordance with the Act the Administering Authority shall publish information about the Board to include:

- (a) The names of Board members and their contact details.
- (b) The representation of employers and members on the Board.
- (c) The role of the Board.
- (d) These Terms of Reference.

The Administering Authority shall also publish other information about the Board including:

- (a) Agendas and minutes
- (b) Training and attendance logs

(c) An annual report on the work of the Board to be included in the Fund's own annual report.

All or some of this information may be published using the following means or other means as considered appropriate from time to time:

(a) On the Fund's website.

(b) As part of the Fund's Annual Report.

(c) As part of the Governance Compliance Statement.

Information may be excluded on the grounds that it would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

17. Expenses and allowances

No remuneration will be payable to Employer and Scheme member representatives. Representatives will be entitled to claim travel and subsistence allowances (including attending training) at the same rates that are set out in the Member's Allowances Scheme.

The Independent member will be paid an allowance of £500 per meeting attended, and will be entitled to claim travel and subsistence allowances (including attending training) at the same rates that are set out in the Member's Allowances Scheme.

18. Budget

The Board is to be provided with adequate resources to fulfil its role. The budget for the Board will be met from the Fund. The Board will seek approval from the Administering Authority for any expenditure it wishes to make.

19. Core functions

The first core function of the Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. Within the extent of this core function the Board will determine which areas it wishes to consider.

The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within the extent of this core function the Board will determine those areas it wishes to consider.

In support of its core functions the Board may make a request for information to the Administering Authority with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing.

In support of its core functions the Board may make recommendations to the Administering Authority which should be considered and a response made to the Board on the outcome within a reasonable period of time.

20. Reporting

The Board should in the first instance report its requests, recommendations or concerns to the Administering Authority.

On receipt of a report under the paragraph above the Administering Authority should, within a reasonable period, consider and respond to the Board.

Where the Board is not satisfied with the response received it may request that a notice of its concern be placed on the website and in the Fund's annual report.

Where the Board is satisfied that there has been a breach of regulation which has been reported to the Administering Authority and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.

The appropriate internal route for escalation is to the Administering Authority's Section 151 Officer and / or the Monitoring Officer (as appropriate).

The Board may report concerns to the LGPS Scheme Advisory Board for consideration subsequent to, but not instead of, using the appropriate internal route for escalation.

Board members are also subject to the requirements to report breaches of law under the Act and the Code and the whistleblowing provisions set out in the Administering Authority's whistleblowing policy.

21. Interpretation

Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Administering Authority.