

## **Local Government Pension Scheme Advisory Board (The Board)**

### **Terms of Reference for the Board**

#### **Constitution**

1. The Board is constituted under Section 7 of the Public Service Pensions Act 2013 and regulations 110 to 113 of the Local Government Pension Scheme Regulations 2013.

#### **Functions of the Board**

2. Under Regulation 110 the functions of the Board are as follows:
  - Regulation 110 (2) states that ‘The function of the Local Government Pension Scheme Advisory Board is to provide advice to the Secretary of State on the desirability of making changes to the Scheme.’
  - Regulation 110 (3) continues ‘The Local Government Pension Scheme Advisory Board also has the function of providing advice to administering authorities and local pension boards in relation to the effective and efficient administration and management of the Scheme and any connected scheme and their pension funds.’
  - Regulation 110(4) provides that the Board ‘may determine its own procedures including as to voting rights, the establishment of sub-committees, formation of joint committees and the payment of remuneration and expenses.’
  - In support of the above functions Regulation 110(5) provides that the Board ‘shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions’

#### **Operation of the functions**

3. In fulfilling its functions, the Board is to be both reactive and proactive in approach and will:
  - Seek to encourage best practice, increase transparency and coordinate technical and standards issues.
  - Consider items passed to it from the Department of Levelling Up, Housing and Communities (DLUHC), the Board's committees and other stakeholders as well as items formulated within the Board.
  - Pass recommendations which may be passed to the DLUHC and/or other bodies.

- Liaise with The Pensions Regulator via the Chair's attendance at the Public Service Pensions Scheme Consultative Group.
- Formulate and publish guidance and standards for local scheme managers and pension boards.

### **Membership**

4. Regulation 111 (1) provides that 'The Local Government Pension Scheme Advisory Board shall consist of a Chairman and at least 2, and no more than 12, members appointed by the Secretary of State.'
5. Regulation 111(2) provides that the Secretary of State should consider the 'desirability of there being equal representation of persons representing the interests of Scheme employers and persons representing the interests of members' when making appointments.
6. Regulation 111 (3) provides for a Board member 'to hold and vacate office in accordance with the terms of that member's appointment'.

**Chair** – appointed by the Secretary of State

**Vice-Chair** – one of the twelve voting members. To be appointed by unanimous agreement of the remaining eleven voting members and the Chair.

7. At any point the Chair and/or Vice Chair may stand down from that position or in the case of the Vice Chair may be removed by a vote of the Board. The Board may recommend the removal of the Chair by the Secretary of State on the passing of a no confidence motion. The Vice-Chair will chair the meeting during consideration of, and voting on, such a motion.
8. Person(s) in the role of Chair and/or Vice-Chair may retain those roles for a period of no longer than five years and may be nominated on no more than two occasions
9. Where the Chair is not in attendance at a Board, the Vice-Chair shall preside. If both are absent, the members of the Board shall appoint an acting Chair from the present members for the meeting in question. At all Board meetings, it shall be the duty of the Chair to ensure that all Board members show respect to the process and are provided with equal access to the floor. The Chair shall also determine when consensus has been reached.

## Nominations for members

10. Nominations for the appointment of Board members shall be as follows:

Seat	Representative	Nomination Process	When liaising with the nominating body, the Secretariat will ask that body to provide evidence of the following principles:
<b>Scheme Employers</b>			<ol style="list-style-type: none"> <li>1. Nominee's knowledge of the LGPS</li> <li>2. Nominee's relevant experience and how that relates to the LGPS and the Board's work</li> <li>3. Nominee's involvement and links into other relevant groups</li> <li>4. Where the nominee is an elected member, they should ideally be from an alternative fund to the preceding outgoing member on the Board</li> <li>5. How the nomination process was conducted and how the decision on the</li> </ol>
Employer (LA – Fund)	Pension Committee elected member	Nominations from political group leaders at LGA who will spread the four seats across the parties, fund types and England and Wales	
Employer (LA – Fund)	Pension Committee elected member		
Employer (LA – Fund)	Pension Committee elected member		
Employer (LA – Fund)	Pension Committee elected member		
Employer (LA – non Fund)	LGPC member	Nominated by LGA	
Employer (non LA)	Education sector	Nominated by a panel of Education Sector Employers which must include at least 2 of the following - University and Colleges Employers Association (UCEA), Association of Colleges (AOC) and Academy Finance and Assurance Steering Group	
<b>Scheme Members</b>			
TU	UNISON officer		

TU	UNISON lay member	Nominated by the trade unions with a duty to represent all scheme members not just union members	specific nomination was taken by the nominating body  6. Due consideration of PSED requirements by the nominating body
TU	GMB officer		
TU	GMB lay member		
TU	Unite officer		
TU	Unite lay member		

**Non-voting members**

- 11. Regulation 111(4) provides for the Chair, with the agreement of the Board, to appoint a maximum of 3 persons to be non-voting advisory members of the Board.
- 12. Such appointments shall be made following nominations from one or more of organisations representing scheme stakeholders, organisations representing the wider pensions industry or LGPS administering authorities.

**Term of appointment of Board members**

- 13. The term of appointment for all Board members including non-voting advisory members is a period of no longer than 5 years (subject to the practicalities of appointment processes). Board members may be re-nominated at the end of their term no more than once.

**Secretariat**

- 14. The Board shall provide for a secretariat function, including a Board Secretary, funded from within the Board budget on such terms as it shall agree with the Local Government Association. The Board may at any time choose to change the provider of the secretariat function subject to the terms of the agreement with the LGA and the procurement section of these terms of reference.

**Budget**

- 15. Under regulation 113 the Board should each year provide a work plan and a budget for agreement by the Secretary of State. Such a budget shall be funded by a proportional levy on administering authorities based on active membership collected by the secretariat and held in a ring-fenced account.

16. Use of the budget shall be at the discretion of the Board and may be delegated in full or part to the Chair and/or the Board Secretary in order to fulfil the requirements of the work plan.
17. The Board Secretary shall provide to the Board each year a statement of income and expenditure against the budget agreed for that year. The statement shall be published on the Board website.

### **Sub-Committees and Working Groups**

18. Regulation 110 (4) provides that the Board may establish sub-committees and working groups as and when required, whether short-term or otherwise.
19. The Board will be responsible for developing and agreeing the terms of reference of any sub-committees. Sub-committees should limit their considerations to their remit and provide, as requested, information and options to the Board which shall reserve to itself the ability to make recommendations and/or release such information or options to any third party.
20. Chairs of sub-committees shall be nominated from and agreed by the members of the Board.
21. Nominations for membership of sub-committees may come from the Chair of the Board, the members of the Board or the secretariat. In accordance with Regulation 111 (6) appointments to sub-committees shall be made by the Chair with the agreement of the Board members.
22. The Chair of the Board together with the Chair of the relevant sub-committee shall seek to achieve a balance in the membership of the sub-committee between the various scheme stakeholders.
23. Subject to the needs of the sub-committee, membership shall be limited to 20 members in total.
24. Sub-committee Chairs and members shall serve for no longer than five years and may be reappointed on no more than one occasion.
25. The Board shall be responsible for setting the remit of any working group, agreeing its membership and detailing when and in what form that working group should report back to the Board.
26. Working groups shall normally be chaired by the Board Secretary unless otherwise directed by the Board.
27. The outcome of working groups is to be reported solely to the Board which shall determine the extent and scope of any resulting actions.

## **Transparency and Communication**

28. The membership, appointment processes, meeting dates, agendas, minutes and recommendations of the Board shall be published regularly by the secretariat on an appropriate website. The Board may however choose to redact commercially sensitive or confidential information where Freedom of Information legislation so allows.

## **Agreement of recommendations**

29. Agreement of recommendations or motions at Board meetings shall be by consensus of the Board which shall be determined by the Chair (or, in the case of a no confidence motion in the Chair, then by the Vice-Chair in the chair). However, where consensus cannot be reached or where the view of the Chair is challenged, the question may be put to the employer and member groups of the Board. Each group will formally agree or not agree the recommendation.

## **Attendance**

30. All Board members are expected to regularly attend meetings. Where a member of the Board fails to attend regularly, the Chair may seek for that person to be replaced by another representative in accordance with the nomination process detailed in the membership table above.

## **Quorum**

31. The Board will have formal quorum of 50% of the membership, rounded up where the membership is an odd number. Where the Board has failed to meet its quorum over two consecutive meetings, an agenda item will be placed on the following Board agenda to allow it to reconsider the terms of reference and/or membership of the Board if it is considered appropriate.

## **Frequency of Meetings**

32. The Board will meet a minimum of three times a year. The Chair may call meetings more frequently if deemed necessary or on the joint request of two or more Board members. Except in situations to consider matters of urgency, all meeting dates will be communicated at least one month in advance. The Board will strive to agree dates of meetings on a calendar year basis by the preceding 30<sup>th</sup> November.

## **Declaration of interests**

33. Each member of the Board will be expected to declare, on appointment and at each meeting any interests which may lead to conflicts in the subject area or specific agenda of that Board.

34. Under Regulation 112 (1) and (2) the Secretary of State must be satisfied that a person nominated as a member of the Board does not have a conflict of interest, and from time to time that none of the members of the Board has a conflict of interest.
35. Each member of the Board, or a person nominated to the Board must under Regulation 112 (3) and (4) provide the Secretary of State with such information as he or she reasonably requires for the purposes of demonstrating that there is no conflict of interest.
36. It shall be the responsibility of the Chair of the Board for ensuring that the Secretary of State is made aware of and provided with the necessary information in relation to any conflict of interest which the Chair deems to be material to the work of the Board.
37. The Vice Chair of the Board will adopt the role of ensuring that the Chair of the Board does not have a conflict of interest in the same way as the Chair does in relation to all other Board members.
38. Where two or more Board members disagree with the judgement in relation to a potential conflict of interest made by the Chair (or Vice Chair as the case may be) the matter will be considered by the Board as an item of urgent business and agreed by consensus. The member in question may be asked to leave the meeting for part or all of the time whilst the matter is being considered.
39. "Conflict of interest" means a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the Board (but does not include a financial or other interest arising merely by virtue of membership of the LGPS or any connected scheme).

### **Administration**

40. The Board Secretary will agree an agenda with the Chair prior to each Board meeting. The agenda and any papers for the Board will be issued at least 5 working days (where practicable) in advance of the meeting except in the case of matters of urgency.
41. The Board Secretary will record high level minutes of each meeting including all actions and agreements which will be circulated to all Board members within 10 working days after the meeting. These minutes will be subject to formal agreement at the following Board meeting.

### **Remuneration of Board members**

42. Members of the Board or other attendees of Board meetings shall not be paid remuneration or expenses for attending notwithstanding that the Board

may have commissioned a piece of paid work from an adviser which may include attendance at a Board meeting.

43. Remuneration of the Chair will be reviewed on a regular basis, to be commensurate with both level of activity, benchmarked against the sector, where possible and agreed by the Secretary of State as part of the annual review of the Board budget.

### **Personal Liability of Board members**

44. Following advice from legal advisers, as Scheme Advisory Board members only make decisions to make recommendations to the Secretary of State, the Board has taken the view that there is no personal liability on Board members.

### **Appointment of advisors to the Board**

45. Under the provisions of Regulation 110 (5) the Board may appoint advisors to attend Board meetings and support its work plan. The appointment of advisors shall be subject to the terms agreed between the Board and such advisors from time to time.
46. Advisors shall not normally be paid to attend Board meetings but may be paid to produce such written work as the Board may formally request either in writing or as an agreed action in the published minutes.
47. The names and terms of appointment of Board advisors shall be published on the Board website within two weeks of their appointment.

### **Procurement of work by third parties**

48. Under the provisions of Regulation 110 (5) the Board may commission work by third parties in support of its work plan and in line with its budget provisions.
49. The appointment of third parties shall be on the terms agreed between the Board and such third parties from time to time.
50. Appointment of third parties to produce work for the Board shall be subject to a selection process which shall at least consist of the publication of the requirements for work and instructions to bidders on the Board website for a period of no less than three weeks, the receipt of bids in accordance with instructions set out in the published requirements and the consideration of those bids by a panel of no less than three Board members including the Chair.
51. In making the selection, the panel should be able to demonstrate that their decision is based solely on the criteria set out in the instructions to bidders

and that those criteria conform to the principles of non-discrimination, equal treatment and transparency.

52. Notification of the third party appointed for the work shall be published on the Board website within two weeks of the appointment.

#### **Term of Board**

53. The Statutory Board will remain in place while Regulations so require.
54. On the termination of the Board any assets including the balance of any levy monies shall be disbursed in accordance with those Regulations which set out the terms of the Board's demise.

21 July 2025