

Notice of Meeting

PENSION BOARD

Monday, 27 July 2015 - 2:00 pm
Committee Room 3, Civic Centre, Dagenham

Members: Dusty Amroliwala, Paul Feild, Gavin Palmer, Wijay Pitumpe, Hugo Wuyts and Yvonne Weaver

Observers: Bernie Hanreck

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AGENDA

- 1. Appointment of Chair and Deputy Chair**
- 2. Apologies for Absence**
- 3. Declaration of Members' Interests**
- 4. Terms of Reference (Pages 1 - 9)**

Members are asked to adopt the attached terms of reference of the Board.
- 5. Work Plan 2015/16**
- 6. Future Meeting Dates**
- 7. Any Other Business with the permission of the Chair**
- 8. Dates of Future Meetings**

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Pension Board Terms of Reference

London Borough of Barking and Dagenham Pension Board Terms of Reference

1. Introduction

- 1.1 This document sets out the terms of reference of the Local Pension Board ("the Board") of The London Borough of Barking and Dagenham (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. 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).
- 1.2 The Board is established by the Administering Authority and operates independently of the Pension Panel. Relevant information about its creation and operation are contained in these Terms of Reference ("ToR").
- 1.3 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.
- 1.4 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.
- 1.5 The Board is not a decision making body in relation to the management of the Pension Fund ("the Fund"). The Fund's management powers and responsibilities will remain delegated to the Pension Panel ("the Panel"). The Board will exercise its powers and duties in accordance with the law and this ToR.

2. Role of the Pension Board

- 2.1 The role of the Board is defined by regulation 106 (1) of the LGPS regulations as:
 - 1) to secure compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme and requirements imposed in relation to the LGPS by the Pensions Regulator ("the PR");
 - 2) to ensure the effective and efficient governance and administration of the Fund.
- 2.2 The Council recognises that the Board's main role will be that of having oversight of whether the aims and objectives outlined within the Fund's Governance and Administration strategies are being achieved; and having regard to any overriding requirements included within guidance from DCLG, and the Scheme Advisory Board.

2.3 The Board will ensure that in performing their role it is done effectively and efficiently and complies with relevant legislation. In addition the Board shall have due regard for the Code of Practice on the governance and administration of LGPSs issued by the PR and any other relevant statutory or nonstatutory guidance.

2.4 The Board will follow the Aon Hewitt method for governance review including:

1. Direction: What is the fund trying to achieve (legislation, strategy and policy);

2. Delivery: How the Fund meets its aims (planning, performance monitoring & risk management); and

3. Decisions: Does the Fund have effective decision making (governance structure, behaviour and Pension Skills and Knowledge and training).

2.5 The Board will review the “Direction” in June and the “Delivery and Decisions” in March.

2.6 The Board must provide minutes of each meeting to the following Panel and may make reports and recommendations to the Panel insofar as they relate to the role of the Board. Any such reports or recommendations must be provided at least 15 working days in advance of the next Panel to the Chief Finance Officer (“the CFO”).

2.7 Where the Board considers that a matter brought to the attention of the Panel and the CFO has not been acted upon or resolved to their satisfaction, the Board will provide a report to the next appropriate Assembly.

2.8 Establishment

The Board was established on 31 March 2015.

3. Composition of the Board and Appointments

3.1 Composition

The Board will consist of up to six members and be constituted as follows (substitutes for the Employer or Scheme Member Representatives are not permitted). There shall be an equal number of Member and Employer Representatives.

- i. Up to three Employer Representatives; and
- ii. Up to three Scheme Member Representatives.

3.2 Eligibility and selection criteria

- i. Three Employer Representatives: At least one of the employer representatives must be an employee of the Council. The second employer representative will be from one of the Fund’s scheduled bodies.

- ii. Three Scheme Member Representatives: Representatives would preferably be members of the Fund (active, deferred or pensioner). Where the member representative is not a member of the Fund, they must have the requisite knowledge and skills to be able to represent the interests of the scheme members
- iii. The CFO will define and keep under review any further eligibility and/or selection criteria that will apply to Board members.

3.3 Appointment of Members

The CFO will manage the appointment process. Initial Board members will be direct appointments from Fund's current observers, who will fulfil the role of the two employee representatives and one employer representative. A representative from the Council's Legal department will also be directly appointed by the CFO and will be the Council representative. The process to select replacement Board members is as set out below:

1. One Council Employer Representative: This will be a direct appointment by the CFO.
2. Two other Employer Representatives: All the Fund's scheduled body employers will be invited to nominate individuals to represent employers on the Pension Board.
3. Two Member Representatives shall be appointed by the recognised trade unions representing employees who are scheme members of the Fund.
4. The third Member Representative shall initially be filled by the current Member Observer to the Pension Panel. Future appointments will be made following a nomination process open to all scheme members.
5. Nominations can be rejected where the individual does not appropriately meet the eligibility and/or selection criteria or where the number of nominations for any category of Board member merits a short-list being created for interviews.
6. Employer and Employee representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
7. The CFO will agree the Board appointment process which may include, but is not restricted to, a formal interview. Where there are no appropriate nominations, the CFO will take any other action consider appropriate, including leaving a position vacant.

3.4 Notification of appointments

When appointments to the Board have been made the Council shall publish the name of Board members, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.

4. Board Requirements and Support

4.1 Term of Office

The Employer and Scheme Member Representatives are appointed for a period of three years from the date of establishment of the Board or the date of their appointment if later. This period may be extended to up to four years if agreed by the CFO. An appointment will automatically cease if an employer requests their removal or an employee representative asks to be removed.

Any Board member may be re-appointed for further terms following an appointment process. Other than ceasing requesting to be removed (as set out above) a Board member may only be removed from office during the term of appointment by the CFO or by unanimous agreement of the Board. Such reasons may include non-compliance with these ToR including inappropriate conduct, conflicts of interest, avoidance of training or low meeting attendance.

As term dates may not be exact due to the period of the appointment process, the term date may be extended by up to three months with the agreement of the CFO.

4.2 Quorum

All Board members are expected to regularly attend meetings. Records of attendance of all Members will be maintained and reported to the CFO on an annual basis. A meeting of the Pension Board will be quorate when any three of the six Board members are present. A meeting that is / becomes at any point not quorate will cease immediately.

4.3 Location and Timing

The Board will normally meet at an office of the Council. Meetings will take place at any point on a Monday to Friday if it is a normal working day apart from in exceptional circumstances and agreed by all Board members and other individuals expected to attend the Board meetings. The Board will meet twice a year. The Chair may call, or agree to call, additional meetings in exceptional circumstances.

Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via telephone conferencing and e-mails. A summary of these discussions will be reported at the following Board.

4.4 Receipt of advice and information

The Board will be supported in its role by officers and by advisors (where requested). In addition Board members will receive the final reports, minutes and agendas relating to all Panels and may attend Panels as observers (including during exempt items).

Insofar as it relates to the role of the Board, it may also request and receive information and reports from the Panel and examine decisions made or actions taken by the Panel. Any further requests for information and advice are subject to the approval of the CFO who will be required to consider positively all reasonable

requests in relation to the role of the Pension Board whilst being mindful of value for money.

4.5 Administration

The CFO will agree an agenda with the Chair of the Board 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. High level minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members within 10 working days after the meeting. These minutes will be subject to formal agreement by the Chair taking consideration of comments by Board members (which may be done electronically between meetings).

The minutes may, at the discretion of the Chair, 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.

4.6 Access to the Public and publication of Pension Board information

The following will be entitled to attend the entire Board meeting in an observer capacity:

- Any Members of the Panel;
- officers or advisers of the Council involved with the management of the Fund;
or
- any other person requested to attend by the Chair of the Board or CFO.

Any such attendees will be permitted to speak on request to the Chair. Members of the public may attend the public part of the meeting and papers will be made public in accordance with the Access to Information Procedure Rules in the Council's Constitution.

4.7 Accountability

The Board will be collectively and individually accountable to the Council.

5. Conflicts of Interest

- 5.1 Each member is required to have due regard to the role of the Board as outlined in the ToR. All members are expected to work jointly in the best interests of the Fund, putting aside any individual views of any stakeholders. This should not prevent members from sharing their knowledge on how matters might impact specific stakeholders of the Fund. Board members are expected to declare, on appointment and at each meeting, any interests which may lead to conflicts of interest (COI) in the subject area or specific agenda of that Board. The Board's Chair must be satisfied that the Board is acting within:

- the Public Service Pension Act and the LGPS Regulations COI requirements;
- accordance with any Fund COI Policy that apply to the Board; and
- the spirit of any national guidance or code of practice in relation to Board COI.

5.2 The LBBD Councillors' Code of Conduct shall apply in relation to the management of conflicts of interest of the Board with the exception of the registration of pecuniary interests and how interests are to be disclosed which are detailed below.

5.3 Each Board member must provide the Chair with such information as he or she reasonably requires for the purposes of demonstrating that there is no COI. The CFO will ensure that the Chair does not have a COI. A COI is defined in the Public Service Pensions Act as:

"in relation to a person, 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 scheme)".

6. Chair and Deputy Chair

6.1 The CFO will appoint a Chair and a Deputy Chair from the Board membership. If the CFO does not consider any of the members to have the requisite knowledge and skills for the role of Chair at the point in time, they may appoint an Independent Member to the Board who will also undertake the role of Chair to the Board. The appointments to Chair and Deputy Chair will be reviewed at such times as considered appropriate by the CFO.

6.2 The role of the Chair is to:

- Ensure all members of the Board show due respect for process, that all views are fully heard and considered and to determine that decisions are democratically made where consensus cannot be reached.
- Uphold and promote the purpose of the Board.
- Ensure Board members have the knowledge and skills as determined in the Fund's Training Policy and other guidance or legislation and maintain a training record.
- Agree the agenda and approve minutes for each Pension Board meeting.
- Maintain an attendance record and advise the Council on expenses to be paid.
- Write reports required by the Council on the work of the Board.
- Liaise with the CFO on the requirements of the Board, including advanced notice for Council officers to attend and arranging dates and times of Board meetings.

- Other tasks that may be requested by the members of the Board, within the remit of the ToR and subject to agreement with the CFO.
- Annually reviewing and reporting on the performance of the Board.

7. Voting

- 7.1 All Board members will have individual voting rights but it is expected the Board will, as far as possible, reach a consensus. Any other person attending a meeting will not have the right to vote. Voting results will be reported in the Board minutes.

8. Member Requirements

8.1 Knowledge and Skills

Under the requirements of the Pensions Act, Board members must be conversant with:

- a) the legislation and associated guidance of the LGPS; and
- b) any document recording policy about the administration of the LGPS adopted by the Fund.

In addition, a member of the Board must have knowledge and understanding of:

- The law relating to pensions, and
- Any other matters which are prescribed in regulations.

It is for Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a Board member. In line with this requirement, Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date.

Board members are therefore required to:

- undertake a training needs analysis to identify gaps in competencies and knowledge;
- participate in training events (a record of relevant training will be maintained); and
- comply with the Fund's Training Policy insofar as it relates to Board members.

8.2 Standards of Conduct

The LBBB Councillors' Code of Conduct, as contained in the Council's Constitution, shall apply in relation to the standards of conduct of Board members as if they are Co-opted Members of the Council insofar as it can be reasonably considered to apply to the role of members of the Board and unless excluded elsewhere within these ToR.

8.3 Remuneration and Expenses

No allowances will be paid to Board members for attending meetings relating to Board business. Travel and all training costs will be funded by the Fund. Expenses must be reclaimed from the Fund through submitting claims, with all supporting evidence, to the following address:

Group Manager (Treasury and Pensions), Civic Centre, Dagenham, RM10 7BY

It is expected that employers of Representatives on the Pension Board will provide appropriate capacity to allow the Representative to perform this role within their normal working day without any reduction in pay.

All Board members will also be entitled to claim travel and subsistence allowances in accordance with the Members' Allowances Scheme in the Council's Constitution.

Expenses will only be paid if claimed by the representative and must be claimed within four weeks of each meeting or training session.

9. Review, Interpretation and Publication of the ToR

- 9.1 The ToR were agreed by the full Assembly of the London Borough of Barking and Dagenham on 24 February 2015. The Council will monitor and evaluate the operation of the Board and may review the ToR from time to time, with any changes made approved by the Assembly subject to the provisions of 9.2 below.
- 9.2 The Monitoring Officer is authorised to make minor amendments, consequential upon statutory or regulatory change, or to rectify errors, or to update arrangements consequential upon other external factors.
- 9.3 The ToR will be published in the Council's Constitution. The ToR will also form part of the Fund's Governance Policy and Compliance Statement which will be made available in accordance with the requirements of the LGPS Regulations.
- 9.4 These Terms of Reference were adopted by the Board on [27 July 2015].

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Signed on behalf of the Administering Authority

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Signed on behalf of the Board

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