

**DYFED PENSION FUND
LOCAL PENSION BOARD**

**TERMS OF REFERENCE
&
RULES OF PROCEDURE**

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OVERVIEW

1. Introduction and General Operating arrangements

1.1. The purpose of this document is to set out the Terms of Reference for the local Pension Board of the Dyfed Pension Fund. The Pension Board is established by Carmarthenshire County Council under the powers of Section 5 of the Public Service Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme Regulations 2013. As such, the Constitution of Carmarthenshire County Council does not apply to this Pension Board unless expressly referred to within and permitted by this Terms of Reference.

1.2. The Pension Board will exercise all its powers and duties in accordance with the law and the Terms of Reference.

1.3. The Pension Board shall consist of 7 Members, including 3 Employer Representatives, 3 Scheme Member Representatives and an Independent Member / Chair.

1.4. Carmarthenshire County Council as the Administering Authority shall provide the required support services for the operation and discharge of duties of the Pension Board.

1.5. The Administering Authority and the Pension Board shall, so far as is reasonably practical, ensure at all times that the Board membership meets the requirements of the legislation and the appointed Members have the skills, knowledge and capacity necessary for the Board to discharge its functions effectively.

1.6. The Pension Board is providing oversight and, accordingly, the Pension Board is not a decision making body in relation to the management of the Pension Fund but merely makes recommendations to assist in such management. The Pension Fund's management powers and responsibilities which have been, and may be, delegated by the Council to committees, sub-committees and officers of the Council, remain solely the powers and responsibilities of those committees, sub-committees and officers including but not limited to the setting and delivery of the Fund's strategies, the allocation of the Fund's assets and the appointment of contractors, advisors and fund managers.

DYFED PENSION BOARD'S TERMS OF REFERENCE

2. Terms of Reference

2.1. To secure compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme and any other connected scheme, and any requirements imposed by the Pensions Regulator in relation to the Scheme.

2.2. To ensure the effective and efficient governance and administration of the LGPS by the Dyfed Pension Fund.

2.3. The Pension Board will ensure that in performing their role it is:

- done effectively and efficiently and
- complies with relevant legislation and
- done by having due regard and in the spirit of the Code of Practice on the governance and administration of public service pension schemes issued by the Pensions Regulator and any other relevant statutory or non-statutory guidance.

2.4. Board minutes of each meeting must be provided to the following Pension Fund Panel meeting and may make reports and recommendations to the Pension Fund Panel insofar as they relate to the role of the Pension Board. Any such reports or recommendations must be provided 10 working days in advance of the next Pension Fund Panel meeting to the Section 151 Officer.

2.5. An annual report of the Pension Board (as prepared by the Independent Member / Chair of the Pension Board), must be provided to the Section 151 Officer, the Head of Administration and Law, the Pension Fund Panel, and be published in the Fund's Annual Report and Accounts.

2.6. Where the Board considers that a matter brought to the attention of the Pension Fund Panel has not been acted upon or resolved to their satisfaction, the Pension Board will provide a report to the Head of Administration and Law and the Section 151 Officer.

2.7. 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.

MEMBERSHIP OF THE DYFED PENSION BOARD

3. Membership: Composition

3.1. The Pension Board shall consist of 7 members and be constituted as follows:

- 3 Employer Representatives;
- 3 Scheme Member Representatives;
- 1 Independent Co-opted Member / Chair.

3.2. Substitutes are not permitted.

3.3. The Administering Authority shall make appropriate arrangements, as set out in this document, for the establishment of the membership of the Pension Board.

3.4. No officer or elected member of an administering authority who is responsible for the discharge of any function for the Dyfed Pension Fund under these regulations (apart from any function relating to local pension boards or the Local Government Pension Scheme Advisory Board) may be a member of the Dyfed Pension Fund local pension board.

3.5. The Administering Authority must be satisfied that—

- a person to be appointed as an Employer Representative has the capacity to represent employers on the local pension board; and
- a person to be appointed as a Scheme Member Representative has the capacity to represent members on the local pension board.
- a person to be appointed as an Independent Member / Chair has the capacity to represent members on the local pension board.

3.6. Each Employer Representative and Scheme Member Representative will have an individual voting right.

3.7. The Administering Authority must be satisfied that any person to be appointed as a member of a local pension board does not have a conflict of interest.

3.8. The Section 151 Officer will define and keep under review any eligibility and/or selection criteria that will apply to Pension Board members having due regard to the LGPS Regulations, the Pension Regulator's Code of Practice and other guidance (statutory or otherwise).

4. Membership: Appointment of Employer Representatives

4.1. Each employer within the Dyfed Pension Fund will be invited to nominate one representative to represent employers on the Pension Board.

4.2. A closing date for nominations will be a minimum of 2 weeks from the date the invitation is formally made.

4.3. Application packs will be prepared and made available to those who have been nominated.

4.4. The applications will be evaluated by the Administering Authority against an agreed person specification criteria. The Administering Authority will appoint 3 Employer Representatives.

4.5. One Employer Representative will be from Carmarthenshire County Council, as the Administering Authority.

4.6. If no applications are received or if all applications received fall below the minimum eligibility criteria, the Section 151 Officer will take any other action she/he considers appropriate to appoint suitable Employer Representatives.

5. Membership: Appointment of Scheme Member Representatives

5.1. The joint trade unions will be approached to make one nomination of a person to represent scheme members.

5.2. The other Scheme Member Representatives will be selected through an advertised appointment process.

5.3. A closing date for applications will be a minimum of 2 weeks.

5.4. Application packs will be prepared and made available to those who request an application form.

5.5. The applications will be evaluated by the Administering Authority against an agreed person specification criteria and shortlisted accordingly.

5.6. If no applications are received or if all applications received fall below the minimum eligibility criteria, the Section 151 Officer will take any other action she/he considers appropriate to appoint suitable Scheme Member Representatives.

6. Membership: Appointment of Independent Member / Chair

6.1. Given the specialist knowledge and requirements of the role, it is considered appropriate that the Administering Authority appoint a professional independent chair. Various individuals have been identified who through their previous involvement with the Finance and Pensions function it is thought would have the

immediate experience and capacity which, if supplemented with specific training, would enable them to undertake the role. Appropriate individuals will be contacted about their interest in the role and interested candidates will be assessed against the appropriate person specification and requirements of the role. The Administering Authority will appoint the most appropriate candidate.

7. Term of Office

7.1. The Employer Representatives are appointed for a period of three years from the date of establishment of the Pension Board or the date of their appointment if later. This period may be extended to up to five years if agreed by the Section 151 Officer, in particular to assist in continuity of experience on the Pension Board. It will automatically cease if the individual is no longer in the employment of that employer.

7.2. The Scheme Member Representatives are appointed for a period of three years from the date of establishment of the Pension Board or the date of their individual appointment if later. This period may be extended to up to five years if agreed by the Section 151 Officer, in particular to assist in continuity of experience on the Pension Board. It will automatically cease if the individual is no longer a scheme member in the Fund.

7.3. The Independent Member / Chair will be appointed for a period of up to three years from the date of establishment of the Pension Board or the date of their individual appointment if later. This period may be extended to up to five years if agreed by the Section 151 Officer, in particular to assist in continuity of experience on the Pension Board.

7.4. Any Pension Board member may be re-appointed for further terms following an appointment process.

7.5. Term dates may not be exact due to the period of the appointment process. The term of office may therefore be extended for this purpose or other exceptional circumstances by up to three months with the agreement of the Section 151 Officer.

8. Removal of Members

8.1. Other than ceasing to be eligible (as set out in point 7 above) a Pension Board member may only be removed from office during the term of appointment by the unanimous agreement of the Section 151 Officer, the Head of Administration and Law and the Independent Member / Chair.

8.2. All Board Members shall observe Carmarthenshire County Council's Code of Conduct for Members and Co-opted Members. Failure to do so will result in removal from the Pension Board.

8.3. The removal of the Independent Member / Chair requires unanimous agreement from the Section 151 Officer and the Head of Administration and Law.

9. Resignation of Members

9.1. Any member may resign at any time, by 3 months notice in writing to the Independent Member / Chair of the Board.

9.2. The Independent Member / Chair may resign at any time, by 3 months notice in writing to the Section 151 Officer.

MEETING ARRANGEMENTS

10.Role of the Independent Member / Chair

10.1. Ensure that all members of the Board show due respect for process, that all views are fully heard and considered and that decisions are democratically made where consensus cannot be reached.

10.2. To uphold and promote the purpose of the Board and to interpret its Terms of Reference when necessary.

10.3. Ensure that the Pension 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, and do not have conflicts of interest (see 16.5).

10.4. Act as professional adviser for the Board or arrange such advice as required subject to agreement by the Section 151 Officer on such conditions as that officer determines.

10.5. Agree the agenda for each Pension Board meeting.

10.6. Approve minutes for Pension Board meetings.

10.7. Ensure an attendance record is maintained along with advising Carmarthenshire County Council on expenses to be paid.

10.8. Advise Carmarthenshire County Council on an appropriate budget for the Board.

10.9. Write reports required by Carmarthenshire County Council on the work of the Board.

10.10. Liaise with the Treasury and Pension Investments Manager on the requirements of the Board, including advanced notice for Carmarthenshire County Council officers to attend and arranging dates and times of Board meetings.

10.11. Attend the Pension Panel meetings as an observer, currently 4 meetings per year.

10.12. Other tasks which may be deemed appropriate by Carmarthenshire County Council for the Independent Member / Chair of the Pension Board.

10.13. Other tasks that may be requested by the members of the Pension Board, within the remit of this Terms of Reference and subject to agreement with the Section 151 Officer.

10.14. To annually review and report on the performance of the Board.

10.15. The decision of the Independent Member / Chair on all points of procedure and order and the Independent Member / Chair's interpretation of the Terms of Reference shall be final.

10.16. Full draft job description can be found in Appendix A.

11. Meetings of the Pension Board

11.1. The Pension Board will normally meet at the offices of the Dyfed Pension Fund, although the offices of any Employer Representatives could be used with prior agreement of the Independent Member / Chair and at no additional accommodation cost to the Dyfed Pension Fund.

11.2. The Pension Board will not be a meeting of the Council open to the general public. See point 18 below (Attendance by others) for further information as to who may attend the Pension Board meetings.

11.3. The Board will meet twice in each calendar year. If the Board does not believe that this is sufficient to discharge its duties and responsibilities effectively the Independent Member / Chair can make a request to the Section 151 Officer for approval to hold additional meetings.

11.4. Urgent business of the Pension Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Pension Board including telephone conferencing and e-mails.

11.5. The Section 151 Officer will agree an agenda with the Independent Member / Chair of the Pension Board prior to each Pension Board meeting. Any member of the Board shall be entitled to request that an item be placed on an agenda for a future meeting, subject to the Independent Member / Chair's approval.

11.6. The agenda and any papers for the Pension Board will be issued at least 3 working days in advance of the meeting except in the case of matters of urgency.

11.7. Draft 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 draft minutes will be subject to formal agreement by the Independent Member / Chair taking consideration of comments by Board members (which may be done electronically between meetings).

11.8. The minutes may, at the discretion of the Independent Member / 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.

12. Quorum

12.1. All Members of the Pension Board are expected to regularly attend meetings. Records of attendance of all Members will be maintained and reported to the Section 151 Officer on at least an annual basis.

12.2. The minimum attendance for a meeting of the Pension Board to go ahead is when there are at least 4 attendees, including at least:

- one Employer Representative and
- one Scheme Member Representative and
- the Independent Co-opted Member / Chair.

12.3. Subject to agreement by the Independent Member / Chair this could include remote attendance.

13. Voting

13.1. Voting will be by majority.

13.2. Employer and Scheme Member Board Members will each have an individual voting right. The Independent Member / Chair will not have a vote.

13.3. Voting will be by a show of hands.

13.4. The results of any voting outcomes will be reported in the Board minutes.

13.5. Any member of the Board can ask for the way in which they voted to be recorded in the minutes.

14. Remuneration and expenses

14.1 The expenses of the Pension Board are to be regarded as part of the costs of administration of the Dyfed Pension Fund.

14.2. All Employer and Scheme Member Representatives will be entitled to claim travel and subsistence allowances at the rates contained in the Councillor's & Co-opted Member's Scheme of Allowances.

14.3. The Independent Member / Chair will be entitled to an appropriate fee which will be agreed by the Section 151 Officer as well as travel and subsistence allowances at the rates contained in the Councillor's & Co-opted Member's Scheme of Allowances.

15. Budgets

15.1. 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 and determined by:

- The Administering Authority will allocate an annual budget which is managed by and at the discretion of the Board.

16. Conflicts of Interest

16.1. A conflict of interest 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 or any connected scheme)."

16.2. Each member of the Pension Board (as well as any other attendees participating in the meeting) will be expected to declare, on appointment and at each meeting, any interests which may lead to conflicts of interest in the subject area or specific agenda of that Pension Board.

16.3. The Independent Member / Chair of the Pension Board must be satisfied that the Board is acting within:

- the conflicts of interest requirements of the Public Service Pensions Act and the LGPS Regulations, and
- in the spirit of any national guidance or code of practice in relation to conflicts of interest at the Pension Board.

16.4. Each member of the Pension Board, or a person proposed to be appointed to the Board, (as well as attendees participating in the meeting) must provide the Independent Member / Chair of the Pension Board with such information as he or she reasonably requires for the purposes of demonstrating that there is no conflict of interest.

16.5. The Section 151 Officer and the Head of Administration and Law will jointly adopt the role of ensuring that the Independent Member / Chair of the Pension Board does not have a conflict of interest in the same way as the Independent Member / Chair does in relation to all other Pension Board members.

17. Knowledge and Skills

17.1. Under the requirements of the Public Service Pensions Act, a member of the Pension Board must be conversant with:

- the legislation and associated guidance of the LGPS, and
- any document recording policy about the administration, funding and investment adopted by the Dyfed Pension Fund.

17.2. In addition, a member of the Local Pension Board must have knowledge and understanding of –

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

17.3. It is for individual Pension 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 member of the Pension Board.

17.4. Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date.

17.5. Pension Board members are therefore required to:

- Participate in training events (a written record of relevant training and development will be maintained).
- Undertake a personal training needs analysis or other method to identify gaps in skills, competencies and knowledge.
- Comply with Dyfed Pension Fund's Training Policy insofar as it relates to Pension Board members.

18. Attendance by others

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

- Members of the Dyfed Pension Fund Panel,
- the Section 151 Officer, the Treasury and Pension Investments Manager and the Head of Administration and Law,
- other officers or advisers of Carmarthenshire County Council or other employers involved with the management of the Pension Fund subject to approval in advance by the Independent Member / Chair, or on request by the Independent Member / Chair,
- any other person requested to attend by the Independent Member / Chair,

- any other person subject to approval in advance by the Independent Member / Chair.

18.2. Any such attendees will be permitted to speak at the discretion of the Independent Member / Chair.

19. Publication of Pension Board Information

19.1. In accordance with the Public Service Pensions Act, Carmarthenshire County Council is required to publish information about the Pension Board including:

- who the Pension Board members are,
- representation on the Board,
- the role of the Pension Board,
- these Terms of Reference.

19.2. In accordance with good practice, Carmarthenshire County Council may publish other information relating to the Pension Board as considered appropriate from time to time and which may include:

- the agendas and minutes,
- training and attendance logs,
- an annual report on the work of the Pension Board.

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

- on the Dyfed Pension Fund website,
- on the Carmarthenshire County Council website,
- within the Dyfed Pension Fund Annual Report and Accounts,
- within the Fund's Governance Policy and Compliance Statement.

19.4. 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.

20. Annual Report

20.1. The Pension Board must produce an annual report of the Board.

20.2. The annual report must be provided to the Section 151 Officer, the Head of Administration and Law, the Pension Fund Panel, and will be published in the Fund's Annual Report and Accounts.

21. Receipt of advice and information

21.1. Pension Board members will receive the final reports, minutes and agendas relating to all Pension Fund Panel meetings and the Independent Member / Chair will be required to attend the Pension Fund Panel meetings as an observer.

21.2. Insofar as it relates to the role of the Pension Board, it may also;

- request and receive information and reports from the Pension Fund Panel or any other body or officer responsible for the management of the Fund,
- Examine decisions made or actions taken by the Pension Fund Panel or any other body or officer responsible for the management of the Fund.

21.3. Any further requests for information and advice are subject to the approval of the Section 151 Officer 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.

22. Acting in the interests of the entire pension fund

22.1. Though members of the Pension Board include representatives of specific categories of stakeholder (i.e. scheme members and employers) each member is required to have due regard to the Role of the Pension Board as outlined in this Terms of Reference.

22.2. All members are expected to work jointly in the best interest of the entire Pension Fund, rather than representing the interest of any individual stakeholders.

22.3. This should not prevent Members from sharing their knowledge on how matters might impact specific stakeholders of the Fund.

23. Accountability

23.1. The Pension Board will be collectively and individually accountable to Carmarthenshire County Council as Administrrating Authority of the Dyfed Pension Fund.

24. Review, Interpretation and Publication of Terms of Reference

24.1. The Terms of Reference have been agreed by Carmarthenshire County Council. The Council will monitor and evaluate the operation of the Pension Board and may review this Terms of Reference from time to time.

24.2. This Terms of Reference will be incorporated into the Council's Constitution and will be publicly available as part of the Constitution as defined in the Council's Constitution and may be amended by the same means as permitted for the Constitution.

24.3. It will also form part of the Dyfed Pension Fund's Governance Policy and Compliance Statement which will be made available in accordance with the requirements of the LGPS Regulations.

25. Definitions and interpretation

Points of interpretation:

All references to officers are to officers within Carmarthenshire County Council unless otherwise stated.

The undernoted terms shall have the following meaning when used in this document:

<i>"Pension Board" or "Board"</i>	The local Pension Board for Carmarthenshire County Council, administering authority for the Dyfed Pension Fund as required under the Public Service Pensions Act 2013
<i>"Fund" or "Pension Fund"</i>	Dyfed Pension Fund
<i>"the LGPS Regulations"</i>	The Local Government Pension Scheme Regulations 2013 (as amended)
<i>the Public Service Pensions Act</i>	The Public Service Pensions Act 2013 (as amended)
<i>"Scheme Manager"</i>	Carmarthenshire County Council as administering authority of the Dyfed Pension Fund.
<i>"Chair"</i>	The appointed Chairperson of the Pension Board
<i>"LGPS"</i>	The Local Government Pension Scheme
<i>"Scheme"</i>	The Local Government Pension Scheme
<i>"Capacity"</i>	To have the time and resources to attend meetings, training, etc