

Terms of reference for the Local Pension Board of LB Haringey

1) Introduction

1.1 The purpose of this document is to set out the terms of reference for the Local Pension Board of the London Borough of Haringey Pension Fund ("the Board") as required by the Public Service Pensions Act 2013 ("the Act") and the Local Government Pension Scheme Regulations 2013 ("the Regulations").

1.2 The Scheme Manager for the purposes of the Public Sector Pensions Act 2013 is London Borough of Haringey ("LB Haringey"). Its functions are discharged in accordance with the Council's Constitution by the Pensions Committee.

2) Responsibilities of the Pension Board

2.1 The role of the Board as laid down by section 106(1) of the Regulations is to assist LB Haringey:

- a) To secure compliance with:
 - i) the Regulations,
 - ii) and any other legislation relating to the governance and administration of the Scheme and any connected scheme,
 - iii) any requirements imposed by the Pensions Regulator in relation to the Scheme and any connected scheme, and
- b) To ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

2.2 The Council retains ultimate responsibility for the administration and governance of the Pension Fund and has delegated its functions as scheme manager & administering authority of the Fund to the Pensions Committee. The role of the Board is to support the Pensions Committee to fulfil that responsibility and secure compliance with any requirements imposed by the Pensions Regulator.

2.3 The principle functions of the Board shall include:

- (i) Seeking assurance that due process is followed with regard to Pensions Committee decisions.
- (ii) Considering the integrity and soundness of Pensions Committee decision making processes.

2.4 The Board shall have the power to do anything which is calculated to facilitate or is conducive or incidental to, the discharge of its functions.

3) Membership

3.1 The Board shall consist of 5 members and be constituted as follows:

- i) 2 employer representatives, being 1 from LB Haringey and 1 from other scheduled and admitted employers;
- ii) 2 scheme member representatives, being 1 active and 1 pensioner & deferred members; and
- iii) 1 independent member.

3.2 The Chair of the Board will be the Independent Member. In the absence of the Independent Member, the meeting will appoint a chair.

3.3 The Chair will ensure that meetings are properly conducted, decision making is clear and professional advice is followed. The decision of the Chair on all points of procedure and order shall be final. The Chair will monitor the performance and attendance of Board members and if appropriate make recommendation to terminate Board appointments in accordance with section 4 below.

3.4 All employer and employee members of the Board will have equal voting rights. The Independent Member will not be entitled to vote.

3.5 The Board may, with the approval of the Pensions Committee, co-opt no more than two persons to advise and support them. Co-optees are not Board members and do not have voting rights.

4) Appointment of Board Members

4.1 The Council's employer representative will be appointed by Full Council and may be either a Councillor, who is not a member of the Pensions Committee, or an officer of the Council.

4.2 The Admitted and Scheduled bodies' representatives will be nominated by employers other than the Council. If there is more than one nomination a panel consisting of the Chair of the Pensions Committee, Chair of the Board and CFO to the Council will select a candidate.

4.3 The active scheme member representatives will be the appointed jointly by trade unions who represent working scheme members.

4.4 The pensioner and deferred member representative will be selected through an open invitation to apply. If there is more than one nomination a panel consisting of the Chair of the Pensions Committee, Chair of the Board and CFO to the Council will select a candidate.

4.5 The Independent Member will be appointed by a panel consisting of the Chair of the Pensions Committee and CFO to the Council. The Independent member will be required to be a person with good proven knowledge, experience and understanding of the LGPS and a clear understanding of the scrutiny function.

4.6 Prospective members of the Board will be required to demonstrate to the Chair of the Pensions Committee that they have the capacity to represent employees and employers (as appropriate) and that they do not have a conflict of interest. The decision of the Chair of the Pensions Committee will be final.

4.7 Each member of the Board will serve for a period of four years and will be eligible to be re-appointed in accordance with the above processes, subject to compliance with the conditions of appointment.

4.8 Each Board member should endeavour to attend all Board meetings during the year. No substitutes shall be permitted. Should a Board member miss two consecutive meetings then the tenure of that membership will be reviewed by the other Board members and may be terminated, in which case a new appointment process will commence for the remainder of the term.

4.9 Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members following a recommendation by the Chair. The removal of the independent member or Council representative requires the consent of the Chair of the Pensions Committee.

4.10 Should a member of the Board resign, a replacement will be appointed using the appropriate process outlined above.

5) Quorum & Voting

5.1 The Board shall have a formal quorum of three comprising at least one employer and one employee representative. No substitutes shall be permitted. Advisers and co-opted persons do not count towards the quorum. All decisions will be by majority of votes unless stated otherwise in these terms, although it is expected that the Board will, as far as possible, reach a consensus.

6) Meetings

6.1 The Board shall meet sufficiently regularly to discharge its duties and responsibilities. There will be at least two meetings a year, with additional meetings if the Board so agrees.

6.2 Notice of all meetings will be provided to Board Members at least 30 days in advance, unless agreed otherwise by Board Members.

6.3 The agenda for each meeting will be agreed by the Chair and all papers will be circulated to Members at least one week prior to the date of the meeting.

6.4 A formal record of Board proceedings will be maintained. Following the approval of the minutes by the Chair of the Board, they shall be circulated to all members.

6.5 The Board has the power to set up working groups on whatever terms that the Board determines and will prepare terms of reference for these entities.

7) Standards of Conduct and Conflicts of Interest

7.1 All members of the Board are expected to act at all times within these terms of reference and in accordance with the Pension Board Code of Conduct. In accordance with section 108 of the Regulations Board members must not have a financial or other interest that could prejudice them in carrying out their Board duties. This does not include a financial or other interest arising merely by virtue of membership of the LGPS.

7.2 Each Board member must provide the Council with such information as is reasonably required for the purpose of demonstrating that there is no conflict of interest.

8) Budget and Business Plan

8.1 The Board will prepare a Business Plan and Budget each year to be approved by the Pensions Committee.

9) Board Review Process

9.1 The Board will undertake each year a formal review process to assess how well it and the members are performing with a view to seeking continuous improvement in the Board's performance.

10) Advisers to the Board

10.1 The Board may be supported in its role and responsibilities through the appointment of advisers, in addition to the Independent member and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers on such terms as it shall see fit to help better perform its duties including:

- ☐ Officers from the Council's Finance, HR, Legal and other teams as needed;
- ☐ The Fund's Actuary;
- ☐ The Fund's Investment Managers and Custodian;
- ☐ The Fund's Investment Consultant; and
- ☐ Other advisers, so approved by the Pensions Committee (via Board budget).

10.2 Remuneration to advisors appointed by the Board must be in accordance with the expenses budget agreed by the Pensions Committee.

10.3 The Board shall ensure that the performances of the advisers to the Board are reviewed on a regular basis.

11) Knowledge and Skills

11.1 Every member of the Pension Board must be conversant with –

1 The rules of the LGPS.

2 Any document recording policy about the administration of the LGPS which is for the time being adopted by the LB Haringey Pension Fund.

11.2 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.

11.3 Pension Board members are required to be able to demonstrate their knowledge and understanding and to keep these up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

11.4 The Council will provide a training programme, which all Board members must attend.

12) Accountability

12.1 The Pension Board will report all relevant recommendations and decisions to the Pensions Committee.

13) Expense Reimbursement, remuneration and allowances

13.1 Remuneration for Employee and Employer Representatives will be limited to a refund of actual expenses incurred in attending Board meetings and training. Remuneration for the Independent member will be agreed on appointment and approved by the Pensions Committee.

13.2 The expenses of the Pension Board are a part of the costs of administering the Pension Fund.

14) Publication of Pension Board information

14.1 The Council will publish up to date information on the Council's website including:

- The names and information of the Pension Board members.
- The Board's terms of reference.
- Papers, agendas and minutes of meetings.