

Terms of Reference for the London Borough of Barnet Pension Board

The purpose of this document is to set out the Terms of Reference for the Local Pension Board of the London Borough of Barnet Pension Fund

1. Role of the Local Pension Board

1.1 The role of the local Pension Board, as defined by sections 5(1) and (2) of the Public Services Pension Act 2013 and regulation 106 of the Local Government Pension Scheme (LGPS) Governance Regulations 2013.

- To assist with:
 - securing compliance with LGPS Government regulations and any other legislation relating to the governance and administration of the LGPS
 - securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator.
 - such other matters that the LGPS regulations may specify
- Ensure the effective and efficient governance and administration of the LGPS for the LBB Pension Fund
- Ensure the Pension Fund's strategy and policy documents are in place and have been maintained in accordance with the LGPS Regulations. These documents are the: communications policy statement; funding strategy statement; governance compliance statement; pensions administration strategy; Pension Fund annual report and accounts; statement of investment principles
- Ensure the Pension Fund's internal Risk Register is in place and reviewed at least annually
- Review the Pension Fund's performance in complying with the requirements of the LGPS Regulations and any other legislation relating to the governance and administration of the LGPS
- Review the Pension Fund's performance in complying with the requirements of the Pension Regulator
- Annually submit a proposed work plan for the forthcoming financial year, to the Pension Fund Committee
- To carry out any other activities relating to the efficient governance and administration of the Pension Fund.

1.2 The Local Pension Board does not replace the Administering Authority or make decisions or carry out duties other than those which are the responsibility of the Administering Authority (refer to Compliance statement)

1.3 The Administering Authority retains ultimate responsibility for the administration and governance of the scheme. The role of the Board is to support the Administering Authority to fulfil that responsibility and secure compliance with any requirements imposed by the Pensions Regulator.

2. Appointment of members of the Pension Board

2.1 All Board members will be appointed by Full Council. It is a statutory requirement (section 248A of the 2004 Act) that the Administering Authority must be satisfied that every individual member of the Pension Board is;

2.2 conversant with;

- the legislation and associated guidance of the Local Government Pension Scheme
- any document recording policy about the administration of the fund which is for the time being adopted by LBB Fund; and

2.3 have knowledge and understanding of;

- the law relating to pensions; and
- such other matters as may be prescribed

3 Rules governing Membership the Local Pension Board

3.1 Local Pension Boards must include an equal number of employer and member representative with a minimum requirement of no fewer than four in total.

3.2 No officer or Councillor who would be responsible for the discharge of any functions under the Regulations (apart from any relating to LPB) may be a Member of the Local Pension Board of that authority.

3.3 Officer precluded would be any officer named in the scheme of delegation (e.g. Section 151 Officer and the head of investments). The guidance also states that consideration should be given as to whether officers of the Fund at a senior level, who are not named in the formal scheme of delegation, but who are responsible for discharging functions under the Regulations, should be precluded from being a member of the LPB.

4 Composition of the Board

4.1 Option 1 - The Board shall consist of 5 members constituted as follows:

- 2 Council representatives (employers side) comprising:
 - 1 Councillor who is not a member of the Pension Fund Committee
 - 1 employer representative from an admitted or scheduled body (e.g. Re, CSG or Middlesex University)
- 2 scheme member representatives (employee side) comprising:
 - 1 active member
 - 1 retired/deferred member

- **1 independent member/advisor**
Having no current employment, contractual, financial or other material interest in the Council or any scheme employer fund and not being a member of the LGPS Fund.

4.2 Option 2 - The Board shall consist of 5 members constituted as follows:

- 2 Council representatives (employers side) comprising:
 - 1 Councillor who is not a member of the Pension Fund Committee
 - 1 employer representative from an admitted or scheduled body (e.g. Re, CSG or Middlesex University)
- 2 scheme member representatives (employee side) comprising:
 - 1 active member
 - 1 retired/deferred member
- **1 independent member (Chairman of a neighbouring authority Pension Committee)**
Having no current employment, contractual, financial or other material interest in the Council or any scheme employer fund and not being a member of the LGPS Fund.

4.3 Option 3 - The Board shall consist of 7 members constituted as follows:

- 3 Council representatives (employers side) comprising:
 - 1 Councillor who is not member of the Pension Fund Committee
 - 1 employer representative from an admitted or scheduled body (e.g. Re, CSG or Middlesex University)
 - 1 Councillor who is not a member of the Pension Fund Committee or employer representative from an admitted or scheduled body
- 3 scheme member representatives (employee side) comprising:
 - 1 active member
 - 1 retired/deferred member
 - 1 staff side representative (to be nominated by the Trade Unions)
- **1 independent member (Either an externally recruited independent member / advisor or the Chairman of a neighbouring authority Pension Committee)**
Having no current employment, contractual, financial or other material interest in the Council or any scheme employer fund and not being a member of the LGPS Fund.

5. Chairman and Vice-Chairman of the Board

5.1 The Chairman and Vice-Chairman of the Board will be appointed by Members of the Board as the first business at their first meeting.

NB: Independent member cannot be appointed Chairman or Vice-Chairman.

6. Substitute Members

6.1 Each member will nominate a substitute to act as Board member in their absence. These nominations will be approved as part of the overall appointments made by Full Council

7. Quorum

7.1 The Pension Board will be quorate when three Pension Board Members are in attendance

8. Period of Office

8.1 Each Board member shall be appointed for a fixed period of four years at the Annual Council meeting.

9. Termination of office

9.1 Each Board member will be expected to attend all meeting and training sessions during the year. The membership of any member who fails to attend two or more meetings shall be reviewed and determined by other Board members in consultation with officers.

9.2 The removal of a member from office during their term of appointment can only be enacted by the unanimous agreement of the other members present at the meeting.

9.3 In absence of mitigating factors a Board member can be removed from the Board in the following circumstances (but not limited to):

- A poor attendance record;
- If a member does not undertake training as requested;
- If a member is in breach of Council's Code of Conduct, Pension Board Code of Conduct and Conflict of Interest policy;
- If a member has a conflict of interest that cannot be managed in accordance with the Board's conflicts policy.

9.4 If a Board member may choose not to continue their role, the Board shall be notified accordingly and arrangements shall be made for a replacement in line with the procedures for their original appointment.

10. Voting Rights (this is dependent on makeup of the Board)

10.1 Where there is an independent on the Board they will not have any voting rights, all other members of the board will be entitled to vote.

10.2 In the event of an equality of votes the Chairman will have the casting vote.

11. Frequency of meeting

11.1 The number of meetings a year should be in alignment with the number of the Pension Committee meetings year. Or to be determined by the Board once it has agreed a workplan, with a minimum of two meetings annually.

12. Notice of meeting and circulation of papers

12.1 In accordance with the Access to Information Procedure Rules as set out in the Council's Constitution

13. Minutes

- 13.1 In accordance with the Access to Information Procedure Rules as set out in the Council's Constitution

14. Accountability and reporting

- 14.1 The Board is accountable solely to the Council for the effective operation of its functions.
- 14.2 The Board shall report to the Pensions Committee as often as the Board deems necessary and at least annually:
- a summary of the work undertaken;
 - the work plan for the next 12 months;
 - details of training received and planned; and
 - details of any conflicts of interest and how they were dealt with.
- On certain matters the board will report directly to Council;
- 14.3 The Board shall report annually to Full Council on its work.
- 14.4 It will also and as necessary from time to time to report to Full Council any breach in compliance or other significant issues such as:
- any areas of persistent non-compliance
 - any area of non-compliance within the LGPS Regulations that have been reported to the Pension Fund Committee
 - areas raised to the Board to be investigated and how they were dealt with;
 - any risks or other areas of potential concern it wishes to raise;

15. Code of Conduct

- 15.1 All members of the Board will be required to comply with Council's Code of Conduct, Pension Board Code of Conduct and Conflict of Interest policy

16. Conflicts of interest

- 16.1 All members of the Board must declare 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.
- 16.2 On appointment to the Board and following any subsequent declaration of potential conflict the conflict must be managed in line with the Board's policy on conflicts of interest, the internal procedures of LBB, the requirements of the Public Service Pensions Act 2013 and the requirements of the Pensions Regulator's codes of practice on conflict of interest for Board members.

17. Knowledge and understanding including training

- 17.1 All new members must follow an induction training plan and all members of the Board will be expected to attend the training provided to ensure that they have the requisite knowledge and understanding to fulfil their role.

17.2 All members must be prepared to participate in such regular personal training needs analysis or other processes as are put in place to ensure that they maintain the required level of knowledge and understanding to carry out their role.

17.3 Failure to attend training or participate in the processes may lead to membership being reviewed.

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