

PENSION BOARD (ENFIELD COUNCIL LOCAL PENSION BOARD)

Appointed by: Council

Proportionality: Applies

Membership:

3 members of the Council

The Board shall consist of 8 voting members, as follows:

(a) 4 scheme members appointed by the Staff Side after a nomination and selection process with a view to representing all scheme members (including, as far as practicable, those employed or formerly employed by admitted and scheduled bodies) and after consultation with the recognised trade unions;

(b) 4 Employer Representatives, 3 of whom shall be Councillors appointed by the Council and the remaining member shall be appointed by the Administering Authority from nominees of admitted and scheduled bodies.

(c) Up to 3 other members, who are not entitled to vote, appointed to the Board by the agreement of both the Administering Authority and the Board.

(d) Substitutes shall not be appointed.

No person who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.

All representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required

The membership must be drawn from: As above

Chair and Vice-Chair appointed by:

The chair shall be appointed by the Board and

(a) Shall ensure the Board delivers its purpose as set out in the Terms of Reference,

(b) Shall ensure that meetings are productive and effective and that opportunity is provided for the views of all members to be expressed and considered, and

(c) Shall seek to reach consensus and ensure that decisions are properly put to a

vote when it cannot be reached. Instances of a failure to reach a consensus position will be recorded and published.

Public / Private meeting: Public

Substitutes: Substitutes shall not be appointed.

Quorum:

A meeting is only quorate when at least 3 representatives are present, including at least 1 scheme member representative and 1 Councillor employer representative.

Frequency:

The Board shall meet at least twice each year.

The chair of the Board with the consent of the Board membership may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

Terms of Reference:

Introduction

This document sets out the terms of reference of the Local Pension Board of Enfield Council (the 'Administering Authority') which is a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as '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).

The Board is established by the Administering Authority. It operates independently of the Pension Policy and Investment Committee. 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.

Interpretation

The following terms have the meanings as outlined below:

'the Act' means the Public Service Pensions Act 2013.

'the Code' means the Pension Regulator's Code of Practice No 14 governance and administration of public service pension schemes.

'the Committee' means the Pension Policy and Investment Committee, which has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.

'the Fund' means the Fund managed and administered by the Administering Authority.

'the Guidance' means the guidance on the creation and operation of local pension boards issued by the Shadow Scheme Advisory Board.

'the Regulations' means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time).

'Relevant legislation' means relevant overriding legislation as well as the Pension Regulator's Codes of Practice as they apply to the Administering Authority and the Board notwithstanding that the Codes of Practice are not legislation.

'the Scheme' means the Local Government Pension Scheme in England and Wales.

Statement of purpose

The purpose of the Board is to assist the Administering Authority in its role as a scheme manager of the Scheme. Such assistance is to:

- (a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and;
- (b) to ensure the effective and efficient governance and administration of the Scheme.

Duties of the Board

The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members should be subject to and abide by the code of conduct for Board members.

Establishment

The Board was established, with effect from 1 April 2015, by Council on 25 March 2015. The Board may establish sub-committees.

Terms of Office

The term of office for Board members is until the Annual Council Meeting in 2018 and thereafter for terms of four years, subject to para below. A Board member may be appointed for further terms of office.

Board membership may be terminated prior to the end of the term of office if:

- (a) A Board member is no longer able to demonstrate to the Administering Authority their capacity to attend and prepare for meetings or to participate in required training.
- (b) The representative is withdrawn by the nominating body and a replacement identified.
- (c) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
- (d) A Board member who is an elected member becomes a member of the Committee.
- (e) A Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Authority under the Regulations.
- (f) The member resigns.

Conflicts of interest

All members of the Board must declare to the Administering Authority 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. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.

On appointment to the Board and following any subsequent declaration of potential conflict by a Board member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Board's conflicts policy and the requirements of the Code.

Knowledge and understanding (including Training)

Knowledge and understanding must be considered in light of the role of the Board to assist the Administering Authority in line with the requirements outlined above. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board members under the Act. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy and framework. They shall also participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

Meetings

The Chair shall agree with the Board Secretary an agenda prior to each Board meeting. The agenda and supporting papers will be issued at least 5 working days (where practicable) in advance of the meeting except in the case of matters of urgency.

Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members within 15 working days after the meeting. These draft minutes will be subject to formal agreement by the Board at their next meeting. Any decisions made by the Board should be noted in the minutes and in addition where the Board was unable to reach a decision such occasions should also be noted in the minutes.

The minutes may with the agreement of the Board, 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.

The Board Secretary shall ensure that Board members meet and maintain the knowledge and understanding as determined in the Board's Knowledge and Understanding Policy and Framework and other guidance or legislation.

Public access to Board meetings and information

The Board meetings shall be open to the general public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the general public).

The following will be entitled to attend Board meetings in an observer capacity and may speak at the discretion of the Chair.

- (a) Members of the Committee,
- (b) Any person requested to attend by the Board.

The Administering Authority shall publish on the Council's website, as part of the Fund's Annual Report or the Governance Compliance Statement as appropriate, information about the Board to include:

- (a) The names of Board members and their contact details.
- (b) The representation of employers and members on the Board.
- (c) The role of the Board.
- (d) These Terms of Reference.
- (e) Agendas and minutes
- (f) Training and attendance logs
- (g) An annual report on the work of the Board to be included in the Fund's own annual report.

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.

Finance

The Administering Authority may meet the expenses of Board members in line with the Administering Authority's policy on expenses. The Administering Authority will not pay allowances for voting Board members.

The Board shall be provided with adequate resources from the Fund to fulfil its role. The Board will seek approval from the staff of the s151 officer for any expenditure it wishes to make.

Core functions

- (i) The first core function of the Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:
 - (a) Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.

- (b) Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code.
- (c) Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.
- (d) Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.
- (e) Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation.
- (f) Monitor complaints and performance on the administration and governance of the scheme.
- (g) Assist with the application of the Internal Dispute Resolution Process.
- (h) Review the complete and proper exercise of Pensions Ombudsman cases.
- (i) Review the implementation of revised policies and procedures following changes to the Scheme.
- (j) Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- (k) Review the complete and proper exercise of employer and administering authority discretions.
- (l) Review the outcome of internal and external audit reports.
- (m) Review draft accounts and Fund annual report.
- (n) Review the compliance of particular cases, projects or process on request of the Committee.
- (o) Any other area within the statement of purpose (i.e. assisting the Administering Authority) the Board deems appropriate.
- (ii) The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

- (a) Assist with the development of improved customer services.
- (b) Monitor performance of administration, governance and investments against key performance targets and indicators.
- (c) Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
- (d) Monitor investment costs including custodian and transaction costs.
- (e) Monitor internal and external audit reports.
- (f) Review the risk register as it relates to the scheme manager function of the authority.
- (g) Assist with the development of improved management, administration and governance structures and policies.
- (h) Review the outcome of actuarial reporting and valuations.
- (i) Assist in the development and monitoring of process improvements on request of Committee.
- (j) Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code.
- (k) Any other area within the statement of purpose (i.e. ensuring effective and efficient governance of the scheme) the Board deems appropriate.

Relationships

In support of its core functions the Board may make recommendations and requests for information to officers or to the Committee with regard to any aspect of the Administering Authority's function, which shall be responded to as soon as practical.

The Board should report any concerns over a decision made by the Committee to the Committee which must, within a reasonable period, consider and respond to the Board. Where the Board is not satisfied with the response received it may require that a notice of its concern be placed on the website and in the Fund's annual report.

Where the Board is satisfied that there has been a breach of regulation, which has been reported to the Committee under paragraph 33 and has not been rectified within a reasonable period of time, it is under an obligation to escalate the breach. The appropriate internal route for escalation is to the Monitoring Officer and/or the

Section 151 Officer (as appropriate).

The Board may report concerns to the full Council or the LGPS Scheme Advisory Board for consideration subsequent to, but not instead of, using the appropriate internal route for escalation.

Board members are also subject to the requirements to report breaches of law under the Act and the Code and the whistleblowing provisions set out in the Administering Authority's whistle blowing policy.

Review of terms of reference

These Terms of Reference shall be reviewed on each material change to those part of the Regulations covering local pension boards and at least every 4 years.