

Supporting Information to the Terms of Reference for the Local Government Pension Board of the City of London Pension Fund

1) Introduction

1.1 The purpose of this document is to set out supporting information to the terms of reference for the Local Government Pension Board of the City of London pension fund.

2) Role of the Local Government Pension Board

2.1 The role of the Local Government Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to –

- Assist the City of London Administering Authority as Scheme Manager;
 - to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS
 - to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulatorin such other matters as the LGPS regulations may specify
- Secure the effective and efficient governance and administration of the LGPS for the London Borough of Havering Pension Fund
- Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.

2.2 The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

2.3 The Pension Board will also help ensure that the London Borough of Havering Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

2.4 The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

2.5 In support of its core functions the Board may make a request for information to the Scheme Manager with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing.

2.6 In support of its core functions the Board may make recommendations to the Scheme Manager which should be considered and a response made to the Board on the outcome within a reasonable period of time.

3) Members of the Pension Board

3.1 The Pension Board shall consist of 6 **voting** members and be constituted as follows:

- i) **3** employer representatives;
- ii) **3** scheme member representatives;

3.2 There shall be an equal number of Scheme Member and Employer Representatives.

3.3 Scheme Member representatives

3.3.1 Scheme member representatives shall either be scheme members or have capacity to represent scheme members of the Fund.

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

3.3.3 Substitutes shall not be appointed.

3.3.4 A total of 3 scheme member representatives shall be appointed following a transparent recruitment process which should be open to all Fund members and be approved by the Administering Authority.

3.4 Employer representatives

3.4.1 Employer representatives shall be office holders or senior employees of employers of the Fund or have experience of representing scheme employers in a similar capacity. No officer or elected member of the Administering Authority who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.

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

3.4.3 Substitutes shall not be appointed.

3.4.4 2 employer representatives shall be appointed to the Board following a transparent recruitment process which should be open to all employers in the Fund and be approved by the Administering Authority.

3.5 Each employer representative and scheme member representative so appointed shall serve for a fixed 4 year period which can be extended for further period(s) subject to re-nomination.

3.6 Each Board member should endeavour to attend all Board meetings

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

- (a) A scheme member representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund.
- (b) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
- (c) A Board member no longer being able to demonstrate their capacity to attend and prepare for meetings or to participate in required training.
- (d) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
- (e) A Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Administering Authority under the Regulations.

3.8 The Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub committees, particularly where this would add skills and experience.

4) Appointment of Board Members Process

The process for selecting members of the Pension Board is set out below.

- Communications via different media will be sent to all scheme members (active, deferred and pensioners) and Employers of the fund, informing them of the creation of the board, where to find more information and how to apply for a position.
- A short list will be prepared of those applications meeting the set out criteria
- Interviews of the short list candidates, interviews to be conducted by an interview Panel established by the scheme manager.
- The administering authority shall publish the names of the Local Government Pension Board members on the City of London website www.yourpension.org.uk/CityofLondon

5) Appointment of Chairman

5.1 A Chairman and the Deputy Chairman is to be appointed by the employer and scheme member representatives of the Board from amongst their own number. Either the Chairman or the Deputy must be a Member of the Court of Common Council.

5.2 The Chairman of the Board:

- (a) Shall ensure the Board delivers its purpose as set out in these 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.

6) Quorum

6.1 The Board shall have a formal quorum of 3, including one Employer Representative and one Member Representative.

6.2 Advisers and officers do not count towards the quorum

7) Conflicts of Interest

7.1 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.

7.2 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.

7.3 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 of Interest' policy and the requirements of the Code.

8) Standards of Conduct

8.1 The role of Pension Board members requires the highest standards of conduct and therefore the "seven principles of public life" will be applied to all Pension Board members and embodied in their code of conduct.

These are –

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

9) Board Review Process

9.1 The Board will undertake each year a formal review process to assess how well it is 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 and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties including:

- The Fund's Actuary;
- The Fund's Administrator;
- The Fund's Legal Adviser;
- The Fund's Investment Manager(s);
- The Fund's Investment Adviser(s);
- The Fund's Employer Covenant Adviser;
- The Scheme Manager.
- Other advisers, so approved by the Scheme Manager.
- The Pensions Regulator

10.2 The Board shall ensure that the performances of the advisers so appointed are reviewed on a regular basis.

11) Knowledge and Skills

11.1 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 in paragraph 2 above.

11.2 A member of the Pension Board must be conversant with –

1 The legislation and associated guidance of the Local Government Pension Scheme (LGPS).

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

11.3 A member of the Pension Board must have knowledge and understanding of –

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

11.4 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. Training, as appropriate will be provided.

11.5 In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

11.6 Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

11.7 Pension Board members will comply with the Scheme Manager's training policy.

12) Board Meetings – Notice and Minutes

12.1 The Scheme Manager shall give notice to all Pension Board members of every meeting of the Pension Board. The Scheme Manager shall ensure that a formal record of Pension Board proceedings is maintained. Following the approval of the minutes by the Chair of the Board, they shall be circulated to all members.

12.2 There will be a minimum of 2 Pension Board meetings held per year.

12.3 The Chairman of the Board, following consultation with the Deputy Chairman, may call additional meetings but not less than 5 clear working days of that meeting.

13) Decision making

13.1 Each member of the Pension Board will have one vote but it is expected the Pension Board will as far as possible reach a consensus.

14) Publication of Pension Board information

14.1 Information will be posted on the City of London Pension Fund website showing:

- The names and contact details of the Pension Board members
- The representation of scheme members and employers of the Local Government Pension Board
- The role and responsibilities of the Pension Board
- The full terms of reference and policies of the Pension Board and how they operate
- The Pension Board appointment process

14.2 The Board meetings will 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).

14.3 Pension Board papers, agendas and minutes of meetings will be published on the City of London Pension Fund website. These may at the discretion of the Scheme Manager 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.

15) Accountability

15.1 The Pension Board will be collectively and individually accountable to the Scheme Manager.

16) Expense Reimbursement

16.1 The remuneration for board members will be as follows;

- Reasonable travelling expenses for training will be reimbursed up to a maximum of £50

17) Budget

17.1 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 City of London Fund

18) Reporting

18.1 The Board should in the first instance report its requests, recommendations or concerns to the Scheme Manager.

18.2 On receipt of a report under paragraph 18.1 above the Scheme Manager should, within a reasonable period, consider and respond to the Board.

18.3 Where the Board is satisfied that there has been a breach of regulation which has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.

18.4 The appropriate internal route for escalation is to the Section 151 Officer.

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

19) Review of Terms of Reference

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

19.2 These Terms of Reference were adopted on 20 October 2016

20) Definitions

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

“Pension Board” or “Board”

Means the Local Government Pension Board for the City of London administering authority for the City of London Pension Fund as required under the Public Service Pensions Act 2013

“Scheme Manager”

Means the City of London as administering authority of the City of London Pension Fund.

“Chairman”

Means the Chairman of the Pension Board

<i>“LGPS”</i>	The Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009
<i>“Scheme”</i>	Means the Local Government Pension Scheme as defined under “LGPS”
<i>“Pensions Regulator”</i>	Means the UK regulator of work-based pension schemes.
<i>‘the Fund’</i>	Means the Fund managed and administered by the Administering Authority.

21) Interpretation

21.1 Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be determined by the Scheme Manager.