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**MINUTES OF A MEETING OF THE
LOCAL PENSION BOARD
Committee Room 1-Town Hall - Town Hall
26 August 2015 (11.00 - 11.45 am)**

Present:

Justin Barrett, (Employer rep); Mark Holder (Employee rep) and David Holmes (Employer rep).

The Chairman reminded Members of the action to be taken in an emergency.

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Marsha Jane Thompson.

2 DISCLOSURE OF PECUNIARY INTEREST

There were no disclosures of interest.

3 APPOINTMENT OF CHAIR

Justin Barrett was appointed Chair of the Board until the first meeting following Annual Council.

4 TENURE OF CHAIR

The Board has agreed that the role of Chair be rotated between the Employer Representatives and Employee Representatives each year.

5 TERMS OF REFERENCE

We have agreed the Terms of Reference as revised and authorised the Chair to sign them off. The agreed Terms of Reference are attached as Appendix 'A'.

6 WORK PLAN

Having considered the list of potential items for inclusion on the Work Plan we have agreed that at the next meeting we would like to consider the TUPE transfer/Academy conversions, the Best Value directive and Fair Deal Eligibility and Admission Arrangements/bond guarantee arrangements. To

enable us to obtain greatest benefit we have asked officers to arrange suitable training prior to the meeting.

Before agreeing a Work Plan for the year we have asked officers to provide a copy of the Pensions Committee work plan to ensure that we complement the work of that Committee.

We have considered the desirability of looking at Government consultations such as the Public Sector Exit Payment Cap and await officers advice.

7 FUTURE MEETINGS

We have agreed that as a general matter all meetings will commence at 4.00pm at the Town Hall, Romford.

The dates for the next three meetings are:

- 7 October, 2015;
- 6 January, 2016; and
- 6 April, 2016.

Chairman

Terms of reference for the Local Pension Board of the London Borough of Havering Pension Fund

Terms of Reference and Delegated Authorities

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 Havering pension fund.

2) Role of the Local Pension Board

- 2.1 The role of the Local Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to –
- Assist the London Borough of Havering 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 Regulator
 - in 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 Pensions Committee 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 Pensions Committee 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 **4 voting** members and be constituted as follows:

- i) **2** employer representatives;
- ii) **2** 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 2 scheme member representatives shall be appointed from the following source:

3.3.5 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 during the year and is required to attend at least **4** meetings each year, 1 of which must be the Annual Meeting. Board members are not allowed to send a substitute in their absence. In the event that a Board member fails to attend **3** consecutive meetings, that individual will automatically be disqualified, unless the failure was due to some reason approved by the Board before the date of the 3rd consecutive meeting.

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) A scheme member representative no longer being a scheme member or a representative of the body on which their appointment relied.
- (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
- (d) A Board member no longer being able to demonstrate to the London Borough of Havering their capacity to attend and prepare for meetings or to participate in required training.
- (e) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
- (f) A Board member who is an elected member becomes a member of the Pensions Committee.
- (g) 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.
- An advert will be published on the Havering pension fund website www.yourpension.org.uk/handr inviting scheme members and employers to apply informing them of the creation of the Board, and how to be considered for appointment as a Board Member
- 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.
- Appointment of successful candidates
- The administering authority shall publish the names of the local pension board members on the Havering Pension website www.yourpension.org.uk/handr

5) Appointment of Chair

5.1 A Chair is to be appointed by the employer and scheme member representatives of the Board from amongst their own number on a rotating basis with the term of office shared between an employer and a scheme member representative on an equal basis.

5.2 The Chair 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**. In the absence of the Chair, at any meeting, the members attending can appoint a Deputy Chair for that meeting.

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 and its committees, 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 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:

- A Governance Adviser
- 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 London Borough of Havering 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.

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 **5** Pension Board meetings held per year, approximately 2 weeks after the Pensions Committee meeting, with 1 Annual meeting being held at the beginning of the committee cycle. The meetings are expected to be held during the day, normally commencing at 4pm in a Town Hall Committee room.
- 12.3 The Chair of the Board with the consent of the board members 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 Scheme members and other interested parties will want to know that the London Borough of Havering Pension Fund is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator.
- 14.2 Up to date information will be posted on the London Borough of Havering Pension Fund website showing:
- The names and contact details of the Pension Board members
 - The representation of scheme members and employers of the local 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
 -
- 14.3 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).
- 14.4 Pension Board papers, agendas and minutes of meetings will be published on the London Borough of Havering Pension Fund website, www.yourpension.org.uk/handr. 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.

14.5 The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

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;

- Board members will receive an allowance £117 (co-opted members amount for other committees) per scheduled meeting attended. No payment will be made for non-attendance.
- Reasonable travelling expenses for training will be reimbursed.

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 Havering Pension Fund and must be approved by the Section 151 Officer.

18) Reporting

18.1 The Board should in the first instance report its requests, recommendations or concerns to the Pensions Committee. In support of this any member of the Board may attend a Committee meeting as an observer.

18.2 Requests and recommendations to the Pensions Committee should be reported under the provisions of paras 2.5 and 2.6 above.

18.3 The Board should report any concerns over a decision made by the Committee to the Committee subject to the agreement of at least 50% of voting Board members.

18.4 On receipt of a report under paragraph 18.3 above the Committee should, within a reasonable period, consider and respond to the Board.

18.5 Where the Board is not satisfied with the response received, it may request that a notice of its concern be placed on the website and in the Fund's annual report.

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

18.7 The appropriate internal route for escalation is to the Monitoring Officer and/or the Section 151 Officer (as appropriate).

- 18.8 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.
- 18.9 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 whistleblowing policy].

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 26 August 2015.

20) Definitions

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

<i>"Pension Board" or "Board"</i>	Means the local Pension Board for the London Borough of Havering administering authority for the London Borough of Havering Pension Fund as required under the Public Service Pensions Act 2013
<i>"Scheme Manager"</i>	Means the London Borough of Havering as administering authority of the London Borough of Havering Pension Fund.
<i>"Chair"</i>	Means the Chair of the Pension Board
<i>"LGPS"</i>	<p>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</p> <p>In Scotland;</p> <p>The Local Government Pension Scheme as constituted by the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008, the Local Government Pension Scheme Administration) (Scotland) Regulations 2008, The Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 and the The Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010]</p>

<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 Committee’</i>	Means the committee which has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.
<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.



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