

DRAFT TERMS OF REFERENCE (EXTRACT) FOR THE PENSION BOARD OF THE LONDON BOROUGH OF HARROW PENSION FUND

1) Introduction

The purpose of this document is to set out the Terms of Reference for the Pension Board (the Board) of the London Borough Harrow Pension Fund (the Fund)

2) Role of the Local Pension Board

The Board is established under S101 of the Local Government Act 1972.

In respect of the Fund the role of the Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013, is to:

- Assist the Administering Authority (London Borough of Harrow) as Scheme Manager:
 - To secure compliance with the Local Government Pension Scheme (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 the LGPS regulations may specify
- Secure the effective and efficient governance and administration of the LGPS for the Fund
- Provide the Scheme Manager with such information as it requires to ensure that any member of the Board or person to be appointed to the Board does not have a conflict of interest

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

The Board will also help to ensure that the 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 Pensions Regulator.

The Board shall meet twice each year which is considered to be sufficiently regularly to discharge its duties and responsibilities effectively.

3) Appointment of members of the Board

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

- (i) 2 employer representatives – Administering Authority (1), other scheduled and admitted bodies (1)
- (ii) 2 scheme member representatives – active members (1), pensioners (1)

- (iii) 1 independent members selected by Administering Authority – who should be a governance specialist

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

- (i) Employer representatives
 - Administering Authority – to be appointed by the Full Council of the London Borough of Harrow
 - Other scheduled and admitted bodies – candidate(s) to be nominated to Administering Authority; if more than 1 nominated, Administering Authority to select
- (ii) Scheme member representatives – to be selected through a process administered by the Administering Authority
- (iii) Independent members – applications to be invited by advertisement with appointment to be made by Administering Authority

Each member of the Board will be elected / selected for a period of three years subject to compliance with conditions of appointment.

The Chair of the Board will be elected by the Board at their first meeting for a period of three years. It will be the role of the Chair to ensure that all members of the Board show due respect for the process, that all views are fully heard and considered and to determine when consensus has been met.

Each Board member shall endeavour to attend both Board meetings during the year and is required to attend at least one meeting each year. In the event of persistent non-attendance by any Board member, the tenure of that membership shall be reviewed by the other Board members in liaison with the Administering Authority.

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. The removal of either of the independent members requires the consent of the Administering Authority.

The Board may, with the approval of the Administering Authority, co-opt persons who are not members of the Board to serve on a sub-committee, particularly where this would add skills and experience. The maximum number of co-opted members to the sub-committee shall be 2.

4) Knowledge and Skills

Each member of the Board must be conversant with:

- The legislation and associated guidance of the LGPS
- Any document recording policy about the administration of the LGPS which is for the time being adopted by the Fund

A member of the Board must have a knowledge and understanding of:

- The law relating to pensions
- Any other matters which are prescribed in relevant regulations

It is for individual Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them properly to exercise their functions as a member of the Pension Board

In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to keep their knowledge up to date. Board members are therefore required to maintain a written record of relevant training and development, undertake a personal training needs analysis and regularly review their skills, competencies and knowledge.

5) Board Meetings – Notice and Minutes

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

The meetings will be held twice a year at roughly six monthly intervals at London Borough of Harrow, Civic Centre, Station Road, Harrow HA1 2XF

6) Decision making

Each member of the Board will have an individual voting right but it is expected that the Board will, as far as possible, reach a consensus. The Chair of the Board will have the final deciding vote which will be reported to the Administering Authority.

7) Accountability

The Board will refer all relevant decisions to the Pension Fund Committee of the London Borough of Harrow and will present a report on its work to the Full Council of the London Borough of Harrow once a year.

8) Expense Reimbursement

Each member of the Board and any co-opted members will be reimbursed at a rate of £350 per meeting.