

LONDON BOROUGH OF HARROW PENSION FUND

PENSION BOARD

TERMS OF REFERENCE

1) Introduction

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

2) Powers of the Board

The Board will exercise all its powers and duties in accordance with the law and this Terms of Reference.

3) Role of the Board

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 in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including:

- securing compliance with the LGPS regulations and other legislation relating to the governance and administration of the LGPS;
- securing compliance with requirements imposed in relation to the LGPS by the Pensions Regulator; and
- such other matters the LGPS regulations may specify.

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.

In its role, The Board will have oversight of the administration of the fund including:

- a) The effectiveness of the decision making process
- b) The direction of the Fund and its overall objectives
- c) The level of transparency in the conduct of the Fund's activities
- d) The administration of benefits and contributions

The Board will 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 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. It will help to ensure that the Fund is managed in the same way.

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

4) Membership

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

- (i) 2 Employer representatives – Administering Authority (1), other scheduled and admitted bodies [ie organisations other than the Administering Authority who, under the regulations, can participate in the LGPS] (1);
- (ii) 2 Scheme Member representatives – active members (1), pensioners (1); and
- (iii) 1 independent member

Elected Members and officers involved in the management and administration of the Fund are not permitted to become Board members.

Only the Employer and Scheme Member representatives will have voting rights.

Each member of the Board will serve or a period of three years, subject to compliance with conditions of appointment.

The Chair and Deputy Chair of the Board will be elected by the Board at its first meeting and will serve for a period of three years. Should the elected Chair be an Employer representative the Deputy Chair must be a Scheme Member representative and vice versa.

The Chair will ensure that meetings are properly conducted and the decision of the Chair on all points of procedure and order shall be final.

The Board may, with the approval of the Administering Authority, co-opt persons with sufficient skills and experience to advise and support them. Co-optees are not Board members and do not have voting rights.

Each Board Member should endeavour to attend all Board meetings during the year. In the event of consistent non-attendance by any Board Member the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

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 other members and with the agreement of the Scheme Manager. Should any member of the Board cease to be a member of the relevant group for which he/she has been appointed he/she will automatically cease to be a member of the Board and the Administering Authority will conduct a replacement process.

5) Appointment of Board members

All Board members will be appointed by Full Council. It is a statutory requirement that the Administering Authority must be satisfied that a person to be appointed as an Employer or Scheme Member representative has the relevant experience and capacity to represent employers or scheme members (as appropriate)

- Administering Authority to nominate one Employer representative
 - The second Employer representative to be nominated by the scheduled and admitted bodies. If more than one is nominated, Council will determine who is to be appointed.
- (i) Scheme Member representatives to be selected through a process administered by the Administering Authority with a recommendation to Council
- (ii) Independent member – applications to be invited by public advertisement with a recommendation by the s151 Officer to Council.

6) Standards of conduct and conflicts of interest

All members of the Board are expected to act in accordance with the Code of Conduct for Councillors where applicable and the Pensions Regulator's Code of Practice. In accordance with s5(5) Public Service Pension Act 2013, a Board member must not have a financial or other interest that could prejudice him/her in carrying out his/her Board duties. This does not include a financial or other interest arising merely by virtue of being a member of the LGPS.

The policy for identifying conflicts of interest is set out in a separate policy document.

7) Knowledge and Skills

Following appointment each member of the Board should 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

The Administering Authority will provide a training programme which all Board members will be required to attend.

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 Board and therefore, must comply with the Board's Knowledge and Understanding and Training Policy.

8) Accountability

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

The Board will refer all relevant recommendations and decisions to the Pension Fund Committee of the Administering Authority and, where appropriate, to Full Council. It will present a report on its work to the Full Council once a year.

9) Decision making

Each voting 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, so long as he/she has voting rights, will have the final deciding vote.

10) Quorum

A quorum will comprise 3 of the 5 members of which at least one shall be an Employer representative and one a Scheme Member representative.

11) Meetings

The Board shall meet twice a year.

The Chair of the Board, in consultation with the Administering Authority will prepare an agenda for each meeting of the Board. The administration of the Board will be in accordance with the normal procedures of the London Borough of Harrow.

An extraordinary meeting will be called when the Chair considers this necessary and/or in circumstances where the Chair receives a request in writing by 50% of the voting membership of the Board

12) Publication of Pension Board Information

The Administering Authority will publish up to date information on the Council's website including:

- The names of the Board member
- The Board's Terms of Reference
- Papers, agendas and minutes of Board meetings.

13) Advice to the Board

The Board will be supported in its role and responsibilities by the Administering Authority through advice and support as appropriate.

14) Expense Reimbursement

Each member of the Board and any co-opted persons, excluding elected Councillors of the London Borough of Harrow and Council Officers will be reimbursed at a rate of £445 per annum (exclusive of VAT if payable). All members of the Board and any co-opted persons will be paid “out-of-pocket” expenses when carrying out the functions of the Board including approved training.

15) Definitions

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

<i>Administering Authority</i>	London Borough of Harrow
<i>Board or Pension Board</i>	The local Pension Board for the London Borough of Harrow, Administering Authority for the London Borough of Harrow Pension Fund as required under the Public Service Pensions Act 2013
<i>Board Member</i>	A member of the Board including Employer representatives, Scheme Member representatives and an independent member
<i>Code of Practice</i>	The Pensions Regulator’s [draft] Code of Practice no 14 entitled “ <i>Governance and administration of public service pension schemes.</i> ”
<i>Conflicts of Interest</i>	As defined in the Public Service Pensions Act 2013
<i>Conflicts of Interest Policy</i>	The policy on conflicts of interest as adopted by the Board
<i>Employer Representative</i>	A person appointed to the Board for the purpose of representing employers for the Scheme
<i>Fund</i>	The London Borough of Harrow Pension Fund within the Scheme administered and maintained by the Scheme Employer
<i>Independent Member</i>	A Member of the Board who is neither an Employer Representative nor a Member Representative
<i>Knowledge and Understanding and Training Policy</i>	The training policy as adopted by the 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>Member Representative</i>	A person appointed to the Board for the purpose of representing members of the Scheme

<i>Scheme</i>	The Local Government Pension Scheme as defined under LGPS.
<i>Scheme Manager</i>	London Borough of Harrow as administering authority of the London Borough of Harrow Pension Fund

16) Interpretation

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