

# THE SURREY LOCAL PENSION BOARD

## TERMS OF REFERENCE



### Surrey Local Pension Board

#### Membership: Total Ten

Four employee representatives

Four employer representatives

The Local Pension Board may also contain two other members

### Terms of Reference

#### 1. Introduction

- 1.1 This document sets out the terms of reference of the Local Pension Board of Surrey County Council (the 'Administering Authority') as Scheme Manager, as defined under Section 4 of the Public Service Act 2013.
- 1.2 The Local Pension Board is established in accordance with Section 5 of that Act and under Regulation 106 of the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended).

#### 2. Role of the Local Pension Board

- 2.1 The role of the local Pension Board, as defined by Regulation 106 of the Local Government Pension Scheme Regulations 2013 is to assist the County Council as Administering Authority:
  - (a) to secure compliance with:
    - (i) the scheme regulations;
    - (ii) any other legislation relating to the governance and administration of the LGPS Scheme and any connected scheme;
    - (iii) any requirements imposed by the Pensions Regulator in relation to the LGPS Scheme.
  - (b) to ensure the effective and efficient governance and administration of the LGPS Scheme.
- 2.2 The Local 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 Local Pension Board will also help ensure that the Surrey 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 Local Pension Board has power to do anything that is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.

2.5 The Local Pension Board should always act within its terms of reference.

### **3. Establishment of the Local Pension Board**

3.1 The Local Pension Board is established on 1 April 2015, subsequent to approval by Surrey County Council on 17 March 2015.

### **4. Appointment of members of the Local Pension Board and voting rights of Local Pension Board members**

4.1 The composition of the members of the Local Pension Board is as follows:

The Local Pension Board shall consist of at least eight members and may contain up to 10 members. It shall be constituted as follows:

- i) Four employer representatives;
- ii) Four scheme member (employee) representatives;
- iii) The Local Pension Board may also contain two independent members.

4.2 The Local Pension Board shall be constituted as follows:

- Employer representatives
  - 2 x Surrey County Councillors
  - 2 x other employer representatives to come from nominations from other employers in the fund (e.g. District, Borough and Parish Councils, Academies, Police and other scheduled or admitted body employers in the Surrey Pension Fund).
- Member representatives
  - 1 x GMB nominated representative
  - 1 x Unison nominated representative
  - 2 x other member representatives
- The Local Pension Board may also contain other members
  - 2 x members from an external source (to be recommended by the appointment panel).

4.3 Scheme member and employer representatives shall be appointed in equal number and shall together form the majority of the Local Pension Board membership.

4.4 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 Local Pension Board.

4.5 Each Local Pension Board member so appointed shall serve for the life of the current Surrey County Council, a defined, fixed period which can be extended for further periods subject to re-nomination.

4.6 Each Local Pension Board member should endeavour to attend all Board meetings during the year. Substitutes will be permitted to attend on behalf of absent Local Pension Board members.

4.7 Each employer representative on the Local Pension Board should be able to demonstrate their capacity to represent scheme employers of the Surrey Pension Fund.

- 4.8 Each member representative on the Local Pension Board should be able to demonstrate their capacity to represent scheme members of the Surrey Pension Fund.
- 4.9 Each Local Pension Board member should participate in training when required.
- 4.10 Members of the Local Pension Board shall be appointed by the Scheme Manager through the People, Performance and Development Committee and in accordance with the Appointment and Termination Process.
- 4.11 The Appointment Panel shall be made up of the following:
- the Chairman of the Pension Fund Board
  - the Director of Finance (or her nominee)
  - the Strategic Finance Manager (Pension Fund and Treasury)
  - the Director of Legal and Democratic Services (or her nominee)
- 4.12 Each employer representative and member representative of the Local Pension Board will have an individual vote on any matter needing a decision. Independent Members of the Local Pension Board do not have voting rights. It is expected that the Local Pension Board will, as far as possible, reach a consensus.

## **5. Appointment and duties of the Chair and Vice Chair of the Local Pension Board**

- 5.1 A Chairman and Vice Chairman of the Local Pension Board to be appointed by the Scheme Manager through the People, Performance and Development Committee and in accordance with the Appointment Process.
- 5.2 It will be the role of the Chairman of the Local Pension Board to ensure that all members of the Local Pension Board show due respect for process, that all views are fully heard and considered, and to determine when consensus has been met.
- 5.3 The full responsibilities of the Chairman of the Local Pension Board are contained in the **Chairman of the Local Pension Board role description**.
- 5.4 The Vice Chairman shall undertake the duties of the Chairman in the event of the Chairman's absence.

## **6. Notifications of appointments to the Local Pension Board**

- 6.1 When appointments to the Local Pension Board have been made, the Scheme Manager shall publish the name of the Local Pension Board members, the process followed in the appointment together with the way in which the appointment supports the effective delivery of the purpose of the Local Pension Board.

## **7. Termination of membership of the Local Pension Board**

- 7.1 Any termination of membership of the Local Pension Board will be in accordance with the **Appointment and Termination Process**.
- 7.2 Membership of the Local Pension Board may be terminated due to:
- i) a member representative appointed on the basis of their membership of the scheme no longer being a scheme member of the Fund;

- ii) an employer representative no longer holding the office or employment or being a member of the body on which their appointment relied;
- iii) a Local Pension Board member no longer being able to demonstrate to the Scheme Manager their capacity to attend and prepare for meetings or to participate in required training or otherwise to carry out the requirements of the role appropriately;
- iv) a Local Pension Board member having a conflict of interest which cannot be managed in accordance with the Local Pension Boards **Code of Conduct and Conflict of Interest Policy**;
- v) a Local Pension Board member becomes responsible for the discharge of any function of the Administering Authority under the Regulations;
- vi) the Scheme Manager may at its discretion terminate the membership of a Local Pension Board member if it believes that it appropriate and is consistent with the role of the Local Pension Board to do so.

## 8. Conflict of Interests

- 8.1 The Scheme Manager will approve a **Code of Conduct and Conflict of Interest Policy** which will be adopted by the Local Pension Board and by which members of the Local Pension Board will need to abide. Members of the Local Pension Board will provide any information the Scheme Manager reasonably requires from time to time to ensure that members do not have a conflict of interest.

## 9. Knowledge and Skills

- 9.1 In accordance with section 248A of the Pensions Act 2004 (“the 2004 Act”), every individual who is a member of a Local Pension Board must be conversant with:
- i) the regulations governing the LGPS; and
  - ii) any document or policy about the administration of the Fund.
- 9.2 Local Pension Board members should also have a knowledge and understanding of:
- i) the law relating to pensions; and
  - ii) such other matters as may be prescribed
- 9.3 The Local Pension Board shall adhere to the Scheme Manager’s **Attendance and Knowledge and Understanding Policy** to address the knowledge and skills requirements that apply to Local Pension Board members under the 2004 Act.
- 9.4 It is for individual Local Pension Board members to ensure they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Local Pension Board.
- 9.5 In line with this requirement, Local Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Local Pension Board members are therefore required to maintain a written record of relevant training and development.
- 9.6 Local Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. Local Pension Board members will comply with the Scheme Manager’s **Attendance and Knowledge and Understanding Policy**.

## **10. Local Pension Board Meetings: Notice and Public Access to Local Pension Board Meetings and Information**

- 10.1 There will be a sufficient number of meetings to enable the Local Pension Board to discharge its functions effectively, as decided by the Chairman of the Local Pension Board with the consent of the Local Pension Board members, and no fewer than two Local Pension Board meetings a year.
- 10.2 The Scheme Manager shall give notice to all Local Pension Board members of every meeting of the Local Pension Board, which will be held in public (apart from confidential matters). All members will be normally be sent an agenda and papers at least five working days before the meeting unless an urgent meeting is required.
- 10.3 Any meeting of the Local Pension Board will include provision for confidential matters or matters that would involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 to be dealt with privately in Part 2 and any documents in connection with such matters will be dealt with confidentially.
- 10.4 The Scheme Manager shall ensure that a formal record of Local Pension Board proceedings is maintained. Following the approval of the minutes by the Chairman of the Local Pension Board, they shall be circulated to all members.
- 10.5 All agendas, reports and minutes will be available on the website except for any confidential or exempt matters.
- 10.6 In accordance with the Public Service Pensions Act 2013, the Administering Authority shall publish information about the Local Pension Board to include:
  - i) the names of the Local Pension Board members and their contact details;
  - ii) the representatives of employers and members of the Local Pension Board;
  - iii) the role of the Local Pension Board;
  - iv) the Terms of Reference.

## **11. Quorum**

- 11.1 The Local Pension Board shall have a quorum of no fewer than four members which should always include the Chairman or the Vice Chairman, at least one employer representative and at least one member representative.

## **12. Local Pension Board Costs and Budget**

- 12.1 The Local Pension Board is to be provided with adequate resources to fulfil its role. In doing so, the budget for the Local Pension Board will be met from the Surrey Pension Fund.
- 12.2 The Local Pension Board will seek approval from the Director of Finance for any expenditure it wishes to make.

## **13. Core Functions of the Local Pension Board**

- 13.1 The first core function of the Local Pension Board is to assist the Scheme Manager in securing compliance with the Regulations, any other legislation relating to the

Scheme and requirements imposed by the Pensions Regulator in relation to the Scheme.

- 13.2 The second core function of the Local Pension Board is to ensure the effective and efficient governance and administration of the Scheme.
- 13.3 In support of its core functions the Local Pension Board may request information from the Surrey Pension Fund Committee with regard to any aspect of the Scheme Manager function. Any such request should be reasonably complied with.
- 13.4 The Local Pension Board may make recommendations to the Surrey Pension Fund Committee. This recommendations should be given due consideration and a response made to the Local Pension Board within a reasonable period of time.

#### **14. Reporting Arrangements**

- 14.1 The Local Pension Board should report to the Surrey Pension Fund Committee in the first instance.
- 14.2 On receipt of a report from the Local Pension Board, the Surrey Pension Fund Committee should consider and respond to the Local Pension Board within a reasonable period of time.
- 14.3 Where the Local Pension Board is satisfied that there has been a breach of regulation which is reported to the Surrey Pension Fund Committee and is not been rectified within a reasonable period of time the Local Pension Board has a duty to escalate this perceived breach
- 14.4 The appropriate internal route for escalation is the Strategic Finance Manager, Pension Fund and Treasury.
- 14.5 The Local Pension Board may report concerns to the LGPS Scheme Advisory Board subsequent to the internal route for escalation.
- 14.6 Local Pension Board members are subject to the requirement to report breaches of law to the Pension Regulator under the Act and the Code,

#### **15. Local Pension Board Review Process**

- 15.1 The Local Pension Board will undertake each year a formal review process to assess how well it and the members are performing with a view to seeking continuous improvement in the Local Pension Board's performance.

#### **16. Advisors to the Board**

- 16.1 The Local Pension Board may be supported in its role and responsibilities through the appointment of advisors and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisors to the Local Pension Board and on such terms as it shall see fit to help better perform its duties including:
  - i) any Governance Advisor
  - ii) the Fund's Actuary;
  - iii) the Fund's Administrator;
  - iv) the Fund's Legal Advisor;
  - v) the Fund's Investment Manager(s);
  - vi) the Fund's Investment Advisor(s);

- vii) the Fund's Employer Covenant Advisor;
- viii) the Scheme Manager;
- ix) other advisors as approved by the Scheme Manager.

**17. Code of Conduct**

- 17.1 The Scheme Manager will approve a **Code of Conduct and Conflict of Interests Policy** which will be adopted by the Local Pension Board and which members of the Local Pension Board will need to abide by.

**18. Data Protection and Freedom of Information**

- 18.1 The Local Pension Board and its members will need to comply with the Scheme Manager's Data Protection and Freedom of Information Policy.

**19. Accountability**

- 19.1 The Local Pension Board will be collectively and individually accountable to the Scheme Manager and to the Pensions Regulator.

**20. Acceptance and Review of Terms of Reference**

- 20.1 These Terms of Reference will be reviewed on each amendment to those parts of the Regulations covering Local Pension Boards.
- 20.2 The Terms of Reference to be adopted on 17 March 2015
- 20.3 Version 2 of the Terms of Reference was adopted on 18 September 2015
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