

**LOCAL PENSION BOARD OF BEDFORD BOROUGH COUNCIL**  
**TERMS OF REFERENCE (Revised 2018)**

**Introduction**

1. This document sets out the terms of reference of the Local Pension Board of Bedford Borough Council (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as 'the Board') is established in accordance with Section 5 of that Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013(as amended).
2. The Board is established by Bedford Borough Council as the Administering Authority and operates independently of the Pension Fund Committee.
3. The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or Officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly included or referred to in this document.

**Interpretation**

4. The following terms have the meanings as outlined below:

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| <b>'the Act'</b>       | The Public Service Pensions Act 2013   |
| <b>'the Code'</b>      | means the Pension Regulator's Code of Practice No 14 "Governance and Administration of Public Service Pension Schemes"                       |
| <b>'the Committee'</b> | means the committee which has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972. |

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| <b>‘the Fund’</b>             | means the Fund managed and administered by the Administering Authority.  |
| <b>‘the Guidance’</b>         | means the guidance on the creation and operation of local pension boards issued by the Scheme Advisory Board.  |
| <b>‘the Regulations’</b>      | means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings & Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time). |
| <b>‘Relevant legislation’</b> | means relevant overriding legislation as well as the Pension Regulator’s Codes of Practice as they apply to the Administering Authority and the Board notwithstanding that the Codes of Practice are not legislation.  |
| <b>‘the Scheme’</b>           | means the Local Government Pension Scheme (LGPS) in England and Wales.   |

### **Statement of Purpose**

5. The purpose of the Board is to assist the Administering Authority in its role as a Scheme Manager of the Scheme. Such assistance is to:
  - (a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and;
  - (b) to ensure the effective and efficient governance and administration of the Scheme.

This includes undertaking work requested by the Administering Authority and covers all aspects of governance and administration of the LGPS including funding and investments.

6. The Board may not make decisions which are the responsibility of the Bedfordshire Pension Fund Committee.

### **Duties of the Board**

7. The Board will at all times act in a reasonable manner in the conduct of its business. In support of this duty all Board members are subject to and must abide by Bedford Borough Council's code of conduct for members which will apply to all members of the Local Pension Board when acting in that capacity.

### **Membership**

8. The Board shall consist of eight voting members and one non-voting independent member may be appointed, as follows:

Four Scheme Member Representatives; and

Four Scheme Employer Representatives, and

One Independent Member may be appointed and, where that is the case, that Independent Member would act as Chair of the Pension Board.

Each Employer and Member representative of the Board shall have an individual voting right. An Independent Chair is explicitly excluded from having the right to vote in accordance with regulation 106 (7) of the LGPS Regulations

In the event of equality of voting on any decision the status quo will prevail. It is expected the Board will as far as possible reach a consensus.

### **Scheme Member Representatives**

9. Scheme Member representatives shall either be Scheme Members or have capacity to represent Scheme Members of the Fund.
10. Scheme Member representatives must be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
11. Substitute Scheme Members may be appointed by the Administering Authority and may attend Board meetings in place of

full Members, provided they have undertaken the similar training as full Members.

12. A total of four Scheme Member representatives shall be appointed by the Administering Authority following a transparent recruitment process open to all Fund Members.

### **Scheme Employer Representatives**

13. Scheme 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.
14. Scheme Employer representatives must be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
15. Substitute Employer Members may be appointed by the Administering Authority and may attend Board meetings in place of Full Members, provided they have undertaken the same training as Full Members.
16. A total of four Scheme employer representatives shall be appointed to the Board by the Administering Authority who will ask all employers to notify their interest in undertaking the role of Scheme Employer Representative on the Board.

### **Election of Chair and Vice Chair**

17. Regarding the Chair and Vice Chair:
  - a) Where no Independent Chair has been appointed or is in place, the Chair will be elected annually by the Board from amongst their own number. Otherwise, an independent Chair may be appointed for the Board by the Administering Authority. In this respect the term independent means having no pre-existing employment, financial or other material interest in either the Administering Authority or any scheme employer in a fund or funds administered by the Administering Authority or would not be a scheme member of the Local Government Pension Scheme in a fund administered by the Administering Authority. The appointment of the chair shall be subject to the passing of a motion to confirm by a majority of the Employer and Member representatives of the Board.
  - b) The Chair will be appointed for a period of up to but not exceeding four years.

- c) An Independent Chair will have no voting rights.
- d) The Vice Chair of the Board will be elected annually by the Board from amongst their own number.

### **Duties of Chair**

- 18. 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.

### **Notification of Appointments**

- 19. When appointments to the Board have been made the Administering Authority shall publish the name of Board Members, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.

### **Terms of Office**

- 20. The term of office for Board members is four years.
- 21. Extensions to terms of office may be made by the Administering Authority with the agreement of the Board.
- 22. A Board member may be appointed for further terms of office using the methods set out in paragraphs 12 and 16 above.
- 23. Board membership may be terminated prior to the end of a representative's 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 (where applicable);
- c) A Scheme Employer representative no longer holding the office or employment or being a member of the body on which their appointment relied (where applicable);
- d) A Board member no longer being able to demonstrate to the Administering Authority their capacity to attend and prepare for meetings or to participate in required training;
- e) A representative being withdrawn by their nominating body and a replacement notified to the Administering Authority;
- f) A Board member having a conflict of interest which cannot be managed in accordance with the Board's conflict policy;
- g) A Board member who is an elected member becoming a member of the Pension Fund Committee;
- h) A Board member who is an office holder of the Administering Authority becoming responsible for the discharge of any function of the Administering Authority under the Regulations.

24. The position of Independent Chair may be terminated prior to the end of the term of office due to:

- a) Joint agreement between the Independent Chair and the Administering Authority;
- b) The Independent Chair being unable to demonstrate to the Administering Authority their capability to perform the role of Chair to an acceptable standard;
- c) Any serious or gross misconduct on the part of the Independent Chair;
- d) Any of the reasons listed in paragraph 23 above which make it untenable for the Independent Chair to continue to be a Board Member.

### **Conflicts of Interest**

25. All members of the Board must register with the Administering Authority on their appointment, and at any such time as their

circumstances change, their local and Disclosable Pecuniary Interests which they are required to register under the Administering Authority's Code of Conduct for Members and any other potential conflict of interest arising as a result of their position on the Board.

*(Note: 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.)*

26. On appointment to the Board and following any subsequent declaration of a 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 Policy and the requirements of the Code of Conduct.

### **Knowledge and Understanding (including Training)**

27. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board Members under the Act. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.
28. Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's Knowledge and Understanding Policy and Framework.
29. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

### **Meetings**

30. The Board shall, as a minimum, meet twice each year.
31. Meetings will normally take place at 4.00pm at Borough Hall, Bedford, unless otherwise determined by the Board.
32. The Chair of the Board with the consent of the Board membership may call additional meetings if s/he considers these are required.

## **Quorum**

33. The quorum for Board Meetings is 50% of both Scheme Member and Scheme Employer representatives; and either the Chair or Vice Chair will be present for the meeting to be quorate. For the avoidance of doubt, an Independent Chair qualifies as a Board Member for the purpose of forming a quorum as set out in the previous sentence.
34. A meeting that becomes inquorate may continue informally but any business conducted will be non-binding.

## **Board Administration**

35. Prior to each Board meeting, the Chair shall agree an agenda with the Administering Authority's Assistant Chief Executive (Enabling) or the Assistant Chief Executive (Law and Governance) acting in the capacity of 'Monitoring Officer' (or their nominee, the Chief Officer for Democratic and Registration Services acting as the 'Board Secretary').
36. The agenda and supporting papers will be issued at least five clear working days in advance of each meeting unless a meeting is convened at shorter notice.
37. Bedford Borough Council's Procedure Rules for Committee meetings will be followed by the Board.
38. Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members as soon as possible after the meeting. These draft minutes will be subject to formal agreement by the Board at their next meeting.
39. The Board Secretary has discretion to edit the minutes of Board meetings so as to exclude from the minutes available to the public, content that would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or is confidential for the purposes of Section 100A(2) of that Act and/or represents data covered by the current Data Protection legislation.
40. The Administering Authority's Chief Officer for Corporate Finance and Pensions, acting as the 'Head of Pensions' shall ensure that Board Members meet and maintain the knowledge and understanding required by the Boards' Knowledge and Understanding Policy and Framework and other guidance or legislation.
41. The Administering Authority, Head of Pensions, shall arrange such advice as is required by the Board subject to such conditions as are listed in these Terms of Reference for the use of the budget set for the Board.

42. The Board Secretary shall ensure an attendance record is maintained and shall advise the Administering Authority on the allowances and expenses to be paid under these terms.
43. The Board Secretary shall liaise with the Administering Authority on the requirements of the Board, including advance notice for Officers to attend and arranging dates and times of Board meetings.
44. The Assistant Chief Executive (Law and Governance) shall be authorised to make all consequential amendments to these delegations to reflect both legislation that is subsequently superseded and changes to the responsibilities of specific officers and office holders otherwise lawfully made.

### **Public Access to Board Meetings and Information**

45. The Board meetings will be open to the public unless the Board is considering items of business which involve the disclosure of exempt or confidential information under the Local Government Act 1972 or the current Data Protection legislation which will preclude part (or all) of the meeting from being open to the public.
46. The following will be entitled to attend Board meetings in an observer capacity:
  - a) Members of the Pension Fund Committee;
  - b) Any person requested to attend by the Board.

Any such attendees will be permitted to speak at the discretion of the Chair.
47. In accordance with the Act the Administering Authority shall publish information about the Board which will include:
  - a) The names of Board Members and their contact details;
  - b) The representation of Scheme Employers and Scheme Members on the Board;
  - c) The role of the Board;
  - d) These Terms of Reference;
  - e) Agendas and minutes of the Board's meetings;
  - f) Attendance logs;
  - g) An annual report on the work of the Board, including training provided and undertaken, which will be included in the Fund's own Annual Report.
48. All or some of this information may be published using the following means or other means as considered appropriate from time to time:

- a) On the Fund's website;
- b) As part of the Fund's Annual Report;
- c) As part of the Governance Compliance Statement.

Content may be excluded from the information published on the grounds that it would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A to the Local Government Act 1972 or the disclosure of confidential information as defined in Section 100A(2) of that Act and/or information which constitutes the disclosure of data covered by the current Data Protection legislation.

### **Expenses and Allowances**

- 49. The Administering Authority will meet the expenses of Board members in line with the Administering Authority's policy on expenses as set out in its prevailing Members Allowances Scheme.

### **Budget**

- 50. The Board will be provided with adequate resources to fulfil its role. The Board's budget will be met from the Fund and will be determined for the Board's first year of operation by the Administering Authority, who will allocate the budget which will be managed by and, at the discretion of the Board. Thereafter, the Board will seek approval from the Administering Authority for its budget on an annual basis.

### **Reporting**

- 51. The Board will, in the first instance, report its requests, recommendations or concerns to the Committee. In support of this any Member of the Board may attend a Committee meeting as an observer.
- 52. The Board should report any concerns over a decision made by the Committee to the Committee, subject to the agreement of a simple majority of Members present who are entitled to vote and where the meeting remains quorate.
- 53. On receipt of a report under paragraph 50 above the Committee will, within a reasonable period, consider and respond to the Board.
- 54. Where the Board is not satisfied with the response received it may request that a notice of concern be placed on the Fund's website and in the Fund's Annual Report.

- 55. Where the Board is satisfied that there has been a breach of regulation which has been reported to the Committee under paragraph 50 and has not been rectified, within a reasonable period of time, it is under an obligation to escalate the breach.
- 56. The appropriate internal route for escalation is to the Administering Authority's Monitoring Officer and/or the Section 151 Officer (as appropriate).
- 57. 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.
- 58. Board members are subject to the requirements to report breaches of law under the Act and the Code and would be subject to the protection under the Administering Authority's Confidential Reporting Policy.
- 59. Board Members are able to put forward ideas for investigation or scrutiny by the Board.

**Review of Terms of Reference**

- 60. These Terms of Reference shall be reviewed on each material change to the Regulations relating to local pension boards and in any event after the first full year of operation of the Board and thereafter annually.

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