

## **EAST RIDING PENSION FUND PENSION BOARD**

### **TERMS OF REFERENCE**

#### **1. Introduction**

The purpose of this document is to set out the Terms of Reference for the Pension Board (the Board) of the East Riding Pension Fund.

#### **2. Responsibility and Role of the Board**

The responsibility of the Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013, is to assist the Administering Authority (East Riding of Yorkshire Council) 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 as 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 and secure compliance with any requirements imposed by the Pensions Regulator.

In its role, the Board will have oversight of the administration and governance of the Fund including:

- the effectiveness of the decision making process;
- the direction of the Fund and its overall objectives;
- the level of transparency in the conduct of the Fund's activities; and,
- the administration of benefits and contributions.

Subject to further details, the activity of the Board will include:

- reviewing the Fund's governance and policy documents;
- reviewing compliance with the Fund's governance and policy documents;
- reviewing the administrative and investment performance of the Fund;
- reviewing shareholder voting and engagement arrangements;
- reviewing the Fund's Risk Register;
- reviewing Audit and Assurance reports; and,
- reviewing the Fund's website.

### **3. Membership**

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

- three Employer Representatives – Administering Authority (1), other scheme employers (ie organisations other than the Administering Authority who, under the Regulations, can participate in the LGPS) (2); and,
- three Scheme Member Representatives – active members (1), pensioner members (1), active/pensioner or deferred member (1).

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

Members of the Board will serve for a term of three years following which they may either retire from the Board or seek nomination for an additional term. The term of office may otherwise come to an end:

- for Scheme Member Representatives if they cease to be a member of the relevant group; and,
- for Employer Representatives who are councillors if they cease to hold office as a Councillor.

The Chair of the Board will be elected by the Board at its first meeting and will serve for a period of three years.

The Board may, with the approval of the Administering Authority, co-opt persons to advise and support them. Co-optees are not Board members and do not have voting rights. Due to the specialist knowledge and understanding required, Members will not be permitted to send substitutes to meetings when they are unable to attend themselves.

### **4. Appointment of Board Members**

- Three Employer Representatives:
  - one Employer Representative will be a Councillor from East Riding of Yorkshire Council who is not a member of the Pensions Committee and will be selected by the Council having taken account of their relevant experience, their capacity to represent other scheme employers and their knowledge and understanding of the LGPS; and,
  - two Employer Representatives to be nominated by the employer's forum – having demonstrated their relevant experience, their capacity to represent other scheme employers and their knowledge and understanding of the LGPS. In the event of there being more than two nominations, the Scheme Manager will carry out a selection process.

- Three Scheme Member Representatives:

To be identified as follows: the Administering Authority shall contact all Scheme Members including unions and professional associations affiliated to the Authority advising them of the role, the necessary knowledge and understanding required and the process applying toward becoming a Board Member; individual Scheme Members may put themselves forward; there will then be a selection process carried out by the Scheme Manager to assess relevant experience, their capacity to represent scheme members and their knowledge and understanding of the LGPS.

Members in all categories will only be appointed to the Pension Board by the Administering Authority if they either meet the knowledge and skills requirements set out in the relevant regulations and guidance (see Section 9) or commit to do so within three months of the appointment date.

## **5. Meetings**

The Board shall meet four times a year, at the Council's Offices in Goole during working hours.

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.

## **6. Quorum**

A quorum will comprise three of the six members of which at least one shall be an Employer Representative and one a Scheme Member Representative.

## **7. 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.

## **8. Standards of Conduct and Conflicts of Interest**

The principles included in the East Riding of Yorkshire Council's Code of Conduct for Members will apply to all Members of the Board. The Code is set out in the Council's Constitution <http://www2.eastriding.gov.uk/council/committees/the-council/council-constitution-political-control-and-councillor-information/>. In accordance with s5(5) of the Public Service Pensions Act 2013, a Board Member must not have a financial or other interest that could prejudice them in carrying out their Board duties. Conflicts of interest shall be managed taking into account both the regulations set out in East Riding of Yorkshire Council's Constitution and the advice provided by the Pensions Regulator. This does not include a financial or other interest arising merely by virtue of being a member of the LGPS.

## **9. Knowledge and Skills**

Following appointment, each Member of the Board should be conversant with:

- the legislation and associated guidance of the LGPS; and,
- 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.

## **10. Accountability**

The Board will refer all relevant recommendations and decisions to the Pensions Committee of the Administering Authority and, where appropriate to Full Council. It will present a report on its work each year within the Pension Fund's Annual Report and Accounts

## **11. 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; and,
- papers, agendas and minutes of Board meetings.

## **12. Data Protection**

The Administering Authority is and remains the data controller responsible for Data Protection Act compliance.

## **13. Expense Reimbursement**

Board Members will be reimbursed travel and subsistence costs in line with the Administering Authority's Members Allowance Scheme.

**The establishment of the Local Pension Board was approved on 25 February 2015 by East Riding of Yorkshire Council.**