

ISLE OF WIGHT LOCAL PENSION BOARD COMMITTEE

1. Terms of Reference and Delegated Authorities

1.1. Introduction

- i) The purpose of this document is to set out the terms of reference for the Local Pension Board of the Isle of Wight Council Pension Fund.

1.2. Role of the Local Pension Board

- i) The role of the Local Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to –
 - Assist Isle of Wight Council Administering Authority 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 as the LGPS regulations may specify
 - Secure the effective and efficient governance and administration of the LGPS for the Isle of Wight Council Pension Fund
 - Provide the Scheme Manager with such information as it requires to ensure that any member of the pension board or person to be appointed to the board does not have a conflict of interest.
- ii) The 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.
- iii) The Pension Board will also help ensure that the LGPS is managed and administered effectively and efficiently and the administering authority complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.
- iv) The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

1.3. Appointment of members of the Pension Board

- i) The process for selecting members of the Pension Board is set out below.
- ii) The Board shall consist of a minimum of 4 members, with a maximum total membership of 8, and be constituted with an equal number of employer and scheme member representatives as follows:
 - Minimum of 2, maximum of 4, employer representatives;
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iii) For the minimum membership size of 4, one of the employer representatives shall be an elected member of the Isle of Wight Council. The other will be selected by the other employers of the fund, following nominations. Should the total number of members increase, then one of the additional employer representatives should be sought from the external employers of the fund.

iv) The scheme member representatives shall be appointed by UNISON, who will be responsible for arranging their own election of suitable candidates, representing both active and retired members, and advise the Isle of Wight Council of this so that it can be assured that it is open and transparent.

~~iv~~v) Should UNISON fail to appoint representatives, then the council will undertake a selection process by requesting expressions of interest from all active, deferred and retired members, followed by a ballot.

~~v~~vi) Pension Board representatives must not also participate in or act as members of the Isle of Wight Council Pension Fund Committee.

~~vi~~vii) The Chair of the local Pension Board will be determined by the Board on an annual basis from amongst its own number.

viii) It will be the role of the Chair to ensure that:

- -all members of the Board show due respect for process;
- all meetings are productive and effective;
- that all views are fully heard and considered; and
- where possible to determine when consensus has been met (or where not met that decisions are put to a vote).

~~vii~~ix) Each employer representative and scheme member representative so appointed shall serve for a fixed 2-4 year period which can be extended for further period(s) subject to re-nomination or until qualification for membership ceases.

~~viii~~x) Each Board member is expected to attend all Board meetings during the year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

~~ix~~xi) 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.

~~x~~xii) The Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub committees, particularly where this would add skills and experience.

~~xi~~xiii) Notwithstanding the appointment of co-opted members, the majority of the Board shall be comprised of employer and scheme member representatives, represented in equal number.

~~xii~~xiv) There will be no provision to allow for substitute members to be appointed to the Board.

1.4. Quorum

- i) The Board shall have a formal quorum of 3, requiring at least one employer representative and at least one scheme member representative to be present. Where any meeting becomes inquorate it may continue, but any decisions of that meeting will be non-binding.

1.5. Conflicts of Interest

- i) The policy for identifying conflicts of interest will be based upon the Council's Code of Conduct and relevant guidance issued by the Pensions Regulator.
- ii) No one may be appointed to the Board who has a conflict of interest that is considered to be prejudicial to the exercise of their functions as a member of the Pension Board. It is the responsibility of the board member to provide any information required by the Scheme Manager in order to determine whether such a conflict exists.
- iii) All members of the Board must declare at any such time as their circumstances change any potential conflict of interest that might arise as a result of their membership of the Pension Board.
- ii)iv) Where any such conflict is identified the Board and the Scheme Manager shall ensure it is effectively managed in line with the Council's Code of Conduct. Where it is deemed impossible to manage any such conflict the Pension Board member may be required to stand aside in relation to any specific issue being considered or, if necessary, resign their position on the Board.

1.6. Board Review Process

- i) The Board will undertake each year a formal review process to assess how well it and its sub-committees, if any, and the members are performing with a view to seeking continuous improvement in the Board's performance.

1.7. Advisers to the Board

- i) The Board may be supported in its role and responsibilities through the appointment of advisers and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties. Any cost associated with the use of advisers to the Board must first be agreed with the Administering Authority.
- ii) The Board shall ensure that the performances of the advisers so appointed are reviewed on a regular basis.

1.8. Knowledge and Skills

- i) A member of the Pension Board must be conversant with –
 - The legislation and associated guidance of the Local Government Pension Scheme (LGPS).
 - Any document recording policy about the administration of the LGPS which is for the time being adopted by the Isle of Wight Council Pension Fund.

- ii) A member of the Pension Board must have knowledge and understanding of –
 - The law relating to pensions
 - The Pension Regulator’s code of practice [14 and any other codes of practice that may at any time apply to public sector schemes](#), and
 - Any other matters which are prescribed in regulations.
- iii) It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board [and to be able to demonstrate this to the Scheme Manager](#).
- iv) In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.
- v) Pension Board members will undertake a personal training needs analysis [facilitated by the Scheme Manager](#) and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.
- vi) Pension Board members will comply with the Scheme Manager’s training policy. Members of the Pension Board will be expected to attend training sessions held before each Pension Fund Committee meeting, to support the development of their knowledge and skills, as well as any other training sessions held specifically for Board members.

1.9. Board Meetings – Notice and Minutes

- i) The Scheme Manager shall give notice to all Pension Board members of every meeting of the Pension Board. The Scheme Manager shall ensure that a formal record of Pension Board proceedings is maintained. Following the approval of the minutes by the Chair of the Board or Board committee, they shall be circulated to all members and posted on the Isle of Wight Council website.
- ii) There will be at least [1-2 Pension Board meetings](#) a year, to be held between the May and July meetings of the Isle of Wight Pension Fund Committee. [In practice, the board is likely to meet 4 times a year, in line with the pension fund committee meetings](#). Other meetings may be convened with due notice as the Board determines.

1.10. Remit of the Board

- i) The Pension Board must assist the Scheme Manager with such other matters as the scheme regulations may specify. It is for scheme regulations and the Scheme Manager to determine precisely what the Pension Board’s role entails.

1.11. Standards of Conduct

- i) The role of Pension Board members requires the highest standards of conduct and therefore the “seven principles of public life” will be applied to all Pension Board members together with the code of conduct as contained within the constitution of the Isle of Wight Council.

1.12. Decision making

- i) Each member of the Pension Board will have an individual voting right but it is expected the Pension Board will as far as possible reach a consensus. If there are equal numbers of votes for and against the Chair of the Pension Board will have a second or casting vote which will be reported to the Scheme Manager.

1.13. Publication of Pension Board information

- i) Scheme members and other interested parties will want to know that the Isle of Wight Council Pension Fund is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator.
- ii) Up to date information will be posted on the section relating to the Isle of Wight Council Pension Fund on the Isle of Wight Council website showing:
 - The names and information of the Pension Board members
 - How the scheme members are represented on the Pension Board
 - The responsibilities of the Pension Board as a whole
 - The full terms of reference and policies of the Pension Board and how they operate
 - The Pension Board appointment process
 - Who each individual Pension Board member represents
 - Any specific roles and responsibilities of individual Pension Board members
 - [The Pension Board's training and attendance log.](#)
- iii) Pension Board papers, agendas and minutes of meetings will be published on the Isle of Wight Council Pension Fund website. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.
- iv) [The Pension Board will also publish an Annual Report of its activities carried out over the previous scheme year, which may be included within the Pension Fund Annual Report.](#)
- iv)v) _____ The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

1.14. Accountability

- i) The Pension Board will be collectively and individually accountable to the Scheme Manager.

1.15. Expense Reimbursement

- i) Only expenses incurred by a Board member in attending an activity approved by the Board will be paid by the Council.

1.16. Reporting Breaches

- i) Any breach brought to the attention of the Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in [the Scheme Manager's published Breaches Policy](#)~~a separate policy document~~.

1.17. Definitions

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

<u>Term</u>	<u>Definition</u>
<i>"Chair"</i>	Reference to duties to be performed, or authorities exercised, by the Chair
<i>"Elected member"</i>	A councillor of the Isle of Wight Council, elected by due democratic process.
<i>"Employer"</i>	Organisations external to the Council whose employees are eligible to be members of the Isle of Wight Council Pension Fund, either under Schedule 2, part 1 of Local Government Pension Scheme (Administration) Regulations 2008, or by virtue of an admission agreement with the administering authority.
<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>"Pension Board" or "Board"</i>	Means the local Pension Board for the Isle of Wight Council administering authority for the Isle of Wight Council Pension Fund as required under the Public Service Pensions Act 2013
<i><u>"Qualification for membership"</u></i>	<p><u>Requires:</u></p> <ul style="list-style-type: none"> • <u>each member representative being appointed on the basis of their membership of the Fund or of a Union that represents the interests of the Fund's membership;</u> • <u>each employer representative to hold office or employment with a scheme employer that participates in the Fund;</u> • <u>each Pension Board member to be able to demonstrate their capacity to attend and prepare for meetings or to participate in required training.</u> • <u>Each Pension Board member not having a conflict of interest which cannot be managed in accordance with the Scheme Manager's conflict of Interest policy.</u> • <u>any Pension Board member who is an elected member not being a member of the Pension Committee; and</u> • <u>any Pension Board member who is an officer of the Scheme Manager not being responsible for the</u>

<u>Term</u>	<u>Definition</u>
	<u>discharge of any function of the Scheme Manager under the Scheme.</u>
<i>"Scheme"</i>	Means the Local Government Pension Scheme as defined under "LGPS"
<i>"Scheme Manager"</i>	Means Isle of Wight Council as administering authority of the Isle of Wight Council Pension Fund.
<i>"Scheme member"</i>	A person who has been admitted to membership of a pension scheme and is entitled to benefit under the scheme. Such a person may be "Active" (paying contributions), "Deferred" (no longer paying contributions, but entitled to future benefit), or "Retired" (in receipt of benefit)

1.18. Interpretation

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