

LEICESTERSHIRE LOCAL PENSION BOARD

TERMS OF REFERENCE

1. **Introduction**

- 1.1. This document sets out the terms of reference for the Local Pension Board of Leicestershire County Council (the 'Administering Authority'), which is the Fund Manager of the Leicestershire County Council Local Government Pension Scheme (the Fund), as defined under Section 4 of the Public Service Pensions Act 2013.
- 1.2. 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).
- 1.3. The Board is established by the Administering Authority and operates independently of the Local Pension Committee. Relevant information about its creation and operation are contained in these Terms of Reference.
- 1.4. 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 in this document.
- 1.5. The Board's Terms of Reference as set out in this document have been produced in line with relevant regulations, legislation and guidance in force from time to time, including The Pensions Regulator General Code of Practice published in March 2024.

2. **Purpose of the Board**

- 2.1. The Administering Authority as Fund Manager has ultimate responsibility for the administration and governance of the Fund. The purpose of the Board is to assist and support the Administering Authority in its role as Fund Manager by:
 - 2.1.1 ensuring the effective and efficient governance and administration of the Fund;
 - 2.1.2 securing compliance with the LGPS Regulations and other legislation relating to the governance and administration of the Fund;
 - 2.1.3 securing compliance with requirements imposed in relation to the Fund by the Pensions Regulator.

3. **Responsibility and Role of the Board**

3.1 The Board will review and monitor the administration and governance of the Fund including:

- 3.1.1 the direction of the Fund and its overall objectives;
- 3.1.2 the administration of benefits and contributions.

3.2 The core functions of the Board include:

- 3.2.1 reviewing the Fund's governance and policy documents;
- 3.2.2 reviewing compliance with the Fund's governance and policy documents;
- 3.2.3 reviewing the administrative and investment performance of the Fund as part of the Fund's annual report;
- 3.2.4 reviewing LGPS Central pooling as part of the Fund's annual report.
- 3.2.5 reviewing the ongoing arrangements for the training of Board members;
- 3.2.6 reviewing the Fund's Risk Register;
- 3.2.7 reviewing Audit and Assurance reports; and,
- 3.2.8 reviewing the Fund's website.

4. Duties of all Members (including Employee Representatives) on the Board

4.1. Members of the Board should at all times act in a reasonable manner in the conduct of the Board's purpose.

4.2. Members who sit on the Board must act impartially and be mindful that the Fund is to be managed in the best interest of all its members, employers and beneficiaries. The Board members must ensure that the Fund is managed in accordance with the regulations and do so prudently and impartially, in the best interest of all its members as above. Members should be mindful that, when making recommendations, they are required to put the Fund, the interests of Fund members and employers first, at the exclusion of their own personal and political interests.

4.3. Members should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings, including the participation in training as detailed below.

4.4. It is expected that good practice will be followed by Board members, in so far that appointees will abide by the requirements specified in [The Pension Regulator's code of practice](#), and the Pension Act 2004 sections 247 to 249.

Knowledge, Skills and Training

4.5 To ensure Members (including substitutes) of the Board are fully aware of their responsibilities and duties they are required to undertake induction training before taking up their role, and to adhere to the [Fund Training Policy](#), and to undertake such other training as the Administering Authority considers

appropriate.

- 4.6 Following appointment, each Member of the Board should be conversant with:
- a) the legislation and associated guidance of the LGPS; and,
 - b) any document recording policy about the administration of the LGPS which is for the time being adopted by the Fund.
- 4.7 The Administering Authority will provide a training programme which all Board Members will be required to attend.
- 4.8 Where Board members attend external training, they will be required to provide a report back to the Board in order to share the knowledge gained with other Board members.

Conflicts of Interest

- 4.9 All members of the Committee should comply with the [Pension Fund Conflict of Interest Policy](#), and must declare to the Administering Authority on appointment, and at any such time as their circumstances change, any potential conflict of interest arising as a result of their position on the Committee, in accordance with that Policy.

[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 Committee. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.]

5. Membership of the Board

- 5.1. The Board shall comprise of six voting members, as follows:
- Three Employee Representatives who must be members of the scheme in either an active, deferred, or retired member capacity; and
 - Three Employer Representatives; two representing Leicestershire County Council and one representing Leicester City Council.
- 5.2. There shall be an equal number of Employee Member and Employer Representatives.

6. Appointment

Employee representatives

- 6.1 Employee representatives will be appointed by Fund members by way of nominations and a vote taken at the Leicestershire County Council Pension Fund Annual General Meeting (AGM), following a transparent recruitment process which is open to all Fund members. The recruitment process will be approved by the Administering Authority. The positions will be appointed to

on a rolling basis so that at least one employee representative position will become available at each of the Fund's (AGM).

- 6.2 A reserve employee representative shall be appointed at the Fund's AGM. The reserve representative will act as a substitute at meetings of the Board where the elected employee representative is unable to attend.
- 6.3 In the event of a vacancy occurring during the course of the year the reserve employee representative shall serve on the Board as a full member until the Fund's AGM.

Employer representatives

- 6.4 Employer representatives will be appointed by the bodies they represent on the Board (i.e. either Leicestershire County Council or Leicester City Council).
- 6.5 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.
- 6.6 Employer representatives shall be able to appoint substitutes, subject to the requirements set out in Paragraph 3.5 above.
- 6.7 Where an employer representative vacancy occurs mid-year the Administering Authority will seek the appointment of a replacement.

7. Terms of Office

- 7.1. The term of office for Employee Representatives will be three years, or for such period as is remaining if a position is vacated during a three-year term, to ensure appointments are made on a rolling basis each year as outlined in 5.1 above. An employee representative may be appointed for further terms of office, following the processes set out in paragraph 5.
- 7.2. The term of office for Employer Representatives is one year. They may be reappointed for further terms of office following their relevant appointment processes.
- 7.3. Board membership may be terminated prior to the end of the term of office due if:
 - (a) An employee representative is no longer a member of the Fund.
 - (b) A Board member no longer has the capacity to attend and prepare for meetings or to participate in required training.
 - (c) The Employer Representative is withdrawn by the nominating body.
 - (d) There is a conflict of interest which cannot be managed in accordance with the Fund's Conflict of Interest Policy.
 - (e) A Board member becomes a member of the Local Pension Committee.

- (f) A Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Administering Authority under the Regulations.
- (g) An employer representative ceases to be an elected Councillor for the local authority they represent.

8. Appointment of Chairman and Vice Chairman

- 8.1. The Administering Authority will administer the appointment process for the Chairman, Vice-Chairman and Substitute members.
- 8.2. The Chairman will be nominated by the Administering Authority at its annual Council meeting.
- 8.3. It will be the first business of the Board to confirm the appointed Chairman and appoint a Vice Chairman to sit for a term of one year following the Administering Authority's annual meeting.

9. Meetings

Number of Meetings

- 9.1. The Board shall meet up to five times a year, during working hours.

[Note – The statutory requirement is that the Board shall meet at least twice a year. The expectation is therefore that members of the Board must attend at least two meetings during the year.]

- 9.2. Urgent meetings of the Board may be called by the Chairman in consultation with the Fund Manager if a matter arises that does not allow for delay.

Meeting Procedures

- 9.3. The Local Pension Board is not a committee of the Administering Authority. Its meetings can therefore be held either in person, or remotely as determined by the Chairman in consultation with the Fund Manager.
- 9.4. Subject to paragraph 8.3 the Authorities' Meeting Procedure Rules, as set out in Part 4 of Leicestershire County Council's the Constitution shall apply so far as these do not make the business of the Board unviable.

Public Access

- 9.5. The Access to Information Procedure Rules, as set out in Part 4 of Leicestershire County Council's Constitution, will apply except where any particular issue is governed by other specific legislation relevant to pensions. The Board's meetings will therefore be open to the general public unless an exemption under relevant legislation applies.

- 9.6. Where a Board meeting takes place remotely rather than in person, that meeting shall be broadcast live on the Council's website.

Quorum

- 9.7. A meeting is only quorate when at least 50% of the total Board membership are present (i.e., three members), including at least one employee representative and one employer representative.
- 9.8. A meeting that becomes inquorate may continue, but no decisions may be taken.

Moving Recommendations and Amendments at Meetings

- 9.9. Any recommendation, or amendment to a recommendation, put forward and seconded at a meeting which proposes any action which the Chairman, and/or the Section 151 Officer and/or the Monitoring Officer (or their representatives) of the Administering Authority, considers should not be voted upon without proper professional advice being provided, will stand adjourned to the following meeting to allow for such advice to be provided. This is to ensure the Board is fully informed on a proposed course of action before making any recommendations to ensure it is able to act in the best interest of Fund members.

Requesting items be put on the Agenda

- 9.10. Any member of the Board may request that an item be considered at a future meeting of the Board, subject to that matter being relevant to the remit of the Board as set out in these terms of reference.
- 9.11. The Administering Authority will schedule the report for the next appropriate Board meeting, taking into account items already scheduled and the level of preparation required.

[Note – if the next meeting of the Board is to be held within 28 days of receipt of the request, the report is unlikely to be scheduled before the following meeting.]

Voting

- 9.12. Each Member of the Board will have an individual voting right, however it is expected that the Board will, as far as possible, reach a consensus.
- 9.13. In the event of a tied vote the chair will not have a casting vote. The matter under consideration which has been the subject of a tied vote shall be referred to the Pension Committee and/or Administering Authority together with the views of the members on the matter.

Officer Support and Advice

- 9.14 Officers representing the Administering Authority will be expected to produce reports for the Committee and provide advice and clarification during the Board's meetings to enable the Board to take informed decisions in line with the law and best practice.
- 9.15 All members of the Board (including Employee Representatives) and Officers are expected to abide by the Member/Officer Protocol set out in Leicestershire County Council's Constitution.

10. Independent Advisers to the Board

- 10.1 The Board will be supported in its role and responsibilities by officers from the Administering Authority 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, such as the Fund's Actuary.

11. Expenses

- 11.1 The Pension Fund may meet reasonable expenses of the Board. Such expenses will be met by the Fund and have regard to the Administering Authorities Members' Allowance Scheme.

12. Reporting

- 12.1 At all times the Board will comply with reporting requirements as set out in the Scheme Advisory Board Guidance.
- 12.2 The Board in the first instance should report its requests, recommendations, or concerns to the Administering Authority and Local Pension Committee following regulations or other legislation relating to the governance and administration of the Board.
- 12.3 The Board shall produce an Annual Report to be presented to the Local Pension Committee, and Annual Meeting of Fund members. *Para 8.32 in the guidance.*

13. Annual Meeting of Members of the Pension Fund

- 13.1 An Annual Meeting of all beneficiaries of the Pension Fund is held each year. For administrative purposes only, the Chairman of the Local Pension Committee will chair this meeting. Members of the Board will be notified of the meeting and may attend as an observer (unless they are entitled to attend as a Fund member).

[Note: The purpose of this meeting is to enable Fund members to consider the contents of the Pension Fund Annual Report, to receive a report by the Employee Representatives of both the Committee and Local Pension Board and to elect Employee Representatives for the Committee and Board for the

following 12 months. Details of the meeting will be published on the Pension Fund website.]

14. Budget

- 14.1 The Board is to be provided with adequate resources to fulfil its role. In doing so the budget for the Board will be met from the Fund.
- 14.2 The Board will seek approval from the Administering Authorities Section 151 Officer for any expenditure it wishes to make.

Appendix

The following documents/regulations have been referred to in formulating the Board's Terms of Reference;

- Local Government Pension Scheme (LGPS) – Guidance on the creation and operation of Local Pension Boards in England and Wales (issued by the Shadow Scheme Advisory Board);
- The Public Service Pensions Act 2013;
- The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015;
- The Pension Regulator General Code of Practice March 2024;
- The Local Government Pension Scheme (LGPS) - Questions and Answers on Local Pension Boards (issued by the Shadow Scheme Advisory Board);
- Template Terms of Reference for a Local Pension Board (issued by the Shadow Scheme Advisory Board).

Interpretation

The following terms used within the Terms of Reference document have the meanings as outlined below:

Term	Meaning
'the Act'	The Public Service Pensions Act 2013.
'the Code'	means The Pension Regulator's Code of Practice March 2024.
'the Committee'	means the committee who has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.
'the Fund'	means the Fund managed and administered by the Administering Authority.
'the Guidance'	means the guidance on the creation and operation of local pension boards issued by the Shadow Scheme Advisory Board.
'the Regulations'	means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings and 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).
'Relevant legislation'	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.
'the Scheme'	means the Local Government Pension Scheme in England and Wales.
'Employee Representative'	means a person who will represent the interest of pension scheme members.
'Employer Representative'	means a person appointed to represent the employers of the Fund's members