



Brent

**London Borough of Brent
Pension Fund
Terms of Reference**

Terms of Reference for the Brent Pension Board

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1. Introduction

- 1.1 The purpose of this document is to set out the terms of reference for the local Pension Board of the London Borough of Brent Pension fund.

2. Role of the Local Pension Board

- 2.1 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 the London Borough of Brent Administering Authority as Scheme Manager;
 - to secure compliance with the 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 London Borough of Brent Pension Fund.
 - Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.
- 2.2 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.
- 2.3 The Pension Board will also help ensure that the London Borough of Brent 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 Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

3. Appointment of members of the Pension Board

- 3.1 The Pension Board shall consist of 6 members and be constituted as follows:

- i) 3 employer representatives;
- ii) 3 scheme member representatives;

- 3.2 There shall be an equal number of Member and Employer Representatives.

3.3 Member representatives

3.3.1 Member representatives shall either be scheme members or have capacity to represent scheme members of the Fund.

3.3.2 Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

3.3.3 Substitutes shall not be appointed.

3.3.4 3 scheme members shall be appointed to the Board and will consist of:

- 2 Trade Union representatives who are members of the scheme.

- 1 pensioner of the Fund shall be appointed following an open and transparent process administered by the Administering Authority with a recommendation to the General Purposes Committee.

3.4 Employer representatives

- 3.4.1 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.
- 3.4.2 Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
- 3.4.3 Substitutes shall not be appointed.
- 3.4.4 3 employer representatives shall be appointed to the Board and will consist of:
- 2 elected councillors appointed by the London Borough of Brent.
 - 1 employer in the Fund shall be appointed following an open and transparent process administered by the Administering Authority with a recommendation to the General Purposes Committee.
- 3.5 Members of the Pension Board will be appointed by the General Purposes Committee and no substitutes will be permitted. The term of office for members will run for at least two years, subject to compliance with conditions of employment.
- 3.6 Each Board member should endeavour to attend all Board meetings during the year and is required to attend at least 3 meetings each year. In the event that a Board member fails to attend 3 consecutive meetings, that individual will automatically be disqualified, unless the failure was due to some reason approved by the Board before the date of the 3rd consecutive meeting.
- 3.7 Board membership may be terminated prior to the end of the term of office due to:
- (a) A member representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund.
 - (b) A member representative no longer being a scheme member or a representative of the body on which their appointment relied.
 - (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
 - (d) A Board member no longer being able to demonstrate to the London Borough of Brent their capacity to attend and prepare for meetings or to participate in required training.
 - (e) The representative being withdrawn by the nominating body and a replacement identified.
 - (f) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.

- (g) 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.

3.8 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.

4. Appointment of Chair

4.1 An independent Chair is to be appointed through an open and transparent process, administered by the Administering Authority, and ratified by the General Purposes Committee. The Chair is a non-voting member of the board. 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 the Pension fund or not being a member (active, deferred or retired) of the Local Government Pension Scheme in Brent.

4.2 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.

5. Quorum

5.1 The Board shall have a formal quorum when at least 50% of both member and employer representatives are present.

5.2 Advisers and officers do not count towards the quorum.

6. Conflicts of Interest

6.1 All members of the Board 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 Board.

6.2 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.

6.3 On appointment to the Board and following any subsequent declaration of 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 of Interest' policy and the requirements of the Code.

7. Board Review Process

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

8. Advisers to the Board

- 8.1 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 including:
- A Governance Adviser
 - The Fund's Actuary;
 - The Fund's Administrator;
 - The Fund's Legal Adviser;
 - The Fund's Investment Adviser(s);
 - The Scheme Manager.
 - Other advisers, so approved by the Scheme Manager.
 - The Pensions Regulator
- 8.2 The Board shall ensure that the performances of the advisers so appointed are reviewed on a regular basis.

9. Knowledge and Skills

- 9.1 Knowledge and understanding must be considered in light of the role of the Board to assist the Administering Authority in line with the requirements outlined in paragraph 2 above.
- 9.2 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 adopted by the London Borough of Brent Pension Fund.
- 9.3 A member of the Pension Board must have knowledge and understanding of
- The law relating to pensions, and
 - Any other matters which are prescribed in regulations.
- 9.4 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.
- 9.5 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.
- 9.6 Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.
- 9.7 Pension Board members will comply with the Scheme Manager's training policy.

10. Board Meetings – Notice and Minutes

- 10.1 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 Independent Chair of the Board, they shall be circulated to all members.
- 10.2 There will be at least 3 Pension Board meetings a year to be held per year, approximately 2 weeks after the Pension Fund Sub-Committee meeting.

11. Remit of the Board

- 11.1 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.
- 11.2 In accordance with the Regulations, the Pension Board shall secure compliance with:
- the Regulations
 - other legislation relating to the Governance and administration of the LGPS; and
 - the requirements imposed by The Pensions Regulator in relation to the LGPS, and
 - to ensure the effective and efficient governance and administration of the LGPS.
- 11.3 In support of its core functions the Board may make a request for information to the Pension Fund Sub-Committee with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing.
- 11.4 In support of its core functions the Board may make recommendations to the Pension Fund Sub-Committee which should be considered and a response made to the Board on the outcome within a reasonable period of time.

12. Standards of Conduct

- 12.1 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 and embodied in their code of conduct.

These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

13. Decision Making

- 13.1 Each voting 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. The Independent Chair of the Pension Board and any advisors are non-voting members of the Board.

14. Publication of Pension Board information

- 14.1 Scheme members and other interested parties will want to know that the London Borough of Brent 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.
- 14.2 Up to date information will be posted on the London Borough of Brent Pension Fund 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.
- 14.3 The Board meetings will be open to the general public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the general public).
- 14.4 Pension Board papers, agendas and minutes of meetings will be published on the London Borough of Brent Pension Fund website, <https://www.brent.gov.uk/pensions>. 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.
- 14.5 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.

15. Accountability

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

16. Review of terms of reference

- 16.1 These Terms of Reference shall be reviewed on each material change to those part of the Regulations covering local pension boards and at least every year.
- 16.2 These Terms of Reference were reviewed on 13 March 2019.

17. Definitions

17.1 The undernoted terms shall have the following meaning when used in this document:

<i>“Pension Board” or “Board”</i>	Means the local Pension Board for the London Borough of Brent administering authority for the London Borough of Brent Pension Fund as required under the Public Service Pensions Act 2013
<i>“Scheme Manager”</i>	Means the London Borough of Brent as administering authority of the London Borough of Brent Pension Fund.
<i>“Chair”</i>	Means the Independent Chair of the Pension Board
<i>“LGPS”</i>	<p>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</p> <p>In Scotland;</p> <p>The Local Government Pension Scheme as constituted by the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008, the Local Government Pension Scheme Administration) (Scotland) Regulations 2008, The Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 and the The Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010]</p>
<i>“Scheme”</i>	<i>Means the Local Government Pension Scheme as defined under “LGPS”</i>
<i>‘Pensions Regulator’</i>	<i>Means the UK regulator of work-based pension schemes.</i>
<i>‘the Committee’</i>	<i>Means the committee which has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.</i>
<i>‘the Fund’</i>	<i>Means the Fund managed and administered by the Administering Authority.</i>

18. Interpretation

18.1 Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be determined by the Scheme Manager.