



LOCAL PENSION BOARD – 16 SEPTEMBER 2019

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

LOCAL PENSION BOARD TERMS OF REFERENCE

Purpose of the Report

1. The purpose of this report is to seek approval of a revised Terms of Reference for the Local Pension Board.

Background

2. The Local Pension Board was established on 1st April 2015 in accordance with Section 5 of the Public Service Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended). The Board was established by Leicestershire County Council as Administering Authority for the Leicestershire Pension Fund and operates independently of the Local Pension Committee.
3. The role of the Board is to assist the Administering Authority as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme including, securing compliance with LGPS Regulations, other legislation and the requirements of the Pensions Regulator.
4. Leicestershire County Council 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.

Terms of Reference Review

5. The existing terms of reference were approved in 2015 upon the formation of the Board. Having now been operational for over four years, it was considered beneficial for the terms to be reviewed and this process began earlier in 2019. The review was undertaken having regard to the Scheme Advisory Board's (SAB) model terms of reference, Government legislation, other relevant guidance and terms of reference of other Board's. Members of the Board have been consulted during the drafting of the revised terms.
6. While the main features of the original Terms of Reference have been retained, such as the number of times the Board will meet each year and the number of members on the board, the revised version, attached as an appendix, offers far

more detail and clarity about the role and function of the Board, and the role of its members. The Board's attention is specifically drawn to the following key changes: -

- Activity of the Board – Further clarification has been added on the role of the Board and its activity specifically regarding reviewing the Fund's annual report and progress with asset pooling.
 - Membership – It is proposed that a reserve employee representative shall be appointed at the Fund's AGM who will act as substitute at meetings where an elected employee representative is unable to attend. Where a vacancy occurs mid-year the reserve employee representative shall serve as a full member until the next AGM.
 - Urgent Meetings – Urgent meetings may be called by the Chairman in consultation with the Scheme Manager if a matter arises that cannot be delayed.
 - Agenda Items - Any member can request that an item be added to the Agenda so long as it is relevant to the remit of the Board,
 - Annual Reports – Each member of the Board will be expected to produce an Annual Report.
 - Training – Where members of the Board attend external training they will be expected to report back at the next appropriate meeting on what they have learnt to ensure information is disseminated to other board members.
7. Reference to the Local Pension Board in Leicestershire's Constitution will be removed as part of the County Council's upcoming Constitution review to recognise that the Board is not a Committee of the County Council.. Any reference to the Board as a committee of the County Council has been removed from the website.
8. The Terms of Reference will be reviewed at least every three years or following any significant change to relevant regulations.

Recommendation

It is recommended that the Local Pension Board approve the revised Terms of Reference.

Equality and Human Rights Implications

None.

Appendix

Appendix` - Draft Terms of Reference

Background Papers

The Role of the Local Pension Board – Local Pension Board 19th June 2015 - <http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=1122&MIId=4437&Ver=4>

Scheme Advisory Board – Local Pension Board Guidance -
<http://lqpsboard.org/index.php/board-publications/board-guidance>

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