

APPENDIX 1

Terms of reference for the Pension Board of the Isle of Wight Council Pension Fund

Terms of Reference and Delegated Authorities

1) Introduction

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.

2) Role of the Local Pension Board

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 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 Pension Board does not have a conflict of interest.

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.

The Pension Board will also help ensure that the Isle of Wight Council 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.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

3) Appointment of members of the Pension Board

The process for selecting members of the Pension Board is set out below.

The Pension Board shall consist of 5 members and be constituted as follows:

- i) 2 employer representatives;
- ii) 2 scheme member representatives;
- iii) 1 independent member appointed by the Council's Audit Committee and who is not a member of the Pension Committee. Such a person can be either an elected member or a non-voting co-opted member.

One of the employer representatives shall be an officer of the Isle of Wight Council. The other will be selected by the other employers of the fund, following nominations.

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

For the purposes of the Pension Board, the independent member will be classed as voting.

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

The Chair of the local Pension Board will be determined by the Board on an annual basis.

It will be the role of the Chair to ensure that all members of the Board show due respect for process, that all views are fully heard and considered and to determine when consensus has been met.

Each employer representative and scheme member representative so appointed shall serve for a fixed 2 year period which can be extended for further period(s) subject to re-nomination.

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.

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. The removal of the independent member requires the consent of the Scheme Manager.

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.

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.

There will be no provision to allow for substitute members to be appointed.

4) Quorum

The Board shall have a formal quorum of 3. This should include at least one employer representative and one scheme member representative.

Advisers and co-opted persons do not count towards the quorum.

5) Conflicts of Interest

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.

No one may be appointed to the Board who has a conflict of interest. It is the responsibility of the board member to provide any information required by the Scheme Manager in order to determine whether a conflict exists.

6) Board Review Process

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.

7) Advisers to the Board

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.

The Board shall ensure that the performances of the advisers so appointed are reviewed on a regular basis.

8) Knowledge and Skills

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.

A member of the Pension Board must have knowledge and understanding of -

- The law relating to pensions
- The Pension Regulator's code of practice, and
- Any other matters which are prescribed in regulations.

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.

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.

Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

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.

9) Board Meetings – Notice and Minutes

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.

There will be at least 1 Pension Board meeting a year, to be held between the May and July meetings of the Isle of Wight Pension Fund Committee. Other meetings may be convened with due notice as the Board determines.

10) Remit of the Board

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) Standards of Conduct

The role of Pension Board members requires the highest standards of conduct and therefore the "seven principles of public life"¹ 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 Standards Matter: a review of best practice in promoting good behaviour in public life", Committee on Standards in Public Life, January 2013

12) Decision making

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.

13) Publication of Pension Board information

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.

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's 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.

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.

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.

14) Accountability

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

15) Expense Reimbursement

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

16) Reporting Breaches

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 a separate policy document.

17) Definitions

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

<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 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>“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)

18) Interpretation

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