



# Gloucestershire

COUNTY COUNCIL

Meeting papers

## **Pension Board**

**Monday 13 July 2015 at 1.45 pm**

**Cabinet Suite - Shire Hall, Gloucester**



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<b>Pension Board</b>	
<b>Monday 13 July 2015 at 1.45 pm</b>	
<b>Cabinet Suite - Shire Hall, Gloucester</b>	
<b>AGENDA</b>	

<b>PENSION BOARD TRAINING AT 10AM IN THE CHAIRMAN'S ROOM</b>		
<b>1</b>	<b>APOLOGIES</b>	Stephen Bace
<b>2</b>	<b>APPOINTMENT OF INDEPENDENT CHAIR</b> (Pages 1 - 2) To agree the appointment of the Board's independent chair.	Stephen Bace
<b>3</b>	<b>DECLARATIONS OF INTEREST</b>	Chairman
<b>4</b>	<b>TERMS OF REFERENCE FOR THE PENSION BOARD</b> (Pages 3 - 8) To note and formally adopt the Terms of Reference	Graham Burrow
<b>5</b>	<b>COMMUNICATION OF PENSION BOARD BUSINESS WITH EMPLOYERS AND SCHEME MEMBERS</b> (Pages 9 - 10) To consider how the Board wishes to communicate this information.	Graham Burrow
<b>6</b>	<b>DEVELOPMENT OF A TRAINING STRATEGY: KNOWLEDGE AND UNDERSTANDING</b> (Pages 11 - 12)	Graham Burrow
<b>7</b>	<b>WORK PLAN</b> (Pages 13 - 14) To consider which of the potential work strands as contained within its Terms of Reference the Board wishes to prioritise in order that it can plan accordingly and make best use of it's time.	Graham Burrow

**Membership** – Cllr Nigel Moor, Sean Collins (Head of Pensions, Oxfordshire County Council), Owen Shaw (Head of HR, Cirencester College), Jon Topping (Head of Finance, Gloucester City Council) and Kate Walton (Head of Finance, University of Gloucestershire)

- (a) **DECLARATIONS OF INTEREST** – Members requiring advice or clarification about whether to make a declaration of interest are invited to contact the Monitoring Officer (Jane Burns ☎ 01452 328472 /fax: 425149/ e-mail: [Jane.Burns@gloucestershire.gov.uk](mailto:Jane.Burns@gloucestershire.gov.uk)) prior to the start of the meeting.
- (b) **INSPECTION OF PAPERS AND GENERAL QUERIES** - If you wish to inspect Minutes or Reports relating to any item on this agenda or have any other general queries about the meeting, please contact:  
Stephen Bace, Senior Democratic Services Officer (Scrutiny Team)  
☎:01452 324204 /fax: 425850/e-mail: [stephen.bace@gloucestershire.gov.uk](mailto:stephen.bace@gloucestershire.gov.uk)

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**EVACUATION PROCEDURE** - in the event of the fire alarms sounding during the meeting please leave as directed in a calm and orderly manner and go to the assembly point which is **outside the main entrance to Shire Hall in Westgate Street**. Please remain there and await further instructions.



## Appointment of Independent Chair Report of the Strategic Finance Director

### Introduction

The Local Government Pension Scheme (LGPS) regulations 2013 relating to the establishment of Pension Boards allows the Administering Authority to appoint an independent chair to the Board where they wish to do so.

### Report

National guidance on the creation and operation of Pension Boards, issued via the Shadow Scheme Advisory Board (SSAB) during 2014/15 states the following in relation to independent chairs of Pension Boards.

An independent chair would have no pre-existing employment, financial or other material interest in either the Administering Authority or in any scheme employer in a fund administered by the Administering Authority and would not be a scheme member in a fund administered by the Administering Authority.

The appointment of an independent chair should be confirmed by a majority of the employer and member representatives of the Board.

Sean Collins, the Head of Pensions of the Oxfordshire LGPS Pension Fund has none of these links with the Gloucestershire Fund but has a broad range of experience and knowledge of the administration of the Local Government Pension Scheme which is expected to be of assistance to the other members of the Board in carrying out their role.

### Recommendation

The Board are asked to confirm the appointment of Sean Collins as independent chair of the Pension Board

### Contact Officer

Graham Burrow (01452 328944)

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## Terms of Reference of the Gloucestershire LGPS Pension Board

### Report of the Strategic Finance Director

#### **Introduction**

The Local Government Pension Scheme (LGPS) regulations 2013, required each Administering Authority to establish a local Pension Board and to determine the structure and working arrangements of the Board within the requirements as detailed in the regulations.

#### **Report**

A copy of the Terms of Reference, as agreed by the Administering Authority, are attached.

#### **Recommendation**

The Board are asked to note and formally adopt the Terms of Reference

#### **Contact Officer**

Graham Burrow (01452 328944)

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## TERMS OF REFERENCE FOR THE PENSIONS BOARD

### 1. Role of the Pension Board

- 1.1 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 Gloucestershire County Council 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
  - 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.
- 1.2 In addition the LGPS (Amendment) (Governance) Regulations 2015 expect the Pension Board to assist the Scheme Manager to secure the effective and efficient governance and administration of the LGPS for the Gloucestershire Local Government Pension Fund
- 1.3 The Board shall provide an annual report to the Pension Committee and then to a full meeting of Gloucestershire County Council. The report will include information on the business conducted by the Pension Board with any risks or concerns identified and mitigation steps proposed. The report will also be published on the Pension Fund's website. Any concerns requiring reporting outside the annual process should be raised with the Pensions Committee.
- 1.4 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.
- 1.5 The Pension Board will also help ensure that the Gloucestershire Local Government 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.
- 1.6 The cost of running the Pension Board will be met from the Pension Fund

### 2. Appointment of members of the Pension Board

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

a) The Chairman

The Chair of the Pension Board, who can demonstrate their knowledge and understanding of the Local Government Pension Scheme will be appointed by the Scheme Manager following a selection process to be determined by the Constitution

Committee members. The Chair of the Pension Board cannot be a Gloucestershire County Councillor.

b) Two employer representatives who can demonstrate their capacity to represent other scheme employers, and their knowledge and understanding of the Local Government Pension Scheme. To be appointed by the Scheme Manager following a selection process to be determined by the Constitution Committee members.

c) Two scheme member representatives who can demonstrate, their capacity to represent other scheme members, and their knowledge and understanding of the Local Government Pension Scheme. To be appointed by the Scheme Manager following a selection process to be determined by the Constitution Committee members.

One of the employer or member representatives should be a County Councillor appointed annually at a meeting of Full Council.

### **3. Length of term and removal:**

3.1 The Chairman, each employer representative, and scheme member representative so appointed shall serve initially for a 4 year term, which may be extended for further 4 year terms subject to re-nomination and re-selection.

3.2 Board members can be removed on grounds of non attendance, breach of code of conduct and non participation in training.

3.3 Each Board member should endeavour to attend all Board meetings during the year and is required to attend at least one of the scheduled meetings each financial year. In the event of a Board member failing to do this, or other persistent non-attendance then the tenure of that member should be reviewed by the other Board members in liaison with the Constitution Committee members.

3.4 Other than by ceasing to be eligible, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members in attendance at the Board Meeting where this is being considered. The removal of the Chairman also requires the consent of the Scheme Manager

### **4. Quorum**

The Board shall have a formal quorum of 3 to include one employer representative and one member representative.

Because of the specialist nature of their work, no substitution is permitted.

### **5. Code of Conduct and Conflicts of Interest**

The principles included in the County Council's Member Code of Conduct applies to all members of the Local Pension Board. Likewise, all other relevant County Council policies shall apply to members of the Pension Board.

As a condition of appointment, Board members shall be required to enter into a confidentiality agreement with the County Council.

## **6. Knowledge and Skills**

A member of the Pension Board will 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 Gloucestershire Local Government Pension Fund.

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.

## **7. Board Meetings and Publication of Board Information**

7.1 The Board shall meet no less than twice per annum. If there is a need for an additional meeting this will be determined by the Chair of the Board.

7.2 The agenda and supporting papers shall be distributed to members of the board 5 clear working days prior to each meeting

7.3 Pension Board papers, agendas and minutes of meetings will be published on the Gloucestershire Local Government Pension Fund website subject to the Rules on Access to Information and the Data Protection Act 1998.

## **8. Remit of the Board**

The Board shall:

- i. Ensure the Pension Fund's strategy and policy documents are in place and have been maintained in accordance with the LGPS Regulations. These documents are the: communications policy statement; funding strategy statement; governance compliance statement; pensions administration strategy; Pension Fund annual report and accounts; statement of investment principles.
- ii. Ensure the Pension Fund's internal Risk Register is in place and reviewed at least annually.
- iii. Review the Pension Fund's performance in complying with the requirements of the LGPS Regulations and any other legislation relating to the governance and administration of the LGPS.
- iv. Review the Pension Fund's performance in complying with the requirements of the Pension Regulator.
- v. Provide advice and make recommendations when required, to the Pensions Committee, on areas that may improve the governance of the Pension Fund.
- vi. Each January, submit a proposed work plan for the forthcoming financial year, to the Pensions Committee.

- vii. To carry out any other activities relating to the efficient governance and administration of the Pension Fund, which the Pensions Committee may request the Pension Board to undertake.

## **9. Voting Rights and Decision making**

- 9.1 Only members of the Pension Board who are employer or member representatives will have an individual voting right but it is expected the Pension Board will as far as possible reach a consensus.
- 9.2 A majority of Board members, with a voting right and present at a meeting, will be required to agree any decision of the Board, including any referrals back to the Pensions Committee.

## **10. Accountability**

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

### **Definitions**

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

“Pension Board” or “Board”	Means the local Pension Board for Gloucestershire County Council as administering authority for the Gloucestershire Local Government (LGPS) Pension Fund as required under the Public Service Pensions Act 2013
“Scheme Manager”	Means Gloucestershire County Council as administering authority of the Gloucestershire Local Government (LGPS) Pension Fund
“LGPS”	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
“Scheme”	Means the Local Government Pension Scheme as defined under “LGPS”

## Communication with Employers and Scheme Members

### Report of the Strategic Finance Director

#### Introduction

The Local Government Pension Scheme (LGPS) regulations 2013, relating to local Pension Boards require scheme member and employer representatives to have the capacity to represent their respective areas of membership.

#### Report

There are a number of methods of communication open to Board members, which include the following.

Email/telephone contact details of Board members

Employer Forums held at Shire Hall

Other employer networks or meetings

Annual meeting of the Pension Fund at Shire Hall, open to all scheme members and employers

Pensioner newsletters

Annual benefit statements sent to all active and deferred scheme members

Electronic distribution of information to scheme members via individual employer intranets

Other scheme member meetings

#### Recommendation

The Board are asked to consider the various options and to agree those which they will be adopting.

#### Contact Officer

Graham Burrow (01452 328944)

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## Development of a Training Strategy Report of the Strategic Finance Director

### Introduction

Board members have a statutory requirement to be conversant with the Local Government Pension Scheme (LGPS) regulations, wider pensions regulation and the requirements of the Pensions Regulator and have an individual responsibility to acquire such knowledge.

The Board will therefore need to develop and comment upon a training strategy designed to help all its members to acquire knowledge and skills to ensure their Knowledge and Understanding needs are met both collectively and individually.

### Report

Currently, all new members of the Pension Committee are required to attend a 3 day training course run by the Local Government Association (LGA) covering all the key aspects of the LGPS, eg regulations, policies, governance, investments, etc. The course is run during October, November and December (one day each month) and is held in three different locations, London, Cardiff and Leeds.

There is also an annual training day for the Pension Committee held at Shire Hall. The next training day is taking place on 5<sup>th</sup> November 2015.

Board members could include attendance at the 3 day LGA training course, as described above, and the annual training day on 5<sup>th</sup> November within their training strategy.

The training session held prior to this meeting will also inform the Board members on future training requirements.

### Recommendation

The Board are asked to give their views on training required and for a proposed training strategy to be taken to the next meeting.

### Contact Officer

Graham Burrow (01452 328944)

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## Preparation of an annual Work Plan Report of the Strategic Finance Director

### Introduction

The Board's Terms of Reference document includes details on its role and remit and also refers to the preparation of an annual work plan.

### Report

The Board may want to include some of the following in their work plan and then prioritise the areas identified and focus on one or two of these key areas at their next meeting.

Possible areas for consideration include:

- Considering the fund's management, administrative and governance processes to ensure compliance with the Regulator's Code of Practice
- Considering compliance of decisions taken by the fund's delegated decision makers with regulations and the funds own policies
- Ensuring that the fund's policies setting out how it will exercise its discretions under the LGPS are up to date and compliant.
- Considering the funds own policies on, for example, communications, governance, administration for compliance with regulations.
- Any other matters as requested by the administering authority.

### Recommendation

The Board are asked to identify and prioritise items for their annual work plan.

### Contact Officer

Graham Burrow (01452 328944)

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