

## **Pension Board of City of Bradford Metropolitan District Council for West Yorkshire Pension Fund**

### **Terms of Reference**

#### **1. Introduction**

- 1.1 City of Bradford Metropolitan District Council (the Council), as Scheme Manager, as defined under section 4 of the Public Service Pensions Act 2013, has delegated legal and strategic responsibility for West Yorkshire Pension Fund (WYPF) to the Governance and Audit Committee. The Council has established two bodies to assist and support the Governance and Audit Committee in overseeing the Fund, namely the WYPF Investment Advisory Panel and the WYPF Joint Advisory Group.
- 1.2 In accordance with section 5 of the Public Service Pensions Act 2013 (the Act) and under 106 of the Local Government Pension Scheme Regulations 2013 (as amended) (the Regulations), the Council is required to establish a Pension Board. The Pension Board is separate from the WYPF Investment Advisory Panel and the WYPF Joint Advisory Group.
- 1.3 This document sets out the terms of reference for WYPF Pension Board.

#### **2. Objectives**

- 2.1 The role of The Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the LGPS including:
  - 2.1.1 securing compliance with the Local Government Pension Scheme regulations and any other legislation relating to the governance and administration of the LGPS;
  - 2.1.2 securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and
  - 2.1.3 any other such matters as the LGPS regulations may specify.

#### **3. Establishment**

The Board is established on 1 April 2015 subsequent to approval by the Governance and Audit Committee on 20 March 2015.

#### **4. Membership and Appointment for Pension Board members**

- 4.1 Membership of the Pension Board shall be eight (8) in number. The Pension Board will consist of an equal numbers of member and employer representatives.
- 4.2 Pension Board representatives must not participate in or act as members of the Joint Advisory Group or Investment Advisory Panel.

#### **5. Employer representatives**

- 5.1 Employers who participate in the Fund will nominate four (4) representatives to sit on the Pension Board as Employer Representatives from the following sources:
- 5.3.1 Three (3) representatives will be from West Yorkshire councils, one (1) of these three (3) will be appointed in accordance with 7.1 below.
- 5.3.2 One (1) representative will be from the other employing bodies. This representative shall be selected by City of Bradford MDC following a process where all employers will be asked to submit their interest in undertaking this role.

#### **6. Member representatives**

- 6.1 Member representatives shall either be scheme members or have capacity to represent scheme members of WYPF
- 6.2 Relevant Trade Unions, who have agreed to represent all categories of the membership, will nominate four (4) representatives to sit on the Pension Board as member representatives.

#### **7. The Chair**

- 7.1 The Council as Scheme Manager will appoint one Councillor from the City of Bradford Metropolitan District Council, independent of Joint Advisory Group, Investment Advisory Panel or Governance and Audit Committee, to sit as the Chair on the Pension Board
- 7.2 The Chair of the Board shall:
- 7.2.1 ensure that the Board delivers its purpose as set out in these Terms of Reference;

7.2.2 ensure that meetings are productive and effective and that opportunity is provided for the views of all members to be expressed and considered; and

7.2.3 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.

## **8. Attendance at meetings**

8.1 Each Pension Board member should endeavour to attend all Pension Board meetings during the year. In the event of consistent non-attendance by any Pension Board member then the tenure of the membership should be reviewed at the next Pension Board meeting.

## **9. Term of Office/Appointment**

9.1 Subject to paragraph 5.2, Pension Board representatives will normally serve for a period of four (4) years and may be reappointed to serve further terms so long as they remain relevant members (pursuant to paragraph 4 above).

9.2 Upon initial establishment of the Board in 2015 50% of members (comprising of two (2) member representatives and two (2) employer representatives) shall be appointed for a term of only two years in order to establish appointment on a rolling basis.

9.3 Employer bodies and organisations retain the right to withdraw representatives and identify replacements on occasion.

9.4 Pension Board members may be reappointed without limitation on terms subject to the Pension Board being satisfied as to the transparency and proper application of the appointment process in use.

## **10. Termination**

10.1 Other than by ceasing to be eligible a Pension Board member may normally only be removed from office during a term of appointment by the agreement of the Board.

10.2 Board membership may be terminated prior to the end of the term of office due to:

10.2.1 A member representative no longer being a representative of the body on which their appointment relied

- 10.2.2 An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
- 10.2.3 A board member no longer being able to demonstrate their capacity to attend and prepare for meetings or participate in required training.
- 10.2.4 The representative being withdrawn by the nominating body and a replacement identified.
- 10.2.5 A board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
- 10.2.6 A Board member who is an elected member becomes a member of Joint Advisory Group and Investment Advisory Panel.
- 10.2.7 A Board member who is an officer of City of Bradford MDC becomes responsible for the discharge of any function of the Administering Authority under the LGPS regulations.

## **11. Number of Meetings**

- 11.1 The Pension Board will normally meet twice a year. The Chair may call meetings more frequently if deemed necessary or if requested on matters considered urgent.
- 11.2 In exceptional circumstances, meetings can be conducted via communications between members of the Board including telephone conferencing and emails.

## **12. Creation of Working Groups/Sub Boards**

The Pension Board may establish sub-committees and working groups as and when required. The Pension Board will be responsible for developing and agreeing the terms of reference and membership of any sub-committees. The Pension Board will also be responsible for outlining the purpose of any working group, its membership and detailing when and how that working group should report back.

## **13. Code of Conduct and Conflicts of Interest policy**

- 13.1 The principles included in the Council's Code of Conduct for Members applies to all member of the Pension Board. The Code of Conduct is set out in Part 4 of the Council's Constitution:

[http://www.bradford.gov.uk/bmdc/government\\_politics\\_and\\_public\\_administration/about\\_bradford\\_council/council\\_constitution](http://www.bradford.gov.uk/bmdc/government_politics_and_public_administration/about_bradford_council/council_constitution)

- 13.2 No person may be appointed to the Pension Board that has a significant conflict of interest. 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

Pension Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the scheme or any connected scheme for which the board is established.

13.3 All voting members of the Pensions Board must complete a Declaration of Acceptance of Office Form, and Disclosure of Financial and other interest form.

13.4 At each meeting any interests which may lead to conflicts in specific agenda items must be declared.

#### **14. Voting Rights**

14.1 All representatives on the Pension Board have equal voting rights. Decisions made by the Pensions Board shall be on a majority basis. In the event of there not being a majority the Chair shall have the casting vote.

#### **15. Other Attendees**

15.1 The Pensions Board will extend an invitation to attend to other members of staff and advisers as it may from time to time consider appropriate.

#### **16. Secretariat Services to the Board**

16.1 Pension Board meetings will be administered by City of Bradford MDC Committee secretariat in accordance with the rules and procedures of City of Bradford MDC "Constitution of the Council and Executive Arrangements". All reasonable costs will be met by the Fund.

#### **17. Agenda**

17.1 Prior to each meeting the Director of West Yorkshire Pension Fund will arrange to supply all members of the Board with an agenda and relevant information. The agenda and any relevant documents will be issued at least five working days in advance of the meeting, except in exceptional circumstances with the agreement of the Chair.

#### **18. Quorum**

18.1 The quorum of the Pension Board shall be three. (Chair plus one employer representative and one member representative).

#### **19. Publication**

19.1 In accordance with the Act the Council shall publish information about the Board to include:

19.1.1 The names of Board members and their contact details

19.1.2 The representation of employers and member on the Board

19.1.3 The role of the Board

19.1.4 These Terms of Reference

## **20. Allowances/Expenses**

No member or representative of the Pension Board shall be remunerated for undertaking this role. However, expenses incurred in attending meetings of the Board and attending training events, shall be reimbursed to all members and the cost will be met by the Fund.

## **21. Knowledge and Understanding and Capacity of Representative Members**

21.1 Every individual who is a member of the Pension Board must be conversant with:

21.1.1 the rules of the LGPS, in other words the Regulations and other regulations governing the LGPS (such as the Transitional Regulations and the Investment Regulations); and

21.1.2 the requirements of the Pensions Regulator; and

21.1.3 any document recording policy about the administration of the Fund which is for the time being adopted in relation to the Fund, and have knowledge and understanding of:

- the law relating to pensions; and
- such other matters as may be prescribed.

21.2 A Knowledge and Understanding Policy and Framework will be maintained by WYPF.

21.3 Pension Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Knowledge and Understanding Policy and Framework.

21.4 Employer and member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meeting and participate in training as required.

## **22. Accountability**

- 22.1 The Board should in the first instance report its requests, recommendations or concerns to the committee. In support of this any member of the Board may attend a Committee meeting as an observer.
- 22.2 The Board should report any concerns over a decision made by the Committee subject to the agreement of at least 50% of voting Board members provided that all voting members are present. If all voting members are not present then the agreement should be of all voting members who are present, where the meeting remains quorate.
- 22.3 On receipt of a report the Committee shall within a reasonable period, consider and respond to the Board.
- 22.4 Where the Board is not satisfied with the response received it may request that a notice of its concern be placed on the website and in the Fund's annual report.
- 22.5 Where the Board is satisfied that there has been a breach of regulation which has been reported to the Committee and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.
- 22.6 The appropriate internal route for escalation is to the Administering Authority Monitoring Officer.

### **23. Budget**

The Pension Board is to be provided with adequate resources to fulfil its role. The Council will allocate an annual budget to cover the expenses of the board.

### **24. Core Functions:**

- 24.1 The first core function of the Board is to assist the Council in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme.
- 24.2 The second core function of the Board is to assist the Council to ensure the effective and efficient governance and administration of the Scheme.

- 24.3 In support of its core functions the Board may make a request for information to the Committee with regard to any aspect of the Council's function. Any such request should be reasonably complied with in both scope and timing.
- 24.4 In support of its core functions the Board may make recommendations to the Committee which should be considered and a response made to the Board on the outcome within a reasonable period of time.

## **25. Data Protection**

- 25.1 The Pensions Board is considered a committee of and part of the Council's legal entity. The Council is and remains the data controller responsible for DPA compliance, including for processing carried out by the Pension Board, where processing is carried out as a data controller, or where personal data use by the Pension Board is not carried out for and on behalf of any other separate legal entity.
- 25.2 The Pension Board will therefore adhere to the data protection policies of the Council.

## **26. Review of Terms of Reference**

- 26.1 These Terms of reference shall be reviewed on each material change to those parts of the Regulations covering local pension boards and at least every two (2) years.
- 26.2 These terms of reference were adopted on:

20<sup>th</sup> March 2015 - On behalf of the Council (Governance and Audit Committee)

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On behalf of the Board