

PENSION BOARD OF THE WILTSHIRE PENSION FUND

TERMS OF REFERENCE

Introduction

This document sets out the terms of reference of the Pension Board of Wiltshire Council (the “Council”) being a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Pension Board (the “Board”) is established under Section 5 of that Act and regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended). The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the Constitution, standing orders or scheme of delegation of Wiltshire Council apply to the Board unless expressly included in this document.

Purpose and functions of the Board

The purpose of the Board is to assist the Council to:

- secure compliance with:
 - the LGPS Regulations;
 - any 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
- ensure the effective and efficient governance and administration of the LGPS.

In discharging its role, the Board’s remit shall cover all aspects of governance and administration of the LGPS, including funding and investments. The Board must have regard to advice issued by the Scheme Advisory Board in accordance with section 7(3) of the Public Service Pensions Act 2013.

The Board shall:

1. ensure compliant policies exist for the Wiltshire Pension Fund in relation to :
 - a. conflicts of interest
 - b. record keeping
 - c. data Protection and freedom of information
 - d. internal dispute resolution procedures
 - e. reporting breaches
2. review the Wiltshire Pension Fund’s internal controls Risk Register
3. review and ensure compliance of the Wiltshire Pension Fund’s:

- a. governance compliance statement
 - b. funding strategy statement
 - c. pension administration statement
 - d. the Council's discretionary policy statement
 - e. communications policy statement
 - f. statement of investment principles
 - g. annual report and accounts
4. review the Wiltshire Pension Fund's actuarial valuation report and rates and adjustment certificate
 5. review [current][proposed] contracts for supplies or services entered into by or on behalf of the Wiltshire Pension Fund
 6. review internal control reports produced by third parties providers
 7. review the Wiltshire Pension Fund's admission and cessation policies
 8. review the performance of the Wiltshire Pension Fund Committee and advisers
 9. review the training plans for officers and committee members
 10. review the Wiltshire Pension Fund's budget requirements
 11. review the Wiltshire Pension Fund's performance against the requirements of the Pensions Regulator
 12. provide advice and make recommendations when required to full council and the Wiltshire Pension Fund Committee on areas that may impact on compliance of the Wiltshire Pension Fund
 13. provide advice and make recommendations when required to full council and the Wiltshire Pension Fund Committee on areas that may improve the effectiveness and efficient operation and governance of the Wiltshire Pension Fund

Establishment

The Board is established on [INSERT DATE] subsequent to approval by full council at its meeting on [DATE] (minute [INSERT]).

Composition

Voting members (7)	3 employer representatives 3 scheme member representatives 1 chair
Non voting member (1)	Independent Governance Adviser

Appointment process

No officer or councillor of the Council who is responsible for the discharge of any function under the LGPS Regulations (apart from any function relating to local pension boards or the Scheme Advisory Board) may be a member of the Board.

All members appointed to the Board will be required to sign a confirmation that they commit to the requirements of their role.

Employer representatives

Employer representatives shall be office holders or senior employees of employer organisations within the Wiltshire Pension Fund or have experience of representing scheme employers in a similar capacity. They must be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

Employer representatives shall be appointed following an open recruitment process.

For the initial employer representatives:

In order to ensure that the employer representatives are truly representative of the employer organisations within the Wiltshire Pension Fund whilst also being given equal opportunity for nomination, employer organisations within the Wiltshire Pension Fund will be divided into three groups based on organisation size (by number of employees) for nomination purposes:

Group 1: Wiltshire Council;

Group 2: Swindon Borough Council and Wiltshire Police; and

Group 3: all other employer organisations within the Wiltshire Pension Fund.

The Wiltshire Pension Fund Committee shall publish [information on where to access] a nomination pack for each of the three employer groups. The nomination pack will include these terms of reference, details of the employer representative role, a nomination form and instructions for application. Each employer within the group will be invited to put forward one suitable nominee using the prescribed nomination form, which must be returned to the Wiltshire Pension Fund Committee within four weeks of the date of the invitation.

The Wiltshire Pension Fund Committee will score all nominations returned by the deadline against [published] criteria relating to each nominee's ability to meet the relevant experience and capacity requirements of the role, in order to produce a shortlist of no more than [two] nominees from each employer group. If any employer group fails to nominate, then the Wiltshire Pension Fund Committee may substitute a nominee from another group according to score received, so that the shortlists contain the highest scoring nominees overall.

Shortlisted nominees will be invited to an interview [by the Council's Associate Director – Legal and Democratic Services and the Council's Head of Pensions]. A recommendation will then be made to full council for the appointment to the Board of three nominees based on [published] criteria relating to ability to meet the experience and capacity requirements of the role.

Full council will make three employer representative appointments to the Board.

For subsequent employer representatives:

For all appointments after 1 April 2015, nominations will be sought in the same manner as for initial appointments.

Should there be more than three successful candidates able to fulfil all the criteria of the role, an election process will take place during which all employer organisations within the Wiltshire Pension Fund will be asked to cast one vote based on a brief biography published for each nominee.

[Full council] will appoint the three nominees (and if more than three nominations are received, the three nominees with the highest number of votes) as the employer representatives of the Board.

Member representatives

Member representatives shall either be members of the Wiltshire Pension Fund or have experience of representing pension fund members in a similar capacity. They must be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

Member representatives shall be appointed following an open recruitment process.

For the initial member representatives:

In order to ensure that the member representatives are truly representative of the different types of member within the Wiltshire Pension Fund whilst also being given equal opportunity for nomination, members will be divided into the following groups for nomination purposes:

Group 1: active members;

Group 2: deferred members; and

Group 3: pensioner members.

The Wiltshire Pension Fund Committee shall advertise the member representative role on the Wiltshire Pension Fund website and the Wiltshire Council job vacancy website, including [information on where to access] a nomination pack for each of the three member groups. The Wiltshire Pension Fund Committee shall also notify all employer organisations and registered trade unions in writing of the vacancies, including [information on where to access] a nomination pack for each of the three member groups. The nomination pack will include these terms of reference, details of the member representative role, a nomination form and instructions for application. The closing date for receipt of nominations by the Wiltshire Pension Fund Committee will be four weeks from the date of advertisement or notice.

The Wiltshire Pension Fund Committee will score all nominations returned by the deadline against [published] criteria relating to each nominee's ability to meet the relevant experience and capacity requirements of the role, in order to produce a shortlist of no more than [two] nominees from each member group. If any member group fails to nominate, then the Wiltshire Pension Fund Committee may substitute a nominee from another group according to score received, so that the shortlists contain the highest scoring nominees overall.

Shortlisted nominees will be invited to an interview [by the Council's Associate Director – Legal and Democratic Services and the Council's Head of Pensions]. A recommendation will then be made to full council for the appointment to the Board of three nominees based on [published] criteria relating to ability to meet the experience and capacity requirements of the role.

Full council will make three member representative appointments to the Board.

For subsequent member representatives:

For all appointments after 1 April 2015, nominations will be sought in the same manner as for initial appointments.

Should there be more than three successful candidates able to fulfil all the criteria of the role, an election process will take place during which all active members of the Wiltshire Pension Fund will be asked to cast one vote based on a brief biography published for each nominee.

[Full council] will appoint the three nominees (and if more than three nominations are received, the three nominees with the highest number of votes) as the member representatives of the Board.

Independent chair and vice chair

The Wiltshire Pension Fund Committee will appoint the independent chair, having regard to the best interests of the purpose of the Board. [The appointment shall be subject to the passing of a motion to confirm by a majority of the employer and member representatives of the Board.]

In this respect the term independent means:

- having no current employment, contractual, financial or other material interest in either the Council (other than as an elected member of the Council) or any scheme employer in the Wiltshire Pension Fund; and
- not being a member of the LGPS in the Wiltshire Pension Fund.

The Wiltshire Pension Fund Committee shall advertise the role of chair on the Wiltshire Pension Fund website, the Wiltshire Council job vacancy website and such other appropriate media as it thinks fit, including [information on where to access] a nomination pack. The nomination pack will include these terms of reference, details of the role or chair, a nomination form and instructions for application. The closing date for receipt of nominations by the Wiltshire Pension Fund Committee will be four weeks from the date of advertisement.

The Wiltshire Pension Fund Committee will score all nominations returned by the deadline against [published] criteria relating to each nominee's ability to meet the relevant experience and capacity requirements of the role, in order to produce a shortlist of no more than [five] nominees.

Shortlisted nominees will be invited to an interview [by the Council's Associate Director – Legal and Democratic Services and the Council's Head of Pensions]. A recommendation will then be made to full council for the appointment of the chair to the Board based on [published] criteria relating to ability to meet the experience and capacity requirements of the role.

Full council will appoint the chair to the Board.

The Board will appoint the vice chair from amongst its remaining voting members, alternating on an annual basis between an employer representative and a member representative.

Independent governance adviser

The Wiltshire Pension Fund Committee will procure the services of the independent governance adviser in accordance with Part 11 of the Council's constitution, having regard to the best interests of the purpose of the Board. The role will be re-tendered every four years.

In this respect the term independent means:

- having no current employment, contractual, financial or other material interest in either the Council or any scheme employer in the Wiltshire Pension Fund; and
- not being a member of the LGPS in the Wiltshire Pension Fund.

The independent governance adviser shall not have voting rights on the Board.

Conflicts of interest

All members of the Board must declare to the Wiltshire Pension Fund Committee 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.

On appointments to the Board and following any subsequent declaration of potential conflict the Wiltshire Pension Fund Committee shall ensure that any potential conflict is effectively managed in line with the internal procedures of the Wiltshire Pension Fund Committee, the requirements of the Public Service Pensions Act 2013 and the requirements of the Pensions Regulator's codes of practice on conflict of interest for Board members.

Knowledge and understanding including training

All new members must follow an induction training plan and all members of the Board will be expected to attend the training provided to ensure that they have the requisite knowledge and understanding to fulfil their role.

All members must follow an agreed personal training plan which will be maintained by the Wiltshire Pension Fund Committee.

All members must be prepared to participate in such regular personal training needs analysis or other processes as are put in place to ensure that they maintain the required level of knowledge and understanding to carry out their role.

Failure to attend training or participate in the processes referred to above may lead to removal from the Board.

Term of office and removal from office

All members of the Board will have a fixed term of office of 4 years. After this period the nomination process will be undertaken as outlined above and incumbents may seek re-appointment as part of this process.

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

- there exists a conflict of interest in relation to a Board member which cannot be managed within the internal procedures of the Wiltshire Pension Fund Committee
- a Board member dies or becomes incapable of acting
- a Board member becomes responsible for the discharge of any function under the LGPS Regulations (apart from any function relating to local pension boards or the Scheme Advisory Board), for instance by being appointed to the Wiltshire Pension Fund Committee or accepting employment in relation to the Wiltshire Pension Fund
- a Board member provides 3 months' notice of resignation
- a member representative ceases to be a member of the body or scheme on which their appointment relied
- an employer representative ceases to hold the office, employment or membership of the body on which their appointment relied
- a councillor ceases to represent their constituency
- the contract relating to the independent governance adviser is terminated or expires
- the Wiltshire Pension Fund Committee (at its sole discretion) determines that a member is no longer able to demonstrate his or her capacity to attend and prepare for meetings or to participate in required training

If any of these events occur then the nomination process outlined above will be undertaken as soon as reasonably practicable. If an additional member is required urgently to achieve quorum then the chair will appoint a temporary member who meets the specified criteria for that particular role until the full appointment process can be completed.

Meetings

Meetings of the Board will be held at least four times a year.

The chair of the Board may call additional meetings with the consent of other members of the Board. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and emails.

The Board will meet at the Council's main offices, or another location to be agreed by the chair. Meetings will be held during normal working hours at times to be agreed by the chair.

Quorum

The quorum of the Board shall be 5 voting members. The chair or vice chair must be present for the meeting to be quorate.

Voting rights

The Board is expected to operate on a consensus basis. However, each voting member of the Board will have an individual voting right. In the event that consensus cannot be reached, a vote will be taken. The chair will have a casting vote if required.

Rules of procedure and role of the chair

As a committee of the Council, the Rules of Procedure at part 4 of the Council's constitution apply to meetings of the Board.

In addition to the requirements set out in the Council's Rules of Procedure, the chair of the Board will:

- ensure that these terms of reference are adhered to and that any breaches are reported to the Wiltshire Pension Fund Committee
- ensure an attendance record is maintained and sent to the Wiltshire Pension Fund Committee promptly following each Board meeting
- liaise with the Council on the requirements of the Board, including location of meetings, advanced notice for officers to attend and arranging dates and times of Board meetings.

Role of officers

The Council's Associate Director - Finance and Head of Pensions will provide support to the Board in terms of providing information and reports to enable it to undertake its duties. The Board may, with the prior agreement of the Wiltshire Pension Fund Committee and within the budgetary constraints set out below, commission work from external advisors should a conflict of interest exist that cannot be managed within the agreed policies.

The Council's Democratic Services will provide the secretariat services to the Board.

Delegations

The Wiltshire Pension Fund Committee may establish working groups or sub-boards to discharge any of the above functions of the Board. Working groups and sub-boards will, where appropriate, report back to the Board with findings and recommendations but will have no decision making powers.

Code of Conduct

All members of the Board will be required to comply with the Wiltshire Council Code of Conduct set out at Part 13 of the Council's constitution.

Public access to Board meetings and information

The Board is subject to the Access to Information Procedure Rules in Part 5 of the Council's constitution and the publication requirements of the Public Service Pensions Act 2013.

The following will be entitled to attend Board meetings in an observer capacity, and may speak [with the permission of the chair]:

- The Council's Associate Director - Finance
- The Council's Head of Pensions
- The Council's Cabinet member for finance
- Any person requested to attend by the Board

Attendance requirements

Members of the Board will be expected to attend all meetings and training sessions. This will be recorded and published. Should more than two consecutive meetings be missed at any time or should any four meetings be missed within a 24 month period then the Wiltshire Pension Fund Committee may request that the member steps down from the Board.

Allowances and Expenses

Any councillor of the Council appointed to the Board will be entitled to receive allowances in accordance with Part 14 of the Council's constitution (Members' Allowance Scheme).

The independent governance advisor will be paid in accordance with the contract concluded with the Council.

Allowances and reimbursement of expenses for all other members of the Board will be decided by the Council's Independent Remuneration Panel.

Budget

The Wiltshire Pension Fund Committee will allocate an annual budget for the Board as part of its budget setting process. The budget will be managed by and at the discretion of the Board. The budget shall allow for:

- accommodation and administrative support to conduct its meetings and other business;
- training; and
- legal, technical and other professional advice

The Board may make requests to the Wiltshire Pension Fund Committee to approve any additional expenditure required to fulfil its obligations which will then be charged to the Wiltshire Pension Fund budget.

Accountability and reporting

The Board is accountable solely to the Council for the effective operation of its functions.

The Board shall report to the Wiltshire Pension Fund Committee as often as the Board deems necessary and at least bi-annually:

- a summary of the work undertaken
- the work plan for last year and the programme for the next 12 months
- areas raised to the Board to be investigated and how they were dealt with
- any risks or other areas of potential concern it wishes to raise
- details of training received and planned
- details of all expenses and costs incurred over the past 12 months and projected for the next year
- details of any conflicts of interest and how they were dealt with

The Board shall from time to time as necessary report to full council any breach in compliance, or other significant issue, which has not been resolved to the satisfaction of the Board within a reasonable time of being reported to the Wiltshire Pension Fund Committee.

The Board shall report to the Scheme Advisory Board:

- any areas of persistent non-compliance
- any areas of non-compliance with the LGPS Regulations that have been reported to the Wiltshire Pension Fund Committee and full council but persist to be of a material concern

The Board shall report to the Pensions Regulator:

- all material breaches of the Pensions Regulator regulatory guidance, following notification to full council and the Wiltshire Pension Fund Committee

Definitions

The undernoted terms shall have the following meaning when used in these terms of reference:

Board	The Local Pension Board of the Wiltshire Pension Fund
Council	Wiltshire Council as scheme manager of the Wiltshire Pension Fund
LGPS	The Local Government Pension Scheme
LGPS Regulations	The Local Government Pension Scheme Regulations 2013
Scheme Advisory Board	A board established under section 7 of the Public Service Pensions Act 2013