

APPENDIX 1

LOCAL PENSION BOARD OF TAMESIDE MBC TERMS OF REFERENCE

Introduction

1. This document sets out the terms of reference of the Local Pension Board of Tameside MBC (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as 'the Board') is established in accordance with Section 5 of that Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).
2. Please refer to the definitions set out on the final page of this document.

Statement of purpose

3. The purpose of the Board is to assist the Administering Authority in its role as a scheme manager of the Scheme. Such assistance is to:
 - (a) secure 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 and;
 - (b) to ensure the effective and efficient governance and administration of the Scheme.

Duties of the Board

4. The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members should be subject to and abide by the code of conduct for Board members. The Board should always act within these Terms of Reference.

Membership

5. The Board shall consist of 10 members, and at all times there shall be an equal number of Member and Employer Representatives. Substitutes shall not be appointed.
6. Each member has one vote on the Board. Should an Employer/Member representative not be in attendance at any meeting, another Employer/Member representative may vote on their behalf. The Chair of the Board does not have a casting vote.
7. The Administering Authority, following liaison with the Board, will periodically review the appropriate number of Board members and whether the Board shall include other members who are not entitled to vote. Initially, there will be no other members on the Board.
8. Four of the Board's Member representatives shall be nominated by the recognised trade unions representing employees who are scheme members of the Fund.
9. The remaining Member representative will be selected directly from the membership of the Fund.
10. Employer representatives shall be office holders or senior employees of employers of the Fund or have experience of representing scheme employers in a similar capacity. No officer or elected member of the Administering Authority who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.

11. Two of the initial Employer representatives shall be nominated by Tameside MBC and two shall be nominated by the other Greater Manchester local authorities.
12. The remaining Employer representative will be nominated by the Fund's non Local Authority employers.
13. No organisation shall have more than 2 members serving on the Board.
14. In conjunction with the review of the appropriate number of Board representatives, the Administering Authority will also review the nomination process for Member and Employer representatives.
15. Each Board member should endeavour 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 Administering Authority.

Chair of the Board

16. The Administering Authority will propose one of the members to be the Chair of the Board. There will be no vice-chair.
17. The Chair of the Board:
 - (a) Shall ensure the Board delivers its purpose as set out in these Terms of Reference,
 - (b) Shall ensure that meetings are productive and effective and that opportunity is provided for the views of all members to be expressed and considered, and
 - (c) Shall 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.

Terms of Office

18. The term of office for the initial Board members is until September 2016. Subsequent terms of office are likely to be for a longer period and will be set to ensure continuity and the retention of knowledge and skills on the Board.
19. Extensions to terms of office may be made by the Administering Authority.
20. A Board member may be appointed for further terms of office using the methods set out in paragraphs 7 to 11.
21. Board membership may be terminated prior to the end of the term of office due to:
 - (a) A Member representative no longer being a representative of the body on which their appointment relied.
 - (b) An Employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
 - (c) A Board member no longer being able to demonstrate to the Administering Authority their capacity to attend and prepare for meetings or to participate in required training.
 - (d) The representative being withdrawn by the nominating body and a replacement identified.
 - (e) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
 - (f) A Board member who is an elected member becomes a member of the Fund Management Panel.

- (g) A Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Administering Authority under the Regulations.

Conflicts of interest

22. All members of the Board must declare to the Administering Authority 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.
23. On appointment to the Board and following any subsequent declaration of potential conflict by a Board member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Board's conflicts policy and the requirements of the Code.

Knowledge and understanding (including Training)

24. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board members under the Act.
25. Board members shall participate in training in order to meet and maintain the requirements set out in the Board's Knowledge and Understanding policy and Framework.

Sub-committees

26. The Board may establish sub-committees with the approval of the Administering Authority.

Meetings

27. The Board shall as a minimum meet 4 times each year.
28. The chair of the Board with the consent of the Board membership may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

Quorum

29. A meeting is only quorate when the Chair and at least 50% of both member and employer representatives (including the Chair) are present.
30. A meeting that becomes inquorate may continue but any decisions will be non-binding.

Board administration

31. The Chair shall agree with the Board Support Officer an agenda prior to each Board meeting.
32. The agenda and supporting papers will be issued (where practicable) in advance of the meeting except in the case of matters of urgency.
33. Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members after the meeting. These draft minutes will be subject to formal agreement by the Board at their next meeting. Any decisions made by the Board should be noted in the minutes and in addition where the Board was unable to reach a decision such occasions should also be noted in the minutes.

34. The minutes may with the agreement of the Board, 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.
35. The Board Support Officer shall ensure that Board members meet and maintain the knowledge and understanding as determined in the Board's Knowledge and Understanding Policy and Framework and other guidance or legislation.
36. The Board Support Officer shall arrange such advice as is required by the Board subject to such conditions as are listed in these Terms of Reference for the use of the budget set for the Board.
37. The Board Support Officer shall ensure an attendance record is maintained.
38. The Board Support Officer shall liaise with the Administering Authority on the requirements of the Board, including advanced notice for officers to attend and arranging dates and times of Board meetings.

Expenses and allowances

39. The Administering Authority shall meet the expenses of Board members and pay allowances for Board members in line with the Administering Authority's policy on expenses and allowances.

Budget

40. The Board is to be provided with adequate resources to fulfil its role. In doing so the budget for the Board will be met from the Fund.
41. The Board will seek approval from the Administering Authority for its budget on an annual basis. The budget will be managed by and at the discretion of the Board.

Core functions

42. The first core function of the Board is to assist the Administering Authority 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. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:
 - a) *Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Fund Management Panel.*
 - b) *Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code.*
 - c) *Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.*
 - d) *Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.*
 - e) *Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation.*
 - f) *Monitor complaints and performance on the administration and governance of the scheme.*

- g) *Oversee the application of the Internal Dispute Resolution Process.*
 - h) *Review the outcome of Pensions Ombudsman cases.*
 - i) *Review the implementation of revised policies and procedures following changes to the Scheme.*
 - j) *Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.*
 - k) *Review the complete and proper exercise of employer and administering authority discretions.*
 - l) *Review the outcome of internal and external audit reports.*
 - m) *Review draft accounts and Fund annual report.*
 - n) *Review the compliance of particular cases, projects or process on request of the Fund Management Panel.*
 - o) *Any other area within the statement of purpose (i.e. assisting the Administering Authority) the Board deems appropriate.*
43. The second core function of the Board is to assist the Administering Authority to ensure the effective and efficient governance and administration of the Scheme.
44. The Fund Management Panel has established six working groups to consider in depth the issues that drive Fund performance. The Board will liaise with the Fund Management Panel in formulating its work programme under this function. Some examples of areas the Board may wish to consider are:
- a) *Monitor internal and external audit reports.*
 - b) *Review the risk register as it relates to the scheme manager function of the authority.*
 - c) *Assist with the development of improved management, administration and governance structures and policies.*
 - d) *Assist in the development and monitoring of process improvements on request of the Fund Management Panel.*
45. In support of its core functions the Board may make a request for information to the Fund Management Panel with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing.
46. In support of its core functions the Board may make recommendations to the Fund Management Panel which should be considered and a response made to the Board on the outcome within a reasonable period of time.

Reporting

47. The Board will inform the Fund Management Panel of all its decisions and actions by submitting its minutes to the Fund Management Panel and reporting on a regular basis in a format to be agreed with the Fund Management Panel.
48. The Board will produce an annual report on its work for inclusion in the Fund's Annual Report and Accounts.
49. In the exceptional circumstances that the Board considers that a matter brought to the attention of the Fund Management Panel has not been acted upon or resolved to the satisfaction of the Board, the Board will report to the Chair of the Fund Management Panel its intention to escalate the matter.
50. The appropriate internal route for escalation is to the Administering Authority's Monitoring Officer.

51. Board members are also subject to the requirements to report breaches of law under the Act and the Code to the Pensions Regulator. Where the Board considers there has been a breach it should inform and review this with the Fund Management Panel with the objective of submitting a collective report.

Review of terms of reference

52. 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 2 years.
53. These Terms of Reference were initially adopted on 25 February 2015 and last revised on 14 July 2015.

Interpretation

The following terms have the meanings as outlined below:

'the Act'	The Public Service Pensions Act 2013.
'the Code'	means the Pension Regulator's Code of Practice No 14 governance and administration of public service pension schemes.
'the Fund'	means the Greater Manchester Pension Fund.
'the Guidance'	means the guidance on the creation and operation of local pension boards issued by the Shadow Scheme Advisory Board.
'the Regulations'	means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time).
'Relevant legislation'	means relevant overriding legislation as well as the Pension Regulator's Codes of Practice as they apply to the Administering Authority and the Board notwithstanding that the Codes of Practice are not legislation.
'the Scheme'	means the Local Government Pension Scheme in England and Wales.