

AMENDED TERMS OF REFERENCE FOR THE PENSIONS COMMITTEE AND PENSIONS BOARD

Pensions Committee

A Pensions Committee whose functions shall include all matters relating to the Local Government Pension Fund.

PENSIONS ~~SUB~~-COMMITTEE

Composition

No special requirements apply to the composition of the Pensions ~~Sub~~-Committee.

Quorum

The quorum of the sub-committee shall be two members.

Terms of Reference

To exercise on behalf of the Council all of the powers and duties of the Council in relation to its functions as Administering Authority of the London Borough of Islington Pension Fund. This includes but is not limited to the following matters:

Terms of Reference

- ~~1. To consider policy matters in relation to the pension scheme, including the policy in relation to early retirements.~~
- ~~2. To administer all matters concerning the Council's pension investments in accordance with the law and Council policy.~~
- ~~3. To establish a strategy for disposition of the pension investment portfolio.~~
- ~~4. To determine the delegation of powers of management of the fund and to set boundaries for the managers' discretion.~~

~~5. To review the investments made by the investment managers and from time to time consider the desirability of continuing or terminating the appointment of the investment managers. (Note: The allocation of resources to the Pension Fund is a function of the Executive).~~

~~6. To consider the overall solvency of the Pension Fund, including assets and liabilities and to make appropriate recommendations to the Executive regarding the allocation of resources to the Pension Fund.~~

~~7. The Chair of the Pensions Sub-Committee will represent Islington Council at shareholder meetings of the London Collective Investment Vehicle (London LGPS CIV Limited). In the absence of the Chair a deputy may attend.~~

1. Reviewing and approving the statutory policies of the Fund including the Governance Compliance Statement, Funding Strategy Statement, Investment Strategy Statement, Pension Administration Strategy, Communications Strategy.
2. To determine the arrangements for the appointment of the Fund Actuary, Investment Consultant and any other Advisor that it may be determined appropriate to appoint.
3. To receive an annual Internal Audit Plan in respect of the Pension Fund which will include, at least, an annual assurance review of the Pensions Administration service and a report on the outcome of planned internal audit activity.
4. To regularly receive and review a comprehensive Risk Register relating to the activities of the Pension Fund.
5. To agree the Business Plan and Annual Budget of the Fund.
6. To agree the Pension Fund Annual Report and Financial Statements.
7. To determine, approve and regularly monitor the arrangements relating to the provision of all matters relating to Pensions Administration functions and the provision of a Pensions Administration Service to the Pension Fund.
8. To receive regular performance monitoring reports, in such form as it determines, in respect of the Pensions Administration Service.
9. To review and approve a Reporting Breaches of the Law procedure for the Pension Fund and to regularly receive the Breaches Log.

10. To make and review an Admission Policy in relating to the admission of Employers to the Fund and be responsible for determining the admission of Employers to the Fund.
11. To agree the investment strategy and strategic asset allocation having regard to the advice of the Investment Consultant.
12. To determine the Fund management arrangements, including the appointment and termination of the appointment of Fund Managers.
13. To monitor the performance of the Pension Funds appointed Fund Managers.
14. To determine the relationship of the Pension Fund with the London Collective Investment Vehicle and to monitor its activity and performance.
15. To determine the arrangements for the provision of Additional Voluntary Contributions for Fund members.
16. To ensure that the Covenants of Employers are thoroughly assessed as required and at least during every Triennial Actuarial Valuation.
17. To receive, from the Fund Actuary, Actuarial Valuations of the Fund.
18. To consider and determine a response to any advisory Recommendation received from the Pension Board.
19. To receive and consider the External Auditors Annual Report (audit findings report / ISA260) on the Pension Fund.
20. To ensure compliance with all relevant statutes, regulations, government guidance and other codes and best practice as applicable to the Local Government Pension Scheme.
21. To determine such other policies that may be required so as to comply with the requirements of Government or bodies acting on behalf of Government.
22. To ensure all members of the Pensions Committee undertake appropriate, and ongoing, training to fulfil their responsibilities

ISLINGTON PENSIONS BOARD

Introduction

This document sets out the terms of reference of the Local Pension Board of The London Borough of Islington (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).

The Board is established by the Administering Authority and operates independently of the Pensions Committee. 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 the Administering Authority apply to the Board unless expressly included in this document.

The Board's Terms of Reference as set out in this document have been produced in line with the relevant regulations, legislation and guidance.

Terms of Reference

1. To assist the London Borough of Islington as scheme manager in securing compliance with:

- a. the Local Government Pension Scheme Regulations 2013;
- b. any other legislation relating to the governance and administration of the Local Government Pension Fund Scheme (LGPS);
- c. requirements imposed by the Pensions Regulator in respect of the LGPS;
- d. such other matters as the LGPS regulations may specify

2. To assist the London Borough of Islington in securing the effective and efficient governance and administration of the scheme;

3. To consider cases that have been referred to the Pension Regulator and/or the Pension Ombudsman; recommending changes to processes, training and/or guidance where necessary;

4. To produce an annual report outlining the work of the Board throughout the financial year.

5. To make recommendations to the Pensions Committee.
6. Retain oversight of the administration and governance of the Fund including:
 - a. Direction of the Fund and its overall objectives
 - b. the administration of benefits and contributions
7. Activity of the board may consist of, but is not limited to:
 - a. Review Fund governance policy documents.
 - b. Reviewing the Fund's administrative and investment performance.
 - c. Reviewing the performance of the London Collective Investment Vehicle (LCV)
 - d. Reviewing the ongoing training requirements of Board Members
 - e. Reviewing the Fund's risk register
 - f. Reviewing the Fund's audit findings report / ISA260.

Composition

The membership of the Board shall consist of:

- 3 Islington Council Pension Fund employer representatives
- 3 Islington Council Pension Fund member representatives
- 1 independent member (non-voting)

No substitutes are permitted, with the exception of the member of the Board who is appointed to represent pensioner members of the LGPS.

All members of the Board shall be appointed by full Council the Board shall vote on its own Chair.

Employee Representatives

No officer or elected member of the Council who is responsible for the discharge of any function in relation to the LGPS.

Employee representatives shall be members of the scheme in either an active, deferred or retired member capacity.

Employee representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

A total of three employee representatives shall be appointed. A pensioner rep shall be appointed following a transparent recruitment process which should be open to all pensioner members and be approved by the Administering Authority.

Two employer reps will also be nominated through the respective union channels through their own process.

Employee representatives will normally serve a term of either three or four years, provided they remain members of the Fund, but shall be free to stand for re-election at the end of that period provided they are still a member of the Scheme.

If employee representatives repeatedly fail to attend training or Board meetings they will be removed from post and a new process will be undertaken to replace them, this discretion will lie with the scheme manager.

Employer Representatives

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

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

A total of three employee representatives shall be appointed by the administering authority. These may be up to two elected members of the London Borough of Islington Council and up to two members of the other remaining employers within the Fund.

Employer representatives will normally serve a term of three or four years, provided they remain associated with an employer of the Fund, but shall be free to stand for re-election at the end of that period provided they are still a member of the Scheme.

Terms of Office

Representatives shall serve their positions for three or four years, but may re-apply at the end of their terms.

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

- (a) A employee representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund.
- (b) 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.
- (c) The representative being withdrawn by the nominating body
- (d) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.

(e) A Board member becomes a member of the Local Pension Committee.

(f) 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.

(g) An employer representative ceases to be an elected Councillor for the local authority they represent.

The Scheme manager will rule if any of the above criteria have been met.

Meetings

The Board shall meet in accordance with the Pensions Committee reporting cycle, which is currently four times per annum.

Urgent meetings of the Local Pension Board may be called by the Chair in consultation with the Scheme Manager if a matter arises that does not allow delay.

Members of the Pensions Board shall be invited to attend meetings of the Sub-Committee as observers.

The Board's meetings will be open to the general public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the general public).

The Administering Authority shall also publish other information about the Board including:

(a) Public agendas and minutes

(b) Annual reports on the work of each Board member.

The Local Pension Board is not a committee of the Administering Authority but the Authorities' rules, as set out in the Constitution, regarding notice of meetings, publishing agendas, reports, minutes papers (unless confidential), will apply.

Quorum

A meeting is only quorate when 50% of the total employer and employee representatives are present (ie. 3 members), including at least one employee representative and one employer representative.

A meeting that becomes inquorate may continue but any decisions will be non-binding.

Decision making

Each Member of the Board will have an individual voting right, however it is expected that the Board will, as far as possible, reach a consensus.

In the event of a tied vote the chair will not have a casting vote. The matter under consideration which has been the subject of a tied vote shall be referred to the Pensions Committee and/or Administering Authority together with the views of the members on the matter.

Meetings of the Board will be formal occasions to be minuted accordingly. Meetings will be conducted adhering to the standing orders of the Administering Authority, as set out in its Constitution, so far as such do not make the business of the Board unviable.

Officers representing the Administering Authority will be expected to produce reports for the Board and provide advice and clarification during the Board's meetings.

Advisors 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 including:-

- a. The Governance Adviser
- b. The Fund's Actuary;
- c. The Administering Authority
- d. The Fund's Legal Adviser;
- e. The Scheme Manager.
- f. Other advisers, so approved by the Scheme Manager.

Standards of Conduct and Conflicts of interest

All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change and complete a register of interests, any potential conflict of interest arising as a result of their position on the Board.

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 Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.

The principles included in London Borough of Islington's Code of Conduct for Members will apply to all Members of the Board.

Knowledge and Skills

Following appointment, each Member of the Board should be conversant with:

- a) the legislation and associated guidance of the LGPS; and,
- b) any document recording policy about the administration of the LGPS which is for the time being adopted by the Fund.

The Administering Authority will provide a training programme which all Board Members will be required to attend. Board members should indicate to officers which areas they feel they require the most attention through a training needs assessment.

Expenses

The Pension Fund does not pay for Board member expenses.

Board Members are entitled to claim reasonable travel and subsistence expenses from the Council.

For the avoidance of doubt, Board members shall not receive an annual allowance of any kind.

Budget

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.