

## **Pension Advisory Board of the West Sussex Pension Fund**

1. This document sets out the terms of reference for the Local Pension Board of the West Sussex Local Government Pension Fund (referred herein as the Pension Advisory Board) as required by the Public Service Pensions Act 2013.

### **Scheme Management**

2. The Scheme Manager is defined in Section 4 of the Public Service Pensions Act 2013 as the individual scheme administering authorities in England and Wales. For the purpose of the West Sussex Pension Scheme this is the West Sussex County Council. Its functions are discharged in accordance with the Council's scheme of delegation by:
  - Governance Committee (delegated to the Pensions Committee)
  - Officers (Director of Finance and Support Services and the Director of Law and Assurance)

### **The Pension Advisory Board**

3. The role of the Pension Advisory Board is to:
  - Assist West Sussex County Council as Scheme Manager;
    - To secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;
    - To secure compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;
    - In such other matters as the scheme regulations may specify.
4. The Pension Advisory Board will ensure the Scheme Manager effectively and efficiently complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pensions Regulator. The Board will also ensure that it complies with the knowledge and understanding requirements in the Pensions Regulator's Code of Practice.
5. The Pension Advisory Board is accountable to the Pensions Regulator, National Scheme Advisory Board and Scheme Manager. The National Scheme Advisory Board will advise the Responsible Authority (in the case of the LGPS the DCLG) and the Scheme Manager (in this case West Sussex County Council). The Pensions Regulator will report to the Responsible Authority (again, DCLG) but will also be a point of escalation for whistle blowing or similar issues (supplementary to the whistle blowing policy and anti- fraud and corruption policy operated by the Scheme Manager which operate to include all of the functions of the Council as Scheme Manager and its advisers).

6. The principal functions of the Pension Advisory Board shall include:
  - Seeking assurance that due process is followed with regard to Pensions Committee decisions.
  - Considering the integrity and soundness of Pensions Committee decision making processes.
  - Seeking assurance that administration performance is in compliance with the Administration Strategy
  - Considering the effectiveness of communication with employers and members including the Communication Strategy
  - Considering and commenting on Internal Audit recommendations.
  - Consideration of External Auditor reports.

Any complaint or allegation of breach of due process brought to the attention of the Pension Advisory Board shall be dealt with in accordance with the Code of Practice as published by the Pensions Regulator.

### **Frequency of Meetings and Notice of Meetings**

7. The Pension Advisory Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively. There will be no fewer than four meetings a year (one of which will be the Annual General Meeting).
8. The Director of Law and Assurance shall give notice to all Pension Advisory Board members of every meeting of the Pension Advisory Board including the date, location and time of the meeting and shall ensure that a formal record of the Pension Advisory Board proceedings is maintained.
9. Papers will be provided at least one week before the formal Pension Advisory Board meeting.
10. All agendas and non-confidential Pension Advisory Board papers and minutes of meetings will be published on the West Sussex Pension Fund website.
11. The Pension Advisory Board may classify some papers and minute notes as Part II on the basis of confidentiality or for Data Protection reasons. All Pensions Committee Part II papers will be classified as Pension Advisory Board Part II (confidential).

### **Membership**

#### **Members**

12. The Pension Advisory Board shall consist of 7 members and be constituted as follows:

<b>No.</b>	<b>Constituency</b>	<b>Definition / Constraints</b>	<b>Voting</b>
3	Employer	Must represent all employers within the scheme  This must be a named individual on behalf of an employer and not an employer with a variable representative  Must represent an employer within the West Sussex Local Government Pension Scheme	Yes
3	Scheme members	To cover all members of the scheme (active, deferred, pensioners)  Must be a member of the West Sussex Local Government Pension Scheme	Yes
1	Independent	To act as Chairman	No

### **Term of Office**

13. The term of office for employer and scheme member representatives is four years and will be on a phased basis. This can be extended following reselection up to a maximum of three terms. Reselection will be at the invitation or discretion of the Chairman, with advice from the Director of Finance and Support Services and the Director of Law and Assurance.
14. Pension Advisory Board members must meet key attendance and training requirements to retain their membership during this period.
  - A member must attend at least two meetings per year.
  - The training plan produced by the Director of Finance and Support Services must be complied with by every member.
  - The Pension Regulator's Code of Practice must be complied with.
15. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the Governance Committee on advice from the Director of Law and Assurance.
16. If a Pension Advisory Board member leaves employment with the employer they are representing or changes their employment status their position on the Pension Advisory Board will be reviewed as in paragraph 15. As representatives can also be elected members, this will also apply if the representative ceases to be an elected member. To avoid a conflict of interest, no officer or councillor of West Sussex (as the administering authority) who is responsible for the discharge of any function under the Regulations, may be a member of the Pension Advisory Board.
17. If a Pension Advisory Board member becomes aware of a potential conflict of interest involving themselves or another Pension Advisory Board member or prospective member, they should ensure that the Director of Law and Assurance is aware of this. Such interests shall be registered and the register held by the Director of Law and Assurance. Members shall be bound

by the provisions of sections 30 to 32 of the Localism Act 2011 in relation to the rules on personal or pecuniary interests.

18. Other than ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the decision of the Governance Committee.
19. If an employer or scheme member representative wishes to resign they must write to the Chairman and the Director of Law and Assurance giving at least one month's notice.
20. If the Chairman wishes to resign he or she must write to the Governance Committee and the Director of Law and Assurance giving at least three months' notice.

### **Selection of Employer and Scheme Member Representatives**

21. The members of the Board other than the Chairman shall be appointed by the Chairman with advice from the Director of Finance and Support Services and the Director of Law and Assurance. Nominations will be invited with a view to maximising the opportunity for all scheme members and employers to participate in nominating or seeking nomination for the other panel appointments. All regular communications, such as pensions newsletters and the website will be used to promote the opportunity and invite participation in nomination and approval of candidates through an open and transparent process.

### **Chairman**

22. The Chairman will be the independent member appointed for an initial term of 2 years by the Governance Committee, from a short list of nominees drawn up by the Director of Finance and Support Services and the Director of Law and Assurance. A job description approved by the Committee will be used to identify the candidate best suited to the role. The independent Chairman cannot vote, in accordance with the regulations. The following provisions will apply:
  - the term of office for the Independent Chairman is for four years;
  - subject to agreement of the Governance Committee, on advice from the Director of Finance and Support Services and the Director of Law and Assurance, the Independent Chairman will be able to serve a maximum of two consecutive terms before the opportunity is re-advertised.
  - future appointments will be by a panel of three members from the Governance Committee, supported by appropriate technical advice, and shall be made from a short list of nominees drawn up by the Director of Finance and Support Services and the Director of Law and Assurance following suitable advertisement of the opportunity. The incumbent Chairman would be eligible for consideration for the post.
  - amendments to the Independent Chairman's job description will be approved by the Governance Committee.

- the appointment of the Independent Chairman is phased with other members of the Board to ensure continuity of experience on the Board.

23. It will be the role of the Chairman to

- Settle with officers the agenda for a meeting of the Board
- Manage the meetings to ensure that the business of the meeting is completed
- Ensure that all members of the Board show due respect for process and that all views are fully heard and considered
- Strive as far as possible to achieve a consensus as an outcome
- Ensure that the actions and rationale for decisions taken are clear and properly recorded.

### **Substitutions**

24. Personal attendance is expected of Board members at all meetings; no substitution is allowed.

### **Co-Opted Members**

25. The Board may, with the approval of the Director of Finance and Support Services, co-opt persons who are not members of the Board to serve on sub-committees, for a period of time or for a specific task, where this would add skills, knowledge or experience. The co-opted members cannot vote.

26. Notwithstanding the appointment of co-opted members, the majority of sub-committee shall comprise employer and scheme member representatives, represented in equal number.

### **Quorum**

27. Three of the members of the Pension Advisory Board, including at least one employer and one scheme member representative, will be a quorum for Board meetings to discharge business. Advisors and co-opted persons do not count towards the quorum.

### **Knowledge and Skills**

28. Every member of the Pension Advisory Board must 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 West Sussex Pension Fund.

29. Every member of the Pension Advisory Board must have knowledge and understanding of –

- The law relating to pensions; and
- Any other matters as prescribed in the Regulations.

30. It is for individual Pension Advisory Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Board. Members of the Pension Advisory Board must be able to demonstrate their

knowledge and understanding and must comply with the Pension Regulator's Code of Practice.

31. Pension Advisory Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses in accordance with guidance issued by the Director of Finance and Support Services.
32. It is essential that Pension Advisory Board members refresh and keep their knowledge up to date and must comply with the training policy adopted by the Board on advice from the Director of Finance and Support Services.
33. Pension Advisory Board members are required to maintain a written record of relevant training and development and this must be published by the Board and the Scheme Manager.

### **Standards of Conduct**

34. The role of the Pension Advisory Board members requires the highest standards of conduct and therefore the 'seven principles of public life' will be applied to all Pension Advisory Board members. The Code of Conduct of the West Sussex County Council will apply to the Board's members. The County Council's Standards Committee will monitor and act in relation to the application of the Code.

### **Advisers to the Board**

35. The Board may be supported in its role and responsibilities through the appointment of independent advisors, subject to any applicable Regulation and Legislation from time to time in force, consult with such advisors to the Board and on such terms as it shall see fit to help better perform its duties.
36. Notwithstanding the Pensions Committee responsibility to appoint professional and specialist investment advisers and managers on a consultancy basis, The Board shall ensure that the performances of the advisers so appointed are reviewed on a regular basis.

### **Budget and Business Plan**

37. The Board will prepare a Business Plan and Budget each year to be approved by the Governance Committee.

### **Board Review Process**

38. The Board will undertake each year a formal review process to assess how well it and its sub-committees are performing with a view to seeking continuous improvement in the Board's performance.

### **Expense Reimbursement**

39. Remuneration for board members will be limited to a refund of actual expenses incurred in attending Board meetings and training. The Chairman's remuneration will be agreed on appointment and approved by the Governance Committee.
40. Advisers will be remunerated dependent on individual arrangements.

## **Publication of Pension Advisory Board Information**

41. Up to date information will be posted on the West Sussex Pension Fund website showing:

- Names and information of the Pension Advisory Board members
- How the scheme members and employers are represented on the Pension Advisory Board
- Responsibilities of the Pension Advisory Board as a whole
- Full terms of reference and policies of the Pension Advisory Board and how they operate
- Pension Advisory Board appointment process
- Specific roles and responsibilities of individual Pension Advisory Board members.