

CYNGOR SIR POWYS COUNTY COUNCIL

**Pensions and Investment Committee
26th June 2020**

REPORT BY: Head of Finance

SUBJECT: Powys Local Pension Board – Amendments to Terms of Reference

REPORT FOR: Decision

1 Introduction

At the Pensions and Investment Committee meeting held on 12th of December 2019, the Chair of the Powys Pension Board requested that changes be made to the Board's Terms of Reference to increase the membership from two each of Scheme Employer and Scheme Member Representatives, to three. As these Terms are set by the Council as the administering authority, any amendments require the approval of Pensions & Investment Committee.

In addition, this request has led to a complete review of the existing Terms of Reference and the proposed amendments are detailed below.

2 Proposed Amendments

The amendments required are as set out below.

2.1 Paragraph 12 (Scheme Member Representatives)

Amendment is made to reflect membership status of potential Scheme Member representative. Therefore, it is proposed that paragraph 12 be amended as follows:

Scheme Member representatives shall either be scheme members (active, deferred or pensioner) or have capacity to represent scheme members of the Fund.

2.2 Paragraph 15 b) inserted to reflect additional Scheme Member representative from scheme membership category active, deferred or pensioner:

b) An active, deferred or pensioner member of the Powys Pension Fund

2.3 Paragraph 19 amended to reflect increase from two to three Employer

representatives:

19 A total of ~~two~~ three employer representatives shall be appointed to the Board from any of the following sources:

- a) ~~One~~ Two employer representative shall be appointed by the Fund Employers' Meeting where that body is open to and representative of all employers in the Fund.
- b) Where a vacancy remains from a) above, then one employer representative may be appointed following a transparent recruitment process which should be open to all employers in the Fund, or representatives thereof, and be approved by Powys County Council.

2.4 Paragraph 23 amended to increase responsibilities of the Chair. Subsections (d) and (e) added as follows:

- (d) Shall prepare an Executive Summary of the outcomes of each meeting of the Board, for presentation to the Committee
- (e) shall draft an "Annual Report" from the Board for consideration by the Board, and to be included in the Annual Report of the Pension Fund

2.5 Paragraph 26 (Terms of Office). Increase the possibility of extension of term from one year to two years to increase flexibility

2.6 Paragraph 32 inserted as follows:

Each member of the LGPS Local Pension Board (as well as any other attendees participating in the meeting) will be expected to declare, on appointment and at each meeting, any interests which may lead to conflicts of interest in the subject area or specific agenda of that LGPS Local Pension Board.

2.7 Paragraph 33 "Knowledge and Understanding" amends the wording to include consideration towards cyber risk.

2.8 Paragraph 36 inserted to reflect mandatory training as follows:

Board members should complete the Pension Regulator's online Toolkit

2.9 Paragraph 40 (Quorum)

Amendments are needed to strengthen the quorum criteria by requiring that a Board meeting can only be quorate when the Chair is in attendance; and, to deal with the potential of an unbalanced Board meeting – the legislation requires that there be an equal number of Employer and Scheme Member Representatives. It is proposed that paragraph 38 be amended as follows:

A meeting is only quorate when at least one scheme member and one employer representatives are present and where the independent Chair is in attendance. In addition, where a meeting proceeds with an imbalance between Employer and Scheme Member Representatives, the Chair will ensure that any vote taken is based on a balance of these Representatives, as and when the situation demands.

2.10 Paragraph 41 adjusted to read:

A meeting that becomes inquorate may continue but any decisions will be non-binding and shall require ratification at the following meeting.

2.11 Paragraph 45 amended to acknowledge compliance with Data Protection and General Data Protection Regulations (GDPR) requirements.

2.12 Paragraph 51 amended to read as follows:

The following will be entitled to attend full meetings of the Board in an observer capacity:

- (a) Members of the Committee,
- (b) The Section 151 Officer and the Monitoring Officer or the designated deputy of either statutory post, of Powys County Council,
- (c) Any person requested to attend by the Board.
- (d) Any future Board member appointed in advance of their taking up their appointment

2.13 Paragraph 71 amended as follows:

Board members are also subject to the requirements to report breaches of law under the Act and the Code and the provisions set out in Powys County Council's Whistleblowing Policy. The Board, and any other reporters, would need to follow the process set out in the Code prior to formally reporting to the Pensions Regulator)

2.14 Paragraph 73 amended as follows:

These Terms of Reference were adopted on 1st April 2015 and were revised following the Board meeting of 13th February 2020 and the Pensions and Investment Committee meeting of 26th June 2020.

3 Recommendation

3.1 That Committee resolve to approve the proposed amendments to the Pension Board's Terms of Reference.

Recommendation:		Reason for Recommendation:	
<ul style="list-style-type: none"> To approve the proposed amendments to the Pension Board's Terms of Reference. 		As per report	
Person(s) To Action Decision:	Pension Fund Manager		
Date By When Decision To Be Actioned:		Immediately	
Relevant Policy (ies):	Powys Pension Board – Terms of Reference		
Within Policy:	N/A	Within Budget:	N/A
Contact Officer Name:	Tel:	Fax:	Email:
Chris Hurst	01597 827641	01597 826290	chris.hurst@powys.gov.uk

Relevant Portfolio Member(s):	Cllr Aled Davies
Relevant Local Member(s):	N/A