

## **London Fire and Emergency Planning Authority**

### **Terms of Reference for Local Pension Board (agreed at the Authority AGM, 25/06/15, as amended at the Authority meeting on 01/10/15)**

#### **1. Purpose**

- 1.1 The purpose of the Local Pension Board ('the Board') is to assist the London Fire and Emergency Planning Authority ('the Authority'), in its role of scheme manager:
  - (a) To secure compliance with legislation relating to the governance and administration of the firefighters' pension schemes, and any requirements imposed by the Pensions Regulator in relation to the firefighters' pension schemes; and
  - (b) To ensure the effective and efficient governance and administration of the firefighters' pension schemes.
- 1.2 The Board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, e.g. (1) request relevant information from Authority officers responsible for the administration of the schemes; (2) make recommendations in respect of the administration of the schemes.
- 1.3 The Board has no executive authority in respect of the administration of the firefighters' pension schemes.

#### **2. Membership**

- 2.1 The membership of the Board will be:
  - (a) 5 employer representatives, comprising elected Members, appointed at the Annual General Meeting (AGM) of the Authority. Employer representatives must have the capacity and understanding to represent the employers on the Board.
  - (b) 5 member representatives (henceforth 'employee representatives'), comprising 3 appointed by the Fire Brigades Union, 1 appointed by the Fire Officers Association, and 1 appointed by Prospect. Employee representatives must have the capacity and understanding to represent all scheme members on the Board.
- 2.2 Board members may be represented by a named substitute from their respective political groups/trade unions at Board meetings when necessary. The number of named substitutes available to each political group/trade union will be no greater than the number of Board members for which the political group/trade union has nomination rights on the LPB. Named substitutes must comply with the Board's Terms of Reference provisions in relation to Conflicts of Interest, and when fulfilling duties in relation to the Board as a substitute they are subject to the same obligations as Board members.
- 2.3 Board members must act at all times in the interests of the schemes, and not seek to promote the interests of any stakeholder group above another.

- 2.4 In the first year, the Chair of the Board will be nominated from one of the employer representatives; in the second year the Chair will be nominated from one of the employee representatives; and the Chair will rotate annually in this manner thereafter.
- 2.5 The Director of Finance and Contractual Services, the Head of Human Resource Management, the Head of Legal and Democratic Services, and the Director of Pensions of the London Pensions Fund Authority, or their nominated representatives, will be standing advisers to the Board.
- 2.6 The term of office of Board members shall be one year which may be renewed. The Authority shall have the power to replace an employer representative between AGMs . The trade unions shall have the power to replace their appointed employee representative(s) mid-year. A Board member may be replaced as a result, for example, of a conflict of interest, or no longer being available to carry out the functions of a Board member.
- 2.7 Board members are subject to, and must abide by, the relevant Authority codes of conduct. Board members must maintain appropriate confidentiality in respect of any matter related to their duties.
- 2.8 Board members will be entitled to claim reasonable out-of-pocket expenses incurred through discharging their Board responsibilities.

### **3. Knowledge and Understanding (including Training)**

- 3.1 Knowledge and understanding must be considered in light of the role of the Board to assist the Authority as detailed above. The Board will designate a person to establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to Board members. The policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed, and updated.
- 3.2 Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy and framework.
- 3.3 Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

### **4. Conflict of interest**

- 4.1 No Board member shall have a conflict of interest, i.e. a financial or other interest which is likely to prejudice the member's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).
- 4.2 All members of the Board must declare to the 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.

4.3 On appointment to the Board and following any subsequent declaration of potential conflict, the Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Authority and the requirements of the pensions regulator's codes of practice on conflict of interest for Board members.

## **5. Frequency and conduct of meetings**

5.1 The Board will meet three times a year. The Chair may call other meetings as necessary.

5.2 The meeting will only be quorate when at least 50% of the employer representatives, and at least 50% of the member representatives are present.

5.3 The Board should aim to reach decisions by consensus. Where consensus is not achieved, this should be accurately recorded by the Chair, reflecting the outcome of the debate.

## **6. Amendment to the Terms of Reference**

6.1 These terms of reference may be amended by regulation or in consultation with the Board by the scheme manager.

[Ends]