

TERMS OF REFERENCE FOR THE BERKSHIRE LOCAL PENSION BOARD

1 *Introduction*

This document sets out the Terms of Reference of the Local Pension Board of the Royal Borough of Windsor & Maidenhead (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension 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 Pension Board was established by the Administering Authority and operates independently of the Pension Fund Committee and Pension Fund Advisory Panel. Relevant information about its creation and operation are contained in these Terms of Reference.

The Pension 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-groups 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 Pension Board has been constituted separately to the Pension Fund Committee and the Pension Fund Advisory Panel and so paragraph 2 of [regulation 106](#) of the Local Government Pension Scheme Regulations 2013 (as amended) does not apply.

2 *Interpretation*

The following terms have the meanings as outlined below:

'the Act'	The Public Service Pensions Act 2013.
'the Administering Authority'	means the Royal Borough of Windsor & Maidenhead.
'the Code'	means the Pension Regulator's General Code of Practice (2024).
'the Pension Fund'	means the Royal County of Berkshire Pension Fund, managed and administered by the Administering Authority.
'the Pension Fund Committee'	means the committee who has delegated decision making powers for the Pension Fund in accordance with Section 101 of the Local Government Act 1972.
'the Regulations'	means the Local Government Pension Scheme Regulations 2013 (as amended), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended) including any earlier regulations as defined in these regulations to the extent that they

remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (as amended).

‘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 Pension Board notwithstanding that the Codes of Practice are not legislation.

‘the Scheme’

means the Local Government Pension Scheme in England and Wales.

3 *Statement of Purpose*

The purpose of the Pension 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 Pension Regulator in relation to the Scheme; and
- b) Ensure the effective and efficient governance and administration of the Scheme.
- c) Include consideration of any relevant matter referred to the Pension Board by the Pension Fund Committee.

4 *Duties of the Pension Board*

The Pension Board should, at all times, act in a reasonable manner in the conduct of its purpose. In support of this duty, Pension Board members should be subject to and abide by the code of conduct for Pension Board members.

5 *Core functions*

The first function of the Pension 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 Pension Board may determine the areas that 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 Pension Fund Committee.
- 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 the Governance Compliance Statement, Funding Strategy Statement, and Investment Strategy Statement.
- e) Assist with the development of and continually review Scheme Member and Scheme Employer communications as required by the Regulations and relevant legislation.
- f) Monitor complaints and performance on the administration and governance of the Scheme.
- g) Assist with the application of the Internal Disputes Resolution Procedures (where relevant).
- h) Review the complete and proper exercise 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 Pension Board members and those elected members and officers with delegated responsibilities for management and administration of the Scheme.
- k) Review the complete and proper exercise of Scheme Employer and Administering Authority discretions.
- l) Review the outcome of internal and external audit reports.
- m) Review draft accounts and Pension Fund annual report.
- n) Review the compliance of particular cases, projects or processes on request of the Pension Fund Committee.
- o) Any other area within the statement of purpose (i.e. assisting the Administering Authority) the Pension Board deems appropriate.

The second core function of the Pension Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the Pension Board may determine the areas it wishes to consider including but not restricted to:

- a) Assist with the development of improved customer services.
- b) Monitor the performance of administration, governance and investments against key performance targets and indicators.
- c) Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
- d) Monitor investment costs including custodian and transaction costs.
- e) Monitor internal and external audit reports.

- f) Review the risk register as it relates to the Scheme Manager function of the Administering Authority.
- g) Assist with the development of improved management, administration and governance structures and policies.
- h) Review the outcome of actuarial reporting and valuations.
- i) Assist in the development and monitoring of process improvements on request from the Pension Fund Committee.
- j) Assist in ensuring compliance with the UK Stewardship Code.
- k) Any other area within the statement of purpose (i.e. ensuring effective and efficient governance of the Scheme) the Pension Board deems appropriate.

In support of its core functions the Pension Board may make a request for information to the Pension Fund Committee with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing.

In support of its core functions the Pension Board may make recommendations to the Pension Fund Committee which should be considered, and a response made to the Pension Board on the outcome within a reasonable period of time.

6 Establishment

The Pension Board is established in accordance with the Administering Authority's Constitution as approved at a meeting of the Constitution Sub-Committee on 20 February 2015. The Pension Board may establish sub-committees.

7 Membership

In accordance with section 5(4)(c) of the Public Service Pensions Act 2013 the Pension Board is required to include employer representatives and member representatives in equal numbers.

The Pension Board shall consist of:

- 3 Scheme Member Representatives
- 3 Scheme Employer Representatives
- An Independent Chair (if appointed – see section 15)

Members in all categories will only be appointed to the Pension Board if they meet the knowledge and skills requirements set out in the relevant regulations and guidance or commit to doing so within six months of the appointment date.

The Scheme Member and Scheme Employer Representatives shall have equal voting rights. The independent Chair, if appointed, will not have voting rights.

For clarity, "Scheme Employer Representatives" means persons appointed to the Board for the purpose of representing all employers for the Scheme and "Scheme Member

Representatives” means persons appointed to the Board for the purpose of representing all members of the Scheme.

Members of the Pension Board will commit to attending all scheduled meetings. Attendance records will be maintained (and published).

No member of the Pension Fund Committee or Pension Advisory Panel, or any Officer responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Pension Board.

8 *Scheme Member Representatives*

Scheme Member Representatives will be appointed from the overall scheme membership including active, deferred and retired members, following a transparent recruitment process open to all Scheme members and approved by the Administering Authority.

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

9 *Scheme Employer Representatives*

Scheme Employer Representatives shall be office holders or senior employees of the employers with active members. It is expected, although not mandatory, that the majority of Scheme Employer Representatives will come from the larger employers within the Pension Fund, including Unitary Authorities and the Academy sector, as they represent the majority of the Scheme membership.

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

Although nominated by an individual Scheme Employer, representatives are expected to act in the interests of all Scheme Employers within the Pension Fund.

10 *Substitutes*

A substitute should be named and nominated by a full Board member and should have sufficient knowledge and understanding to enable full participation at Board meetings when the full Board member is unable to attend. At any time, the Board may have up to 3 scheme employer and 3 scheme member substitutes. The Board will normally formally approve substitutes after they have completed the basic training requirements. Where a vote may be required a substitute can act as a proxy for the full Board member on behalf of whom they are acting. Proxy voting nominations should be confirmed in advance of a meeting with the Chair. Substitute members are encouraged to attend and reasonably participate in Board meetings, even if they do not need to vote, as in the first instance, unless there are good reasons to do otherwise, Board vacancies that arise may be filled from the available substitutes as appropriate.

11 *Notification of Appointments*

When appointments to the Pension Board have been made the Administering Authority shall publish the names of the Pension Board members, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Pension Board.

12 Terms of Office

The term of office for Pension Board members is initially one year but, unless specifically terminated within that first year, will run for up to 10 years unless the member either resigns or the member is removed by the Board in the interim.

At the end of the 10-year term of office, a recruitment and selection exercise will be carried out to seek replacement representative from the appropriate membership category.

There is no restriction on a Board member applying for, and being appointed for, a second term of office.

13 Ending Representation

Persons appointed to the Pension Board can be removed, through resolution of the Board, on grounds of non-attendance, breach of code, non-participation of training or where they become ineligible.

Pension Board membership may be terminated due to:

- a) A Scheme Member Representative appointed on the basis of their membership of the Scheme no longer being a member of the Pension Fund in any capacity.
- b) A Scheme Employer Representative no longer holding employment within an employer body participating in the Pension Fund.
- c) A Pension Board member no longer being able to demonstrate to the Administering Authority their capacity to attend and prepare for meetings and to participate in required training.
- d) A Pension Board member has a conflict of interest which cannot be managed in accordance with the Pension Board's Conflicts of Interest Policy.
- e) A Pension 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.

14 Appointment of the Chair and Vice-Chair

At the first meeting of each municipal year, a chair and vice chair will be elected by a majority vote by the Board members. Where a majority decision is not obtained, the outgoing Chair, if available, shall have the casting vote, and if unavailable, the Chair of the Pension Fund Committee will make the decision from the candidates put to them by the Board.

Where the Chair is a Scheme Member Representative, the Vice-Chair is expected to be a Scheme Employer Representative, and vice-versa.

15 Independent Chair

Where it is not possible to appoint a Chair from within the Board membership, the Administering Authority may appoint an Independent Chair for the Board.

Expressions of interest for the role of Independent Chair would be sought via external advertisement, to an agreed role profile.

A selection panel will be formed, comprising the Head of Pension Fund, the Chair of the Pension Fund committee and two current Board Members.

The Independent Chair will be appointed for a minimum period of one year, with the option to extend that appointment for up to a further three years (four years in total). The role would be remunerated, to be funded from the Pension Fund's approved budget.

The Independent Chair must have no pre-existing employment, financial or other material interest in either the Administering Authority or any scheme employer, nor be a member of the Royal County of Berkshire Pension Fund.

If an Independent Chair is appointed, the Board will select a vice-chair from within their membership on an annual basis at the first meeting of each municipal year.

16 *Duties of the Chair*

The Chair to the Pension Board:

- a) Shall ensure the Pension 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.
- c) Shall seek to reach consensus and ensure that decisions are properly put to a vote when it cannot be reached and shall have the casting vote (except in the circumstances set out in Section 25 below). Instances of failure to reach a consensus position will be recorded and published.
- d) Shall formulate the Board's strategy for discharging its statutory duties in liaison with the Head of Pension Fund and Chair of the Pension Fund Committee as necessary.
- e) Shall encourage high standards of propriety and promote efficient and effective use of resources.
- f) Shall ensure that the Board, in reaching decisions, takes proper account of statutory legislation, guidance issued by the Pensions Regulator and guidance provided by relevant officers for the Administering Authority.
- g) Shall represent the views of the Board to the Pension Fund Committee, all relevant stakeholders and the wider general public.
- h) On request shall provide an assessment of the performance of individual Board members when they are considered for re-appointment to the Board or for the appointment of new Board members upon application.
- i) Shall consider the composition of and effectiveness of the Board and the need to recruit as appropriate via an open and transparent process approved by the Administering Authority.

17 Conflicts of Interest

All members of the Pension Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any potential conflicts of interest arising as a result of their position on the Pension 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 Pension Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.

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

18 Knowledge and Understanding (including Training)

Knowledge and understanding must be considered in light of the role of the Pension Board to assist the Administering Authority in line with the requirements outlined in paragraph 3 above. The Pension Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Pension Board members under the Act. That policy and framework shall set out the degree of knowledge and understanding required as well as how the knowledge and understanding is acquired, reviewed and updated.

Pension Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Pension Board's knowledge and understanding policy and framework.

Pension 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 Pension Board.

19 Meetings

The Pension Board will meet four times each year either at an agreed location or virtually with meetings being recorded and streamed during normal office hours.

As part of each meeting the Board will decide the need or otherwise for non-members to be invited to future meetings of the Board to give advice or guidance on matters arising from issues raised during the course of Pension Board meetings.

The Chair of the Pension Board with the consent of at least two of the members of the Pension Board membership, so that it is quorate, may call additional meetings. Urgent business of the Pension Board between meetings may, in exceptional circumstances, be conducted via communication between members of the Pension Board including telephone, or video conferencing and emails. Such business will be recorded in the minutes of the next available meeting of the Pension Board.

20 Quorum

A meeting is only quorate when at least 50% of Board members are present and at least one Scheme member and one Scheme employer representative is in attendance, either in person

or virtually. For actions to be agreed the Chair or Vice Chair of the Pension Board must be in attendance. A meeting that becomes inquorate may continue but any decisions will be non-binding. Such decisions should be reviewed at the next quorate meeting of the Pension Board.

21 Sub-groups

There may be a need to hold sub-group meetings to complete a specific piece of work, or where data or preparation needs to be undertaken by a specific section of the Board. Any formed sub-groups will report to the main Pension Board who will agree and lead on the strategic direction of the activity being undertaken.

22 Board Administration

An officer employed in the Democratic Services department of the Administering Authority shall provide all clerking services to the Pension Board.

The Chair of the Pension Board will agree an agenda prior to each meeting which, along with supporting papers, will be issued in advance of the meeting in accordance with the Administering Authority's Democratic Services timetable, except in the case of matters of emergency.

Each Pension Board member will provide an email address for circulation of all Pension Board documents all of which will be provided electronically wherever possible and only in paper format upon request.

Draft minutes of each meeting including all actions and agreements will be recorded and circulated to the Chair and officers within 10 working days (where practicable) after the meeting. These draft minutes will be subject to formal agreement by the Pension Board at their next meeting. Any decisions made by the Pension Board should be noted in the minutes and in addition where the Pension Board was unable to reach a decision such occasions should also be noted in the minutes.

The minutes may with the agreement of the Pension 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 General Data Protection Regulation 2016.

The Chair of the Pension Board shall ensure that Pension Board members meet and maintain the knowledge and understanding as determined in the Pension Board's Knowledge and Understanding Policy and Framework and other guidance and legislation.

The Chair of the Pension Board shall arrange such advice as is required by the Pension Board subject to such conditions as are listed in these Terms of Reference for use of the budget set for the Pension Board.

The Chair of the Pension Board shall ensure an attendance record is maintained along with advising the Administering Authority on allowances and expenses to be paid under these terms.

The Democratic Services officer and the Head of Pension Fund shall liaise with the Chair of the Pension Board and the Administering Authority on the requirements of the Pension Board,

including advance notice for officers to attend and arranging dates and times of Pension Board meetings.

23 *Public access to Pension Board meetings and information*

The Pension Board meetings are open to the general public to attend (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 following will be entitled to attend Pension Board meetings in an observer capacity:

- a) Members of the Pension Fund Committee or Pension Fund Advisory Panel.
- b) Any person requested to attend by the Pension Board. Any such

attendees will be permitted to speak at the discretion of the Chair.

In accordance with the Act the Administering Authority shall publish information about the Pension Board to include:

- a) The names of Pension Board members.
- b) The representation of Scheme Employers and Scheme Members on the Pension Board.
- c) The role of the Pension Board.
- d) These Terms of Reference.

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

- a) Agendas and minutes.
- b) Training and attendance logs.
- c) An annual report on the work of the Pension Board to be included in the Pension Fund's own annual report.

All or some of this information may be published using the following means or other means as considered appropriate from time to time:

- a) On the Pension Fund's own website.
- b) As part of the Pension Fund's Annual Report and Accounts.
- c) As part of the Governance Compliance Statement.

Information may be excluded on the grounds that it 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 General Data Protection Regulation 2018.

24 *Expenses and Allowances*

The Pension Fund may meet reasonable travel expenses of Pension Board members in respect of attendance at external training events, in accordance with the Administering Authority's policy on expenses.

With the exception of the Independent Chair, if appointed, no allowances are payable to Pension Board members in respect of their appointment and ongoing membership of the Board.

25 *Budget*

The Pension Board is to be provided with adequate resources to fulfil its role. In doing so, the budget for the Pension Board will be met from the Pension Fund. The Pension Board will seek approval from the Administering Authority for any items of expenditure over and above the normal expenses and allowances set out in paragraph 22 above.

The Pension Board will access all shared information and have certain resources made available through the Berkshire Pension Fund website as maintained and facilitated by the scheme manager.

26 *Reporting*

The Pension Board should in the first instance report its requests, recommendations or concerns to the Pension Fund Committee. In support of this any member of the Pension Board may attend a meeting of the Pension Fund Committee as an observer.

The Pension Board should report any concerns over a decision made by the Pension Fund Committee to the Pension Fund Committee subject to the agreement of at least 50% of Pension Board members providing that all members are present. If all members are not present then the agreement should be of at least three, and a majority of members present (with the Chair not having a casting vote).

On receipt of a report from the Pension Board setting out concerns over a decision they have made, the Pension Fund Committee should, within a reasonable period, consider and respond to the Pension Board.

Where the Pension Board is not satisfied with the response received it may request that a notice of its concern be placed on the Pension Fund's website and in the Pension Fund's annual report.

Where the Pension Board is satisfied that there has been a breach of regulation which has been reported to the Pension Fund Committee and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.

The appropriate internal route for escalation is to the Chief Financial Officer or Monitoring Officer of the Administering Authority, as appropriate.

The Pension Board may report concerns to the LGPS Scheme Advisory Board for consideration subsequent to, but not instead of, using the appropriate internal route for escalation.

27 *Review of Terms of Reference*

These Terms of Reference shall be reviewed and revised on each material change to those parts of the Regulations and statutory guidance covering Local Pension Boards and may be amended, varied or modified in writing at any time after consultation and agreement by Board members.

Any amendments made to these Terms of Reference will be presented to the Pension Fund Committee for adoption and onward recommendation to the Administering Authority's Constitutional Working Group.

The Terms of Reference will be reviewed annually to ensure continuing regulatory compliance and ongoing development of the Board members.

Version 5.1	Reviewed by Local Pension Board	16 December 2024
Version 5.2	Reviewed by Local Pension Board	17 March 2025
Version 5.2	Adopted by Pension Fund Committee	17 March 2025

Next Scheduled Review: January 2026