

## **Lancashire Local Pension Board Guidance**

This guidance sets out the arrangements for the administration and meetings of the Lancashire Local Pension Board and should be read in conjunction with the Board's Terms of Reference.

### **Recruitment and Appointment of Board Members**

- a) Board members set out in the Board's Terms of Reference (under 'Composition') will only be appointed to the Board by the Full Council if they meet the knowledge and understanding requirements set out in the relevant regulations and guidance, and as set out below.
- b) Employers within the Fund shall be notified of any relevant vacancies arising under categories (i) (iii) and (iv) under 'Composition' in the Terms of Reference. Any nominations shall be submitted to the Head of Fund.
- c) A vacancy arising under category (iv) under 'Composition' in the Terms of Reference shall be brought to the attention of relevant employer and member representative bodies to enable the vacancy to be advertised as widely as possible. This will include details of the vacancy being published on websites as appropriate. Any expressions of interest from scheme members shall be submitted to the Head of Fund.
- d) All nominations and expressions of interest submitted under (i), (iii), (iv) and (v) under 'Composition' in the Terms of Reference will go through an initial sifting process by the Head of Fund in consultation with the Chair of the Board who will consider them against the role profile and having regard to equal opportunities legislation. In the event that more than one suitable candidate is identified, there will be a formal interview process, involving the Head of Fund, the Chair, and one member of the Board, to test the ability of the individual to meet the requirements of the role and any recommended appointment would be made on merit.
- e) Once a suitable representative has been identified they will be formally appointed to the Board by the Full Council.
- f) The independent member selected and appointed by the Council as Chair of the Board will only be made following an openly advertised competition for the role. Interviews will be arranged and conducted as necessary by the Head of Fund who shall make a recommendation to the Pension Fund Committee for consideration who will then refer the matter to the Full Council for a decision as appropriate.

### **Terms of Office and Removal of Board Members**

- a) The Chair of the Board shall be appointed by the Full Council for an initial term of two years with an option for the appointment to be extended for an additional two years, subject to approval by Full Council.

- b) Other Board members will serve for a maximum term of either six or eight years, to be determined by the Head of Fund and approved by Full Council. Other than as a result of their resignation or retirement at the expiry of the agreed term of office of a member of the Board will come to an end:
- (i) For an employer representative who is a councillor, if they
    - Cease to hold office as a councillor.
    - Are appointed to serve on the Pension Fund Committee.
    - Are replaced on the Board in accordance with the change of membership procedure adopted by the County Council; or
  - (ii) For employer representatives who are not councillors, when they cease to be employed by the employing body where they were employed on appointment.
  - (iii) For a scheme member or employer representative, if they are appointed to a role with responsibility for the management or administration of the Fund.
  - (iv) For scheme member representatives, if they cease to be a member of the Fund.
  - (v) Where there is a conflict of interest which cannot be managed in accordance with the Conflict of Interests Policy for Board Members.
  - (vi) Where an individual fails to attend meetings, participate in training or otherwise comply with the requirements of being a member of the Board.
- c) Each Board member is expected to attend all Board meetings during the year. Given the nature of the Board as a supervisory body, and the need for appropriate knowledge and skills and the clear avoidance of conflicts of interest, substitute members are not permitted.
- d) Other than by ceasing to be eligible as set out above, a Board member (including the Chair) may only be removed from office during a term of appointment by the consent of the Full Council.

### **Code of Conduct and Conflict of Interests Policy for Board Members**

- a) The role of the Pension Board requires the highest standards of conduct and therefore the Seven Principles of Public Life will be applied to all Board members and embodied in their Code of Conduct as approved by the Board.

### **Knowledge and Understanding of Board Members**

- a) Board members must be conversant with:
- (i) The legislation and associated guidance of the LGPS; and
  - (ii) Any document recording policy about the administration of the LGPS which is for the time being adopted by the Fund.

- b) Board members must have knowledge and understanding of:
  - (i) The law relating to pensions; and
  - (ii) Any other matters which are prescribed in regulations.
- c) It is for individual 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 Pension Board. In line with this requirement, Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. A record of the training which Board members have undertaken will be presented to the Board on an annual basis.
- d) Board members will undertake an assessment of their knowledge in a process determined by the Head of Fund to review their skills, competencies, and knowledge to identify gaps or weaknesses.
- e) Board members will comply with the Training Policy and Cyber Policy approved by the Pension Fund Committee.

### **Reimbursement of Expenses and Remuneration**

- a) All Board members shall, on the production of relevant receipts be reimbursed for travel and subsistence expenses they have actually and necessarily incurred in the conduct of their duties as a member of the Board, including attendance at relevant training and development activities.
- b) Board members shall be reimbursed a mileage allowance for use of their own car at the rate proscribed by HM Revenues and Customs from time to time as adopted by Lancashire County Council.
- c) Where members of the Board are in employment their employer will be able to reclaim from the Lancashire County Pension Fund a sum equivalent to salary, employers' national insurance contributions and employers' pension contributions, in respect of time spent by the individual in fulfilling their duties as a member of the Board, including attendance at relevant training and development activities. Where an employer claims applicable sums and contributions the costs must have been incurred by the employer and evidence provided with any claim.
- d) Board members will be reimbursed for reasonable expenses to allow each member to adhere to the Fund's Cyber Hygiene Guidelines. Prior approval must be sought from the Head of Fund before expenses are incurred.
- e) Board members may be able to reclaim from the Lancashire County Pension Fund a sum in financial loss commensurate to time spent by the individual in fulfilling their duties as a member of the Board, including attendance at relevant training and development activities, except where such sums are recoverable under any other paragraph of these terms of reference. Where any applicable sums are claimed by an individual, evidence must be provided

with the claim. The Head of Pension Fund will have absolute discretion to determine the final sum reimbursed based on what is deemed sufficiently evidenced, reasonable and proportionate, to be assessed on a case-by-case basis.

- f) In accordance with the decision taken by the Executive Director of Resources on behalf of the Urgency Committee of Full Council on 26 June 2023, the Chair of the Board shall receive a fixed annual allowance of £10,000 (in addition to travel and subsistence expenses) to be inflated in April each year by the Consumer Price Index for the previous September.

### **Role of the Chair**

- a) To ensure that the Board delivers its purpose as set out in its Terms of Reference.
- b) To ensure that Board meetings are productive and effective and that all members of the Board have an opportunity to contribute to discussions.
- c) To seek to ensure that the Board reach consensus when making decisions and to put decisions to a vote when it cannot be reached.
- d) To facilitate the Annual Review of the effectiveness of the operation of the Board over the previous year and draft a report on the findings of such a review for consideration by the Pension Board.

### **Decision Making**

- a) Employer/Scheme member representatives on the Board will have an individual voting right but it is expected the Board will, as far as possible, reach a consensus.
- b) Under regulation 106(7) of the Local Government Pension Scheme Regulations 2013, the Chair is explicitly excluded from having the right to vote.
- c) Urgent Business – Should the Board need to take a decision between scheduled meetings then all Employer/Scheme Member representatives on the Board shall be consulted by email on the proposal and asked to indicate whether they support the recommendation or not. The Chair will receive a copy of the written resolution for their information. The decision of the Board will then be based on a simple majority of the responses received and will be reported to the subsequent Board meeting.

### **Board Meetings – Notice, Minutes and Reporting**

- a) The Monitoring Officer shall give notice to all Board members of every meeting of the Board and shall ensure that the agenda is published on the Lancashire County Council website at least five working days prior to each meeting.

- b) The Monitoring Officer shall ensure that a formal record of Board meetings is maintained. Following each meeting the Chair will be asked to approve the Minutes prior to their publication and circulation to all Board members.
- c) The Board in considering items of business at its Ordinary Meetings shall in relation to each item consider whether it wishes to make a recommendation to the Pension Fund Committee with the response of the Committee being reported to the subsequent Board meeting.
- d) The Pension Board shall produce an Annual Report on the nature and effect of its activities for consideration by the Pension Fund Committee. The contents of this Annual Report will be subject to consideration and agreement at a meeting of the Board and if approved will be incorporated into the LCPF Annual Report and submitted to Pension Fund Committee for approval.
- e) If considered appropriate, the Board may establish sub-groups to look in detail at specific issues and report back to the Board.

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

- a) The Board will ensure that up to date information is posted on the Lancashire County Pension Fund website including contact details of Board members, the full Terms of Reference of the Board, and any specific roles and responsibilities of individual Board members.

### **Budget**

- a) The Pension Fund Committee shall approve an annual budget for the Board which will be managed by and at the discretion of the Head of Fund.

### **Advisers to the Board**

- a) The Board may be supported in its role through the appointment of advisers (in addition to the Council's officers and the Fund's various advisers) and shall ensure that the performance of any advisers so appointed is reviewed on a regular basis.

### **Reporting Breaches**

- a) Any breach brought to the attention of the Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate policy.