

**CONSTITUTION
&
TERMS OF
REFERENCE**

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1. Name

- 1.1 The name of the Board is “the South Yorkshire Local Pension Board” (“the Board”) and is established by South Yorkshire Pensions Authority (“the Authority”) as the administering authority under the provisions of Section 5 of the Public Sector Pensions Act 2013 (“the Act”).

2. Purpose and Role

- 2.1 The role of the Local Pension Board as defined by Sections 5(1) and (2) of the Public Service Pensions Act 2013 is to:
 - 2.1.1 Secure the effective and efficient governance and administration of the LGPS for the South Yorkshire Pension Fund and South Yorkshire Passenger Transport Pension Fund.
 - 2.1.2 Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest.
 - 2.1.3 Ensure the South Yorkshire Pension Fund and South Yorkshire Passenger Transport Pension Fund effectively complies with the Code of Practice on the Governance and Administration of Public Service Pensions Schemes issued by the Pensions Regulator and is effectively managed and administered in compliance with the Code

3. Powers of the Local Pension Board

- 3.1 Where any breach of legislation or duties is committed or is alleged to have been committed by the Pensions Authority or its Boards or the South Yorkshire Passenger Transport Pension Fund Committee, the Local Pension Board shall:
 - 3.1.1 Within one month of the possible breach, meet with the Authority Chair (supported by the Section 151 officer) to discuss the breach.
 - 3.1.2 Ask the Authority Chair to explain the actions taken and provide evidence of the legitimacy of the actions taken.
 - 3.1.3 Consider the matter on the facts available and evidence provided by the Chair and shall:
 - 3.1.3.1 Refer it back to the Authority to consider afresh and correct any areas of concern/breaches of duty; or
 - 3.1.3.2 Determine that no breach of duty has taken place.
- 3.2 If under clause 3.1 above it is decided that a breach has occurred, the Local Pension Board shall (as required by the Code of Practice and the Pensions Act 2004):
 - 3.2.1 Report the breach to the Scheme Manager who should take prompt and effective action to investigate and correct the breach and its causes and, where appropriate, notify any affected members; or
 - 3.2.2 Where prompt and effective action to remedy the breach has not been taken and/or where scheme members have not been informed when they should

have been, report the breach as a breach of material significance to the Pensions Regulator.

- 3.3 As per Regulation 106(6) and subject to the terms in this Constitution, the Local Pension 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.

4. Scheme Manager Consents

- 4.1 The Local Pension Board shall not:

- 4.1.1 Question what investments decisions have or have not been made by the Authority or its Boards, for the avoidance of doubt these shall include but not be limited to financial investment decisions and property related investment decisions.
- 4.1.2 Amend or question the statements, strategies and reports prepared in compliance with Sections 57 to 61 of the LGPS Regulations.
- 4.1.3 Consider or become involved in any internal dispute resolution appeals or the process itself.
- 4.1.4 Enter into contracts on behalf of the Administering Authority.
- 4.1.5 Dismiss any members of the Pensions Authority.
- 4.1.6 Use the Local Pension Board to act on behalf of a particular constituency or Pension Fund member in general or in relation to a specific complaint at any time.
- 4.1.7 Compromise the Pensions Authority's ability to comply with its fiduciary duty to the Pension Fund and its members.

- 4.2 The Local Pension Board must seek written consent from the Scheme Manager before it:

- 4.2.1 instructs the Pension Fund actuary to provide a report of any kind;
- 4.2.2 requests any external advisor to attend a meeting of the Local Pension Board which shall require any remuneration of any level;
- 4.2.3 incurs a cost to the Pension Fund;
- 4.2.4 can amend this constitution.

5. Membership

- 5.1 In accordance with Regulation 107 of the LGPS (Governance) Regulations 2014 the South Yorkshire Local Pension Board will be made up of an equal number of employer and member representatives which is no less than four in total. The South Yorkshire LPB will comprise of 12 members in total.

- 5.1.1 Employer representatives will consist of:

- 2 Local Authority members (rotated every 2 years)
- 1 'Other Large Employer' (appointed for 3 years)
- 1 Academy (appointed for 3 years)
- 1 Admitted Body (appointed for 3 years)

- 1 South Yorkshire Passenger Transport Pension Fund (SYPTPF) Employer

5.1.2 Employee representatives will consist of:

- 3 Trades Unions (appointed for 3 years)
- 2 members selected from active, pensioner and deferred members (appointed for 3 years)
- 1 member selected from active, pensioner and deferred members of SYPTPF (appointed for 3 years)

5.1.3 Appointment of employer and Trades Union representatives will be by nomination, Scheme member representatives will be appointed by an application process.

5.2 No officer or elected Member of an administering authority who is responsible for the discharge of any function under the Regulations may be a Member of a Local Pension Board.

5.3 Members of the Local Pension Board will be voting members; each member shall have one vote. It is expected that the Board will, as far as possible, reach a consensus; the Chair of the Board will have the final deciding vote which will be reported to the Administering Authority.

5.4 Regulation 107 requires that the administering authority, South Yorkshire Pensions Authority, ensures that all employer or member representatives sitting on the Board have relevant experience and capacity to represent the employers or members of the Fund.

5.5 Substitute members will not be permitted.

5.6 Each Local Pension Board member shall endeavour to attend all LPB meetings during the year.

6. Chair

6.1 The Board shall elect a Chair from amongst its members.

6.2 The Board shall elect a Vice-Chair from amongst its members.

6.3 When the Chair of the Board is from the employer representatives, then the Vice-Chair will be elected from the member representatives, and vice versa.

7. Leaving the Board

7.1 A member of the Board shall cease to hold office if:

7.1.1 He or she notifies the Board of a wish to resign.

7.1.2 He or she is an elected councillor and is appointed to the Pensions Authority.

7.1.3 He or she ceases to be employed by the body on behalf of whom he/she acts as a representative, including but not limited to Trade Unions or Scheme employers.

- 7.1.4 A member fails to attend meetings or otherwise comply with the requirements of being a Board member, for example fails to attend the necessary knowledge and understanding training.
- 7.1.5 A member dies or becomes incapable of acting.
- 7.1.6 There exists a conflict of interests in relation to a Board member which cannot be managed within the internal procedures of South Yorkshire Pensions Authority.

8. Standards and Interests

- 8.1 Members of the Board shall comply with their Local Authority's Code of Conduct for Members; members of the Board who are not Councillors shall comply with any Code of Conduct applicable to their professional body and/or the organisation they represent. All members of the Board will adhere to the Seven Principles of Public Life. These are:
- Selflessness
 - Integrity
 - Objectivity
 - Accountability
 - Openness
 - Honesty
 - Leadership
- 8.2 Members of the Board shall register their disclosable pecuniary interests with South Yorkshire Pensions Authority's Monitoring Officer as required under the Code, the Localism Act 2011 and Regulations made under the Localism Act 2011.

9. Conflicts of Interests

- 9.1 Further to the Regulations, a member shall not be appointed who has an existing conflict of interest.
- 9.2 For the avoidance of doubt, being a member of the Pension Scheme is not a conflict of interest.
- 9.3 Where a member becomes conflicted during their appointment, they shall inform the Scheme Manager without delay and their tenure shall end with immediate effect.
- 9.4 Where a member has been removed from the Board under this clause 9, they will be entitled to be reappointed once the conflict has been resolved.
- 9.5 Such reappointment shall be made to the Board only where written approval from the Scheme Manager (advised by the Monitoring Officer) has been provided.

10. Meetings and Procedures of the Board

- 10.1 The Board shall hold meetings at least twice a year. Additional meetings may be called at any time by the Chair.

- 10.2 In the absence of the Chair at a meeting of the Board, the Vice-Chair will preside over that meeting. In the event that both the Chair and Vice-Chair are absent then the Board will appoint one of its members to preside at that meeting.
- 10.3 The quorum for a meeting of the Board shall be at least 2 employer and 2 employee representatives.
- 10.4 Board meetings shall be held in public. The public may be excluded from the meeting when matters are considered that, in the opinion of the Scheme Manager, contain information covered by exempt/confidential information procedures under Schedule 12A of the Local Government Act 1972 (as amended) or represent data covered by the Data Protection Act 1998.
- 10.5 All agendas and papers for Board meetings will be made publically available on South Yorkshire Pensions Authority's website unless, in the opinion of the Scheme Manager, they are covered by exempt/confidential information procedures under Schedule 12A of the Local Government Act 1972 (as amended) or represent data covered by the Data Protection Act 1998.
- 10.6 Minutes of proceedings at meetings of the Board shall be kept in accordance with statutory requirements. Following the approval of the minutes by the Chair of the Board, they shall be forwarded to all Pension Board members.
- 10.7 Minutes of meetings of the Board shall be published on South Yorkshire Pensions Authority's website.

11. Knowledge, Skills and Training

- 11.1 To be appointed as a member of the Board a person must have knowledge and understanding of and be fully familiar with:
- 11.1.1 the rules of the scheme;
 - 11.1.2 any document recording policy about the administration of the Scheme which is for the first time being adopted in relation to the Scheme;
 - 11.1.3 the law relating to pensions; and
 - 11.1.4 any other matters which are prescribed in regulations.
- 11.2 Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.
- 11.3 Pension Board members will comply with the Scheme Manager's training policies and attend all training provided by the Scheme Manager.
- 11.4 A written record of relevant training and development will be maintained for each member of the Board.
- 11.5 Training where needed, that is provided by the Scheme Manager will be charged to the Pension Fund.

11.6 Subject to the Regulations or any advice or requirement issued by the Pensions Regulator, the Board must agree and implement a programme of training in respect of all members of the Board to ensure that they are adequately trained to perform their respective duties.

12. Accountability

12.1 The Local Pension Board will be collectively and individually accountable to the Scheme Manager and the Pensions Regulator.

13. Expenses and Funding

13.1 Members of the Board will be reimbursed for reasonable subsistence and travel expenses in accordance with relevant policies of the Administering Authority.

13.2 For the avoidance of any doubt, Pension Board members shall not receive an annual allowance of any kind.

13.3 The Board will be provided with adequate resources to undertake its role, these will include as a minimum:

- Accommodation and administrative support to conduct its meetings;
- Training; and
- Legal, technical and other professional advice.

13.4 The expenses of the Local Pension Board shall be regarded as part of the costs of the administration of the Fund.

14. Variations

14.1 Any variation to this Constitution, considered necessary by the Board, shall be reported to the Scheme Manager for consideration and written consent.

14.2 No variation made by the Board will be valid without the express consent of the Scheme Manager.

15. Data Protection

15.1 The Local Pensions Board will adhere to the Data Protection Policies held by the Administering Authority.

16. Terms of Reference

16.1 Administration

16.1.1 Monitor and review the performance of Scheme administration including suggesting any changes to Service Level Agreements.

16.1.2 Monitor, review and report on the receipt of contributions.

16.1.3 Monitor investment manager reports.

16.1.4 Review the format, timing and source of management information presented to the Board.

16.2 Auditors

- 16.2.1 Monitor and review the appointment and performance of the auditors.
- 16.2.2 Monitor and review the Annual Report and accounts.
- 16.2.3 Review the recommendations produced by audit and give consideration to what action should be taken and make recommendations to the Scheme Manager as appropriate.
- 16.2.4 Monitor and review the Work Programmes for the Pensions Authority and its Boards and the South Yorkshire Passenger Transport Pension Fund Committee.

16.3 Internal Controls and Risk Register

- 16.3.1 Monitor and review the Authority's Risk Register.
- 16.3.2 Monitor the internal controls and procedures of the Pensions Authority.

16.4 Communications

- 16.4.1 Monitor and make recommendations as appropriate on:-
 - The information available on the SYPA internet site
 - The information provided to Scheme members on leaving, retirement etc.
- 16.4.2 Produce an Annual Report upon its activities to be submitted to the Pensions Authority.
- 16.4.3 Produce reports and make recommendations to the Pensions Authority that relate to the work of the LPB. Any reports must be provided at least ten working days in advance of the next Pensions Authority meeting.

16.5 Monitoring the Exercising of Discretions

- 16.5.1 Monitor the validity of any discretions made by the employers/Administering Authority.

16.6 Budgets

- 16.6.1 Agree a yearly budget for the operation of the Local Pension Board and submit to the Authority for approval.
- 16.6.2 Monitor the level of fees against the annual budget set for the Pensions Board.

17. Governance Structure

