

# BERKSHIRE PENSION BOARD

THURSDAY, 16TH JUNE, 2022

At 10.30 am

by

VIRTUAL MEETING - ONLINE ACCESS, ON [RBWM YOUTUBE](#)

## SUPPLEMENTARY AGENDA

### PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
4.	<u>PENSION BOARD GOVERNANCE MATTERS</u> To note contents of the report.	3 - 26

This page is intentionally left blank

## TERMS OF REFERENCE FOR THE LOCAL PENSION BOARD MEMBERS

### 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 is 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-committees 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 regulation 106(2) of the Local Government Pension Scheme Regulations 2013 (as amended) does not apply.

### 2 *Interpretation*

The following terms have the meanings as outlined below:

<b>'the Act'</b>	The Public Service Pensions Act 2013.
<b>'the Administering Authority'</b>	means the Royal Borough of Windsor & Maidenhead.
<b>'the Code'</b>	means the Pension Regulator's Code of Practice No. 14, governance and administration of public service pension schemes.
<b>'the Pension Fund'</b>	means the Royal County of Berkshire Pension Fund managed as administered by the Administering Authority.
<b>'the Pension Fund Committee'</b>	means the committee who has delegated decision making powers for the Pension Fund in accordance with Section 101 of the Local Government Act 1972.
<b>'the Regulations'</b>	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 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.

### **6 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; and
- 3 Scheme Employer Representatives

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

The Member and Employer Representatives shall have voting rights.

For clarity, “Scheme Employer Representatives” means persons appointed to the Board for the purpose of representing Scheme employers for the Scheme and “Scheme Member Representatives” means persons appointed to the Board for the purpose of representing members of the Scheme.

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

A chairperson and vice chairperson will be elected annually by a majority vote by the Board members. Where a majority decision is not obtained, the outgoing Chairperson, if available shall have the casting vote, and if unavailable the Chairman of the Pension Fund Committee will make the decision from the candidates put to them by the Board.

## **7**     ***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.

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

## **8**     ***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 Unitary Authorities in Berkshire as they represent the majority of the Scheme membership. No officer responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Pension Board.

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.

## **9**     ***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.

## **10**    ***Ending Representation***

Persons appointed to the Pensions 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.

## **11**    ***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 23 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 Chairman 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.

## **12 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.

## **13 Terms of Office**

The term of office for Pension Board members is initially 1 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.

Pension Board membership may be terminated during the initial 1 year term of office or subsequent ongoing period due to:

- a) A Scheme member representative appointed on the basis of their membership of the Scheme no longer being a member of the LGPS in Berkshire;
- b) A Scheme member representative no longer being a scheme member in any capacity;
- c) A Scheme employer representative no longer holding employment within an employer body participating in the Fund;

- d) 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;
- e) A Pension Board member has a conflict of interest which cannot be managed in accordance with the Pension Board's conflict policy;
- f) 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 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.

#### **15 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.

#### **16 Meetings**

The Pension Board will meet at least biannually and up to 4 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.

## **17 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. 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.

## **18 Sub-groups**

There may be occasion to undertake 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.

## **19 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 at least 10 working days (where practicable) in advance of the meeting 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 Pension Board Secretary 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.

## **20 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 and their contact details;
- 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.

## **21 Expenses and Allowances**

The Pension Fund may meet the expenses of the Pension Board with the administering authority's policy on expenses.

## **22 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 21 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.

## **23 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 Chairperson 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.

## **24 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.

**25     *Review of Terms of Reference***

These Terms of Reference shall be reviewed 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 after consultation and agreement by Board members. They will be reviewed annually to ensure continuing regulatory compliance and ongoing development of the Board members.

..... Date:  
 Signed on behalf of the Administering Authority  
 (Cllr. Julian Sharpe – Chairman to the Berkshire Pension Fund Committee and Advisory Panel)

..... Date:  
 Signed on behalf of the Pension Board  
 (Alan Cross - Chair of the Pension Board)



## CODE OF CONDUCT FOR PENSION BOARD MEMBERS

### *Introduction*

The Pension Board for the Royal County of Berkshire Pension Fund is established under Section 5 of the Public Service Pensions Act 2013 and in accordance with regulation 106 of the Local Government Pension Scheme Regulations 2013 as inserted by The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 (S.I. 2015 No. 57).

This document sets out a code of conduct for members of the Board and applies to all members and any other invited regular attendees at Board meetings from all organisations.

### *Contents*

- 1 Public service values
- 2 The role of the chair
- 3 Statutory responsibilities of Board members
- 4 Delegation
- 5 Responsibilities of individual Board members
- 6 Political activity
- 7 Conflicts of interest
- 8 Personal liability of Board members
- 9 Openness and responsiveness
- 10 Accountability for public funds

Schedule A	The seven principles of public life
Schedule B	Managing conflicts of interest
Schedule C	The register of Board members' interests: declaration form

## **1 Public Service Values**

Members of the Pension Board will at all times:

- Observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds as held by the Pension Fund and the management of these funds with regard to all of the stakeholders that the Pension Board represents;
- Maximise value for money through ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable;
- Be accountable to the administering authority, all Pension Fund stakeholders and Pension Fund staff for the activities undertaken by the Pension Board in its stewardship of public funds and the extent to which its performance and objectives have been met;
- Ensure that the Pension Board is at all times compliant with statutory pension legislation and requirements imposed by the Pensions Regulator in relation to the Local Government Pension Scheme.

## **2 The Role of the Chair**

The chair has particular responsibility for providing effective strategic leadership on matters such as:

- Formulating the Board's strategy for discharging its statutory duties;
- Encouraging high standards of propriety and promoting efficient and effective use of resources;
- Ensuring 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;
- Representing the views of the Board to all relevant stakeholders and the wider general public;
- Providing an assessment of the performance of individual Board members, on request, when they are considered for re-appointment to the Board or for the appointment of new Board members upon application.

The chair will ensure that the Board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual board members.

The chair will ensure that all members of the Board are at all times compliant with the responsibilities and duties required of them and will promote training for all members of the Board and encourage attendance of these sessions. Furthermore the chair will ensure an induction programme is organised for all new Board members to attend.

### **3 Statutory Responsibilities of Board members**

Members of the Board have statutory responsibility for assisting the administering authority in securing compliance with the Local Government Pension Scheme regulations, any other legislation relating to governance and administration of the Scheme and any requirements imposed by the Pensions Regulator in relation to the Scheme.

Board members must:

- Ensure that high standards of governance and administration are observed and maintained at all times;
- Ensure that the Board operates within the limits of its statutory authority and any other conditions laid down by the Pensions Regulator;
- Ensure that, in reaching decisions, the Board has taken into account any guidance issued by the appropriate professional advisor;
- Ensure that all policies and practices upon which the Board advises meet with key strategic objectives of the administering authority.

The chair and other members of the Board should each have copies of, or have easy access to:

- The Pension Board member's Handbook (including this Code of Conduct);
- The Local Government Pension Scheme Regulations 2013 (and associated legislation);
- All Pension Fund governance and administration policies;
- The Pension Fund's current Business Plan;
- The Pension Fund's Business Continuity Plan;
- The latest version of the Pension Fund's Annual Report and Accounts;
- The most recent Actuarial Valuation Report.

### **4 Delegation**

To the extent permitted by the Public Service Pension Act 2013, the Superannuation Act 1972 and current Local Government Pension Scheme regulations, responsibility for the day-to-day management and administration of the Scheme is delegated to officers of the Royal Borough of Windsor & Maidenhead.

The Royal Borough has a written Constitution as required by section 37 of the Local Government Act 2000. Section D of Part 6 of the Constitution sets out the delegated powers under which the Pension Board may operate with regard to Pension Fund investments and the functions delegated to officers involved in managing the Pension Fund.

Decisions taken by individual members or sub-committees of the Board under delegated powers will be recorded in written minutes available to the Board as a whole.

## **5** *Responsibilities of Individual Board members*

Individual Board members should be aware of their wider responsibilities as members of the Board. Like others who serve the public, they should follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life and which is replicated in Schedule A to this Code of Conduct. Board members must:

- Ensure that high standards of probity are observed at all times;
- Undertake on appointment to comply at all times with this Code of Conduct and with rules relating to the use of public funds;
- Play a full and active role in the work of the Pension Board and act in good faith and in the best interests of the Pension Board;
- Respect the principle of collective decision-making and statutory responsibility and once the Board has made a decision, members should support that decision;
- Deal with all stakeholders fairly, efficiently, promptly, effectively and sensitively and not act in a way that unjustifiably favours or discriminates against particular individuals or interests;
- Not misuse information gained in the course of their public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote private interests or those of connected persons, firms, businesses or other organisations;
- Declare to the chair any private interests which may be perceived to conflict with their public duties;
- Not misuse official resources (including facilities, equipment, stationery, telephony and other services) for personal gain or for political purposes;
- Comply with any statutory or administrative requirements relating to membership of the Board;
- Ensure that they comply with the requirements of Confidentiality, Disclosure of Information and Data Protection regulations both whilst a member of the Board or once having left the Board.

## **6** *Political Activity*

Whilst there is no restriction placed on members of the Pension Board with regard to political activity members of the Board should:

- Be conscious of their responsibilities and seek to abide by the Seven Principles of Public Life (set out in Schedule A – selflessness; integrity; objectivity, accountability, openness, honesty, leadership);
- Exercise a proper discretion in relation to the work of the Pension Board and agree not to make political speeches or engage in other political activities that relate directly to pension policy or pension regulations;



- Remain alert to the possibility of a conflict between their political interests and their role on the Pension Board and declare such conflicts as they may arise.

All Board members are expected to:

- Consult the Chair of the Board if they have any queries or doubts in relation to these requirements;
- Inform the Chair of the Board before undertaking any significant political activity; and
- Understand that their appointment as a Board member may be terminated if, in the view of the Chair of the Board, the positions are incompatible.

## **7 Conflicts of Interest**

Board members are entitled to manage their own affairs in privacy. However, their work for the Board must be carried out in an environment that is free from any suggestion of improper influence. Those providing information must be confident that it will be properly handled and conflicts of interest must be identified immediately they arise and be properly managed.

Board members must take steps to ensure that any conflict of interest which they may be subject to does not affect a decision taken by the Pension Board.

The chair and other Board members are expected to declare any personal or business interests which may conflict with their responsibilities as Board members.

There are two key requirements:

- 1 to declare any potential conflict of interest which arises in the course of their work as a Board member, whenever it becomes relevant; and
- 2 to complete a declaration of interests annually.

Guidance on these requirements is set out in Schedule B with a declaration form for the registration of Board member interests found in Schedule C.

## **8 Personal Liability of Board members**

The Government has indicated that individual members of the boards of public bodies who have acted honestly and in good faith will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their board functions, save where the person has acted recklessly.

## **9 Openness and Responsiveness**

The administering authority is subject to a number of legal requirements in relation to the information it holds including the Public Service Pension Act 2013, the Freedom of Information Act 2000 and the General Data Protection Regulation 2018. Subject to these requirements, Board members are expected to conduct all their dealings in an open and responsible way. This should include:

- Making publicly available annual reports;
- Where practical and appropriate, holding open meetings;

- Releasing minutes or summary reports of meetings;
- Following best practice in making available information to all stakeholders and the public in general through the Berkshire Pension Fund website;
- Maintaining well publicised and easy-to-use complaints procedures.

## **10**     ***Accountability for Public Funds***

Board members have a duty to ensure the safeguarding of public funds and the proper custody of assets which have been publicly funded. They must carry out their fiduciary responsibilities effectively and at all times conduct its operations as economically and efficiently as possible with full regard the relevant statutory provisions set out by the Public Service Pensions Act 2013 and the Local Government Pension Scheme Regulations 2013.

The Board should ensure that it can demonstrate that its resources are used to good effect, with propriety, and without grounds for criticism that public funds are being used for private, partisan or political purposes.

**Initially Approved by Board Members: 26 November 2015**

**Last Reviewed: 16 June 2022**

## ***SCHEDULE A – The seven principles of public life***

### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

## ***SCHEDULE B – Managing conflicts of interest***

This schedule provides guidance as follows:

- 1 What is a conflict of interest?
- 2 The register of Board members' interests;
- 3 Definition of terms used in this schedule;
- 4 Definition of terms used in the register of interests declaration form.

### ***1 What is a conflict of interest?***

A conflict of interest arises when the work carried out on behalf of the Pension Board could be affected by a personal interest or personal association. It becomes significant if an independent third party might reasonably take the view that there is a risk that a Board member's resultant actions (or those of a personal associate) might be affected, whether or not they are affected.

Conflicts of interest may arise for example as a result of:

- A direct or indirect financial interest;
- A direct or indirect financial interest held by a commercial undertaking with which the Board member has connections;
- A significant relationship with those affected or likely to be affected by the matter;
- The interests of a connected person;
- An expectation of future interest (for example, future employment);
- In some cases, a previous association on the matter;
- An interest arising from a common interest grouping, such as a trade association, trades union membership or other private society.

The common law requires:

- That members of public bodies should not participate in the discussion or determination of matters in which they have a direct pecuniary interest; and
- That when an interest is not of a direct pecuniary kind, members should consider whether participation in the discussion or determination of a matter would suggest a real danger of bias. This should be interpreted in the sense that members might either unwittingly or otherwise unfairly regard with favour or disfavour the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, members should assess whether they, or connected persons, are likely to be affected more than the generality of those affected by the decision in question.

Where, in accordance with the above, members do not participate in the discussion or determination of a matter, they should withdraw from the meeting, even if held in public, when requested to do so by the chair of the meeting. This is because the continued presence of someone who has declared an interest might be thought likely to influence the judgement of other members present.

Whether or not Board members are able, in light of the consideration above, to participate in the discussion or determination of a matter, they should declare as soon as practicable after a meeting begins if they have an interest, pecuniary or other, in a matter being considered. They should also disclose any interests in it which they are aware on the part of connected persons and persons living in the same households as the Board member. In addition, Board members should consider whether they need to disclose relevant interests of other persons or organisations which members of the public might reasonably think could influence the member's judgement.

In addition to the disclosures in the register of interests, Board members also have a duty to declare to the chair any potential conflict of interest which arises in the course of their work whenever it becomes relevant.

## **2      *Personal dealings in shares and related investments***

Board members are expected to observe the highest standards in relation to their personal dealings and should declare any conflicts of interest that they feel may arise as a result of carrying out their work for the Pension Board.

All information relating to these arrangements will be treated as confidential.

## **3      *The register of board members' interests***

The purpose of this register is to ensure that the administering authority has a record of Board members' declarations of interest. It provides a mechanism whereby possible conflicts of interests can be identified. The existence of the register does not remove the obligation on Board members to declare interests as they arise in the course of the Board's work.

The register will list all interests that stakeholders and members of the public in general might reasonably think could influence Board members' judgement:

- Direct pecuniary interests;
- Indirect pecuniary interests (indirect pecuniary interests arise from connections with bodies which have a direct pecuniary interest or from being a partner of, or being employed by, a person with such interests);
- Non-pecuniary interests that relate closely to the Pension Fund's activities.

The register will be held by the administering authority. A summary of the register will be published and may be disclosed to the internal auditor, the administering authority's complaints adjudicator or the Secretary of State in the event that a complaint is raised concerning the conduct or judgement of a Board member.

Board members are expected to ensure their register of interests declaration is kept up to date.

## 4 Definitions

### 4.1 Terms used in Schedule B

<b>Dealings</b>	includes purchase, sales, subscriptions, acceptance of take-over and other offers and all other methods of acquiring or disposing of shares and related investments or any rights or interests in shares and related investments.
<b>Significant relationship</b>	means a relationship which an independent third party might reasonably consider could affect the actions taken or the actions taken by a personal associate (whether or not it does actually affect the actions taken).
<b>Connected persons</b>	means spouses and partners, children and step-children under the age of 18, persons for whom Board members take significant financial decisions and trusts of which a Board member is a 'trustee'.
<b>Share and related investments</b>	there is no requirement to seek permission to deal or to declare an interest in relation to collective investment schemes (such as unit trusts and OEICS including any held in a general PEP or ISA) and other investments where the Board member has no direct influence on the management of the investment.
<b>Relevant organisation</b>	means those companies or any company within the same group of companies, either seeking to be or currently listed in the UK and/or quoted and/or regulated in the UK as appropriate and includes those seeking clearance, or the subject or monitoring, enforcement or any other regulatory intervention by the Pensions Regulator.

### 4.2 Terms used in the register of interests declaration form

<b>Current employment or office</b>	refers to any post, other employment or fiduciary positions held by a Board member or held by a Board member in the past five years in connection with a relevant organisation.
<b>Directorships</b>	means remunerated directorships of companies, public or private, other remunerated posts and public appointments currently held by a Board member or connected persons and which come within the Pension Fund's sphere of operation.
<b>Non-profit organisation</b>	refers to offices held by a Board member in non-profit making organisations or trade associations or bodies whose activities could come within the Pension Fund's sphere of operations and responsibilities.
<b>Consultancies and sponsorships</b>	refers to any current professional clients of a Board member whose business interests could come within the sphere or work of the Pension Fund.

- Declarable shareholdings*** means the names of companies or other bodies in which a Board member has a beneficial interest or shareholding. This does not include shareholdings through collective investment schemes (e.g. unit trusts) or other arrangements where the member has no influence on financial management of the investment.
- Occupational pension schemes*** means the names of any occupational pension scheme of which a Board member or connected person is a scheme member or 'trustee' or in which they hold office.
- Personal/stakeholder pensions*** refers to the names of providers of personal or stakeholder pensions held by a Board member or a connected person.

**SCHEDULE C – Register of Board members' interests**

**Declaration Form**

Name	
Education/Professional Qualifications/Decorations	
Trade or Profession	
Current employment or office	
Directorships	
Non-profit organisations with a link to the Berkshire Pension Fund	
Consultancies and sponsorships	
Trades union membership	
Occupational pension schemes	
Personal or stakeholder pensions	

Signed: \_\_\_\_\_

Date: \_\_\_\_\_



		AC	AP	JF	NC	TP
Date	Additional Training - April 2019 to March 2022					
Jun-19	Pension Board Member's Annual Event					
04/09/2019	Training Day - BW & LPP					
16/12/2019	Governance overview of the LGPS					
06/10/2020	LGA Fundamentals on line - Legal Structure of LGPS					
07/10/2020	LGA Fundamentals on line - Investment Framework of LGPS					
08/10/2020	LGA Fundamentals on line - Governance and Oversight of the LGPS					
18/11/2020	AON Webinar Cyber Risk in the LGPS					
26/01/2021	LGPS Update - LGA Webinar					
26/01/2021	Overview of the LGPS - Barnett Waddingham					
18/02/2021	Spring seminar - Barnett Waddingham/CIPFA					
03/02/2021	LGPS-Live					
23/06/2021	Barnett Waddingham / CIPFA Annual LPB Members Seminar					
21/09/2021	Mercer - LGPS: Setting a course to net zero					

This page is intentionally left blank