

Report Title:	Pension Board Governance Matters
Contains Confidential or Exempt Information	No - Part I
Responsible Person:	Mr Alan Cross, Chairman of the Pension Board
Meeting and Date:	Pension Board – 1 September 2022
Responsible Officer(s):	Damien Pantling, Head of Pension Fund
Wards affected:	NONE

REPORT SUMMARY

This report sets out a number of governance matters pertaining to the operation of the Pension Board in particular:

- The Code of Conduct expected of Board members;

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Pension Board note the report and:

- Approves the Code of Conduct at Appendix 2;**

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 Following on from the independent review of the governance structure of the Pension Fund in 2020 the roles of the Pension Fund Committee, Pension Fund Advisory Panel and Pension Board have been updated and reflected in changes to the Council's Constitution.
- 2.2 Further steps are now being taken to build on the outcomes of the governance review recommendations to ensure the Pension Board is fully compliant with those recommendations.
- 2.3 The Council's Constitution states that membership of the Pension Board should consist of three scheme employer and three scheme member representatives. Currently, two vacancies have arisen, one of each of the representative types. Two 'substitute' members currently attend meetings of the Pension Board both of whom are from the education sector. It was recommended as part of the independent governance review that the education sector should be represented on the Board so the board needs to consider how the vacancies should be filled.
- 2.4 The Terms of Reference (ToR) for the Pension Board were first approved by the council in 2015 when the Pension Board was created as a requirement of the Public Service Pensions Act 2013 and Regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended). The Board (which should operate with some level of independence from the Council and its committees, but nevertheless contribute positively to the administration of the pension

scheme) has on at least two occasions since then discussed changes. Following on from the independent governance review in 2020 it is now appropriate to bring the ToR back to Board members for their consideration and approval as being 'fit for purpose' (and with consideration of the timing of changes) . The ToR can be found at Appendix 1 to this report. If approved, the amended ToR would be recommended to full Council for approval as full Council has the power to amend the Constitution (which includes the Board's ToR).

- 2.5 The Code of Conduct for Pension Board members was similarly approved when the Board was created in 2015. As with the ToR it is appropriate to bring the Code of Conduct back to the Board for its consideration and approval. The Code of Conduct can be found at Appendix 2 to this report.
- 2.6 When the Board last considered its terms in following the Governance Review the Board agreed that it should have flexibility to have three or four member/employer members. Council Governance Officers have recently advised that this should be a fixed number. The Board therefore needs to consider what to do. Terms of Reference can then be recommended to full Council for amendment accordingly.
- 2.7 The amended ToR shall be considered by the board at a later date, the revised code of conduct to include adoption of the Administering Authorities' gifts and hospitality declaration process is attached at Appendix 1 to this report.

3. KEY IMPLICATIONS

- 3.1 The Pension Board is a statutory body that has legislative responsibilities to assist the administering authority in maintaining the Royal County of Berkshire Pension Fund. All Board members have a duty to be conversant with the LGPS regulations, should be conversant with any document recording policy about the administration of the Pension Fund and have knowledge and understanding of the law relating to pensions and such other matters as may be prescribed.
- 3.2 Failure of the Board to fulfil its statutory duties could lead to a loss in public confidence and so the matters detailed in this report should continue to strengthen and improve scheme governance.

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 There is no financial impact for the Fund or the administering authority.

5. LEGAL IMPLICATIONS

- 5.1 There is no significant legal impact for the Pension Fund or RBWM, although the Constitution may need updating in due course to reflect any changes made to the structure of the Pension Board as may be approved. (The timing of this can be discussed between the Chairman, Chairman of the Pension Fund and officers responsible for the planning of Council meeting business and any other changes to the constitution that may be required).

6. RISK MANAGEMENT

- 6.1 The Pension Fund Committee review and approve a risk register on a quarterly basis, prepared in line with CIPFA's guidance on "managing risks in the LGPS – 2018". The latest risk register (including relevant actions and mitigations) has been prepared alongside the amendments within these revised policies, with any relevant changes considered and documented as appropriate in the quarterly review of the risk management report.

7. POTENTIAL IMPACTS

- 7.1 Failure to comply with Pension legislation could result in the Administering Authority being reported to the Pensions Regulator where failure is deemed to be of a material significance.
- 7.2 Equalities. Equality Impact Assessments are published on the [council's website](#).
N/A
- 7.3 Climate change/sustainability. N/A
- 7.4 Data Protection/GDPR. N/A

8. CONSULTATION

- 8.1 N/A

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 To be agreed as mentioned in 5.1. The recommendation to full Council could be considered at the next scheduled meeting in July 2022.

10. APPENDICES

- 10.1 This report is supported by 1 appendix:

- Appendix 1 - Code of Conduct

11. BACKGROUND DOCUMENTS

- 11.1 This report is supported by 0 background documents:

12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officers (or deputies)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer		

Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer		
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)		
Elaine Browne	Head of Law (Deputy Monitoring Officer)		
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)		
<i>Other consultees</i>			
Cllr Julian Sharpe	Chairman – Berkshire Pension Fund Committee		
Mr Alan Cross	Chairman of Pension Board		

REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Pension Board decision	Yes/No	Yes/No

Report Author: Damien Pantling, Head of Pension Fund
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