

**Operating Procedures**  
**LOCAL PENSION BOARD**  
**London Borough of Hillingdon**

**Introduction**

1. This document sets out the operating procedures of the Local Pension Board of the London Borough of Hillingdon, (the 'Administering Authority'), a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as 'the 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).
2. The Board is established by the Administering Authority and operates independently of the Committee. Relevant information about its creation and operation is contained in these operating procedures.
3. The 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.
4. Except where approval has been granted under regulation 106(2) of the Regulations the Board shall be constituted separately from any committee or sub-committee constituted under Section 101 of the Local Government Act 1972 with delegated authority to execute the function of the Administering Authority.

**Interpretation**

5. The following terms have the meanings as outlined below:

<b>'the Act'</b>	The Public Service Pensions Act 2013.
<b>'the Code'</b>	means the Pension Regulator's Code of Practice No 14 governance and administration of public service pension schemes.
<b>'the Committee'</b>	means the committee who has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.
<b>'the Fund'</b>	means the Fund managed and administered by the Administering Authority.
<b>'the Guidance'</b>	means the guidance on the creation and operation of local pension boards issued by the Shadow Scheme Advisory Board.

<b>'Operating Procedures'</b>	means the detailed operational and governance arrangements to which to the Council's constitutional Terms of Reference refer.
<b>'the Regulations'</b>	means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time).
<b>'Relevant legislation'</b>	means relevant overriding legislation as well as the Pension Regulator's Codes of Practice as they apply to the Administering Authority and the Board notwithstanding that the Codes of Practice are not legislation.
<b>'the Scheme'</b>	means the Local Government Pension Scheme in England and Wales.

### **Statement of purpose**

6. The purpose of the 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 Pensions Regulator in relation to the Scheme and;
  - (b) to ensure the effective and efficient governance and administration of the Scheme.

### **Duties of the Board**

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

### **Membership**

8. The Board shall consist of four voting members as follows:
  - Two Scheme Member Representatives; and
  - Two Employer Representatives.

9. There shall be an equal number of Scheme Member and Employer Representatives.

### **Scheme Member representatives**

10. Scheme member representatives shall either be scheme members of the Fund or have capacity to represent scheme members of the Fund.
11. 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.
12. Scheme member representatives shall be appointed by the administering Authority and will be open to and representative of all scheme members of the Fund.
13. Scheme member representatives shall be appointed following a transparent recruitment process which should be open to all Fund members and be approved by the Administering Authority.
14. Substitutes shall not be appointed.

### **Employer representatives**

15. Employer representatives shall be office holders or senior employees of employers of the Fund or have experience of representing scheme employers in a similar capacity. No officer or elected member of the Administering Authority who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.
16. Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
17. A total of two employer representatives shall be appointed to the Board from any of the following sources:
  - a) As the majority employer in the fund the London borough of Hillingdon will hold at least one representative on the Board.
  - b) The majority employer representative shall be appointed following a transparent recruitment process.
  - c) The remaining employer representative shall be appointed where that body is open to and representative of all employers in the Fund.
  - d) Remaining employer representatives shall be appointed following a transparent recruitment process which should be open to all employers in the Fund and be approved by the Administering Authority.

- e) Remaining employer representatives shall be appointed by the Administering Authority where all employers will have been asked to submit their interest in undertaking the role of employer representative on the Board.

18. Substitutes shall not be appointed

### **Re-Election**

19. Subject to unanimous approval of the Board and subsequent approval by the Administering Authority, existing Board members may be re-elected to serve on the Board at the end of a preceding four-year term.

20. Re-election will take precedence ahead of any new appointment.

### **Pension Committee Observer**

21. The Chair of the Pension Committee is entitled to attend all Board meetings as an observer and to facilitate the governance and scrutiny function of the Board.

22. The Chair of the Pension Committee does not have voting rights on the Board.

### **Appointment of Pension Board Chair**

23. A Chair shall be appointed for the Board using the process listed below:

- (a) A Chair to be appointed by the employer and scheme member representatives of the Board. The Chair will rotate annually with equal distribution between employer and scheme representative.
- (b) The term of the appointment will be one year
- (c) Should the nominated Chair not be available, a temporary Chair will be appointed either prior to, or at the meeting.

### **Duties of chair**

24. The Chair of the Board:

- (a) Shall ensure the Board delivers its purpose as set out in the Terms of Reference and the code,
- (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, and
- (c) Shall seek to reach consensus and ensure that decisions are properly put to a vote when it cannot be reached. Instances of a failure to reach a consensus position will be recorded and published.

## **Notification of appointments**

25. When appointments to the Board have been made the Administering Authority will update details on their web page.

## **Term of Office**

26. The term of office for Board members is four years.
27. The membership shall be staggered with each member either being replaced or re-elected over a rolling four-year period.
28. A schedule of member terms will be maintained – see appendix.
29. Extensions to terms of office may be made by the Administering Authority with the agreement of the Board.
30. A Board member may be re-appointed in accordance with clauses 19 & 20.
31. Board membership may be terminated prior to the end of the term of office due to:
  - (a) A member representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund.
  - (b) A member representative no longer being a scheme member or a representative of the body on which their appointment relied.
  - (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
  - (d) A Board member no longer being able to demonstrate to the administering authority their capacity to attend and prepare for meetings or to participate in required training.
  - (e) The representative being withdrawn by the nominating body and a replacement identified.
  - (f) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
  - (g) A Board member who is an elected member becomes a member of the Committee.
  - (h) A 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.

## **Conflicts of interest**

32. All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any potential conflict of interest arising as a result of their position on the Board.

33. 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 Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.
34. On appointment to the Board and following any subsequent declaration of potential conflict by a Board member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Board's conflicts policy and the requirements of the Code.

### **Knowledge and understanding (including Training)**

35. Knowledge and understanding must be considered in light of the role of the Board to assist the Administering Authority in line with the requirements outlined above. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board members under the Act. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.
36. Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy and framework.
37. 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 Board.

### **Meetings**

38. The Board shall meet four times each year.
39. Meetings shall normally take place, but not exclusively, in person between the hours of 14:00 and 17:00 hours at the address of the Administering Authority.
40. The use of virtual meetings is acceptable should circumstances or operational efficiency make it necessary.
41. The Chair of the Board with the consent of the Board membership may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

### **Quorum**

42. A meeting is only quorate when at least 50% of both scheme member and employer representatives are present. This can be one from each group or two from the same group.

43. A meeting that becomes inquorate may continue but any decisions will be non-binding.
44. The meeting will remain quorate where the Chair is temporary and when at least 50% of representatives are present as per paragraph 42.

### **Board administration**

45. The Chair shall agree with the Head of Finance – Statutory Accounting and Pension Fund (the 'Board Secretary') an agenda prior to each Board meeting.
46. The agenda and supporting papers will be issued at least five working days (where practicable) in advance of the meeting except in the case of matters of urgency.
47. Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members within thirty working days after the meeting. These draft minutes will be subject to formal agreement by the Board at their next meeting. Any decisions made by the Board should be noted in the minutes and in addition where the Board was unable to reach a decision such occasions should also be noted in the minutes.
48. The minutes may with the agreement of the 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 Data Protection Act 1998.
49. The Board Secretary shall ensure that Board members meet and maintain the knowledge and understanding as determined in the Board's Knowledge and Understanding Policy and Framework and other guidance or legislation.
50. The Board Secretary shall arrange such advice as is required by the Board subject to expenditure approval.
51. The Board Secretary shall ensure an attendance record is maintained along with advising the Administering Authority and expenses to be paid under these terms.
52. The Board Secretary shall liaise with the Administering Authority on the requirements of the Board, including advanced notice for officers to attend and arranging dates and times of Board meetings.

### **Public access to Board meetings and information**

53. The Board meetings can be open to the general public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the general public).
54. The following will be entitled to attend Board meetings in an observer capacity:

- (a) Members of the Committee,
- (b) Any person requested to attend by the Board.

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

55. In accordance with the Act the Administering Authority shall publish information about the Board to include:
- (a) The names of Board members and their contact details.
  - (b) The representation of employers and members on the Board.
  - (c) The role of the Board.
  - (d) The Board Terms of Reference
  - (e) This Board Code of Practice.
56. The Administering Authority shall also publish other information about the Board including:
- (a) Agendas and minutes
  - (b) Training and attendance logs
  - (c) An annual report on the work of the Board to be included in the Fund's own annual report.
57. 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 Fund's website.
  - (b) As part of the Fund's Annual Report.
  - (c) As part of the Governance Compliance Statement.
58. 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 Data Protection Act 1998.

### **Expenses and allowances**

59. The Administering Authority shall meet expenses of Board members in line with the Administering Authority's policy on expenses
60. The Administering Authority shall not pay allowances for Board members.

### **Budget**

61. The Board is to be provided with adequate resources to fulfil its role. In doing so the budget for the Board will be met from the Fund and determined by:
- a) The Board will seek approval from Head of Finance – Statutory Accounting and Pension Fund, for any expenditure it wishes to make.



## **Core functions**

62. The first core function of the 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.
63. The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme.
64. In support of its core functions the Board may make a request for information to the 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.
65. In support of its core functions the Board may make recommendations to the Committee which should be considered, and a response made to the Board on the outcome within a reasonable period.

## **Reporting**

66. The Board should in the first instance report its requests, recommendations or concerns to the Committee. In support of this any member of the Board may attend a Committee meeting as an observer.
67. The Board should report any concerns over a decision made by the Committee to the Committee subject to the agreement of at least 50% of voting Board members provided that all voting members are present. If not all voting members are present then the agreement should be of all voting members who are present, where the meeting remains quorate.
68. On receipt of a report the Committee should, within a reasonable period, consider and respond to the Board.
69. Where the Board is not satisfied with the response received it may request that a notice of its concern be placed on the website and in the Fund's annual report.
70. Where the Board is satisfied that there has been a breach of regulation which has been reported to the Committee and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.
71. The appropriate internal route for escalation is to the Section 151 Officer.
72. The 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.
73. Board members are also subject to the requirements to report breaches of law under the Act and the Code.

## **Review of the Operating Procedures**

74. These operating procedures shall be reviewed on each material change to those part of the Regulations covering local pension boards and at least every three years.
75. These operating procedures were approved and adopted in November 2021.

**J. Lake**  
**Signed on behalf of the Administering Authority**

**R. Hackett**  
**Signed on behalf of the Board**

**Published November 2021**

## **Appendix – Board Term End-dates**

### **Scheme Member Representatives**

Roger Hackett – January 2022

Tony Noakes – January 2023

### **Employer Representatives**

Shane Woodhatch – January 2024

Anil Mehta - January 2025