

## **Scottish Local Government Pension Scheme – Fife Pension Board**

### **1. Introduction**

- 1.1 In respect of each Local Government Pension Scheme a Pension Board separate from the Pensions Committee that acts as the Scheme Manager is to be established.
- 1.2 The Fife Pension Board (“the Pension Board”) is established under the provisions of the Local Government Pension Scheme (Governance) (Scotland) Regulations 2015.

### **2. Objectives**

- 2.1 The Pension Board is the body responsible for assisting the Scheme Manager in relation to compliance with scheme regulations and the requirements of the Pensions Regulator.
- 2.2 The Pension Board will determine the areas they wish to consider including, amongst others:
  - Reports produced for the Superannuation Fund and Pensions Sub-Committee (“the Sub-Committee”)
  - Seek reports from the scheme managers on any aspect of the fund
  - Monitor investments and the investment principles/strategy/guidance
  - The fund annual report
  - External voting and engagement provisions
  - Fund performance and administration
  - Actuarial reports and valuations
  - Funding strategy
  - Any other matter that the Pensions Board deem appropriate

### **3 Membership**

- 3.1 Membership of the Pension Board will consist of equal numbers of trade union representatives and employer representatives, drawn from councils and scheduled or admitted bodies in membership of the fund. Pension Board representatives must not

also participate in or act as members of the Sub-Committee. Local Authority employer representatives will normally be Elected Members serving as part of the Council.

- 3.2 There will be four trade union representatives appointed by the trade unions as follows:-

GMB – 1

UCATT – 1

UNISON – 1

Unite – 1

- 3.3 There will be four employer representatives appointed by the respective employer organisations as follows:-

Fife Council – 2

Scheduled bodies – 1

Admitted bodies – 1

- 3.4 Pension Board representatives will serve for a period of four years and may be reappointed to serve further terms. Employer bodies and organisations retain the right to withdraw representatives and identify replacements on occasion.

- 3.5 Any newly appointed member of the Pension Board will require to have signed a letter binding them to observe the Model Code of Conduct as specified by the Scottish Government.

- 3.6 Advisors may attend meetings of the Pension Board in a non-voting capacity, at the discretion of the Chair as to numbers.

- 3.7 No person may be appointed to the Pension Board that has a significant conflict of interest. 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 or any connected scheme for which the board is established. The Pension Board will adopt policies and protocols for handling any conflicts that were unanticipated and might arise during membership.

#### **4 Meetings/**

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- 4.1 The Chair of the Pensions Board will be rotated on an annual basis between the trade union and employer sides of the Pension Board.
- 4.2 Pension Board meetings will be administered by the Joint Secretariat as agreed with Joint Secretaries appointed by the trade union and employers' sides of the Pension Board. All reasonable administration costs shall be met by the fund.
- 4.3 The Pension Board should meet at least quarterly. A majority of either side may requisition a special meeting of the Pension Board in exceptional circumstances.
- 4.4 The Pension Board may establish sub-committees.
- 4.5 While the statutory roles and function of the Sub-Committee and Pension Board are separate, the normal practice will be that both bodies will meet at the same time to consider the same agenda, with the Chair of the Sub-Committee chairing the concurrent meeting. The aim is to engender a positive and proactive partnership culture where in practice the two bodies act as one.
- 4.6 The Pension Board may meet separately from the Sub-Committee with the Sub-Committee's agreement. In such circumstances, secretarial functions shall be undertaken other than by the Sub-Committee secretariat.

#### **5. Dispute resolution**

- 5.1 If the Pensions Sub-Committee and Pension Board cannot reach joint agreement on any matter the process for resolving any differences between the two bodies will be as follows:-(Whilst this process is undertaken the decision of the Sub-Committee is still competent).
- 5.2 In the first instance, if at least half of the members agree, then the Pension Board can refer back to a decision of the Sub-Committee for further consideration of any of the following grounds are met:-
  - (a) there is evidence or data on which the Sub-Committee relied when making their decision which is considered to be unreliable or there is new evidence or data which the Sub-Committee did not access or was not aware of at the point of making the decision which is considered material to the decision taken;
  - (b) the decision of the Sub- Committee is arguably beyond the powers of the 2014 Regulations or otherwise unlawful;
  - (c) the decision of the Sub- Committee is contrary to a relevant Code of Practice published by the Pensions Regulator; or
  - (d) the decision is not in the interest of the continued financial viability of the Scheme or the relevant fund or is against the principles of proper and responsible administration of the Scheme or relevant fund.

- 5.3 If there is no agreement after the matter has been referred back to the Sub-Committee, then the difference in view between the Pension Board and the Sub-Committee will be published in the form of a joint secretariat report on the fund website and included in the fund annual report.
- 5.4 The Scottish LGPS Scheme Advisory Board may also consider and take a view on the matter and, if considered appropriate, provide advice to the Scheme Manager or the Pension Board in relation to the matter which shall be shared with the Sub-Committee.

## **6 Training**

- 6.1 All members of the Pension Board must undertake a training programme in accordance with any guidance issued by the Pensions Regulator and complying with best practice training requirements of the Sub-Committee, before taking up their role.
- 6.2 The Pension Board shall agree policies and arrangements for the acquisition and retention of knowledge and understanding for Pension board members.
- 6.3 The Scheme Manager will keep an updated list of the documents with which they consider Pension Board members need to be conversant to effectively carry out their role and make sure that both the list and the documents are accessible.

## **7 Access to Information**

- 7.1 The Scheme Manager and Pension Board will together ensure that information is published about the activities of the board including:
- The full terms of reference for the Pension Board, including details of how they will operate
  - The Pension Board appointment process
  - Who each individual Pension Board member represents and
  - Any specific roles and responsibilities of individual Pension Board members.
- 7.2 The minutes of the Pension Board will be published on the fund website. The Pension Board may undertake such communications and stakeholder engagement as it deems appropriate to perform its functions.
- 7.3 When the Pension Board and the Sub-Committee are meeting jointly, any matter which requires to be considered in private by the Sub-Committee under the terms of Schedule 7A of the Local Government (Scotland) Act 1973, shall be so considered jointly, and the members of the Pension Board shall observe the necessary requirements for secrecy.