

Agenda

Meeting: Pension Board

**Venue: The Grand Meeting Room, County Hall,
Northallerton DL7 8AD**

Date: Thursday 30 July 2015 at 10.00am

Recording is allowed at County Council, committee and sub-committee meetings which are open to the public, please give due regard to the Council's protocol on audio/visual recording and photography at public meetings, a copy of which is available to download below. Anyone wishing to record is asked to contact, prior to the start of the meeting, the Officer whose details are at the foot of the first page of the Agenda. We ask that any recording is clearly visible to anyone at the meeting and that it is non-disruptive. <http://democracy.northyorks.gov.uk>

Business

1. **Introductions**
2. **Notification of Appointment of Chair**
3. **Administrative Matters**
4. **Apologies for absence**
5. **Public Questions or Statements.**

Members of the public may ask questions or make statements at this meeting if they have given notice to Jane Wilkinson of Democratic Services (contact details below) by midday Friday 24 July 2015, three working days before the day of the meeting. Each speaker should limit themselves to 3 minutes on any item. Members of the public who have given notice will be invited to speak:-

- at this point in the meeting if their questions/statements relate to matters which are not otherwise on the Agenda (subject to an overall time limit of 30 minutes);
- when the relevant Agenda item is being considered if they wish to speak on a matter which is on the Agenda for this meeting.

6. **Declarations of any Personal or Prejudicial Interests**
7. **Pension Board Terms of Reference** – Report of the Assistant Chief Executive Legal and Democratic Services
(Pages 1 to 9)
8. **Pension Board Conflicts of Interest Policy** – Report of the Assistant Chief Executive Legal and Democratic Services
(Pages 10 to 15)
9. **Observations from the Pension Fund Committee meeting held on 9 July 2015** – Oral Report of the Chairman.
10. **Pension Board Training Policy** – Report of the Assistant Chief Executive Legal & Democratic Services
(Pages 16 to 21)
11. **Pension Board Work Plan** – Report of the Head of Legal & Democratic Services
(Pages 22 to 26)
12. **Future Dates (Pension Board Meetings and training events)**
13. **Other business which the Chairman agrees should be considered as a matter of urgency because of special circumstances**

Barry Khan
Assistant Chief Executive (Legal and Democratic Services)

County Hall
Northallerton

22 July 2015

NOTES:

- (a) Members are reminded of the need to consider whether they have any interests to declare on any of the items on this agenda and, if so, of the need to explain the reason(s) why they have any interest when making a declaration.

The relevant Committee Administrator or Monitoring Officer will be pleased to advise on interest issues. Ideally their views should be sought as soon as possible and preferably prior to the day of the meeting, so that time is available to explore adequately any issues that might arise.

(b) **Emergency Procedures for Meetings**

Fire

The fire evacuation alarm is a continuous Klaxon. On hearing this you should leave the building by the nearest safe fire exit. From the **(insert relevant room and relevant evacuation procedure)**. Once outside the building please proceed to the fire assembly point outside the main entrance

Persons should not re-enter the building until authorised to do so by the Fire and Rescue Service or the Emergency Co-ordinator.

An intermittent alarm indicates an emergency in nearby building. It is not necessary to evacuate the building but you should be ready for instructions from the Fire Warden.

Accident or Illness

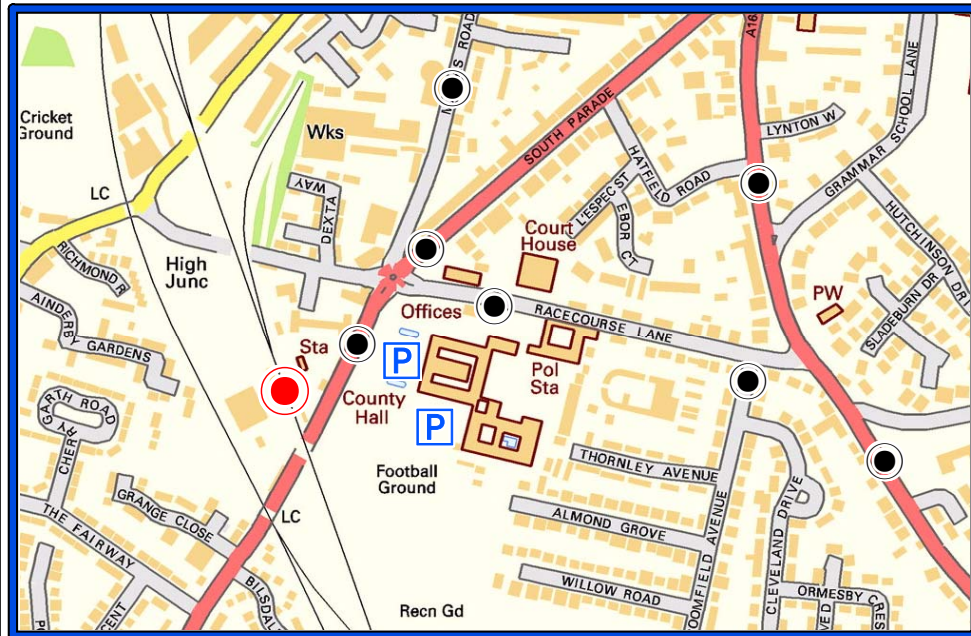
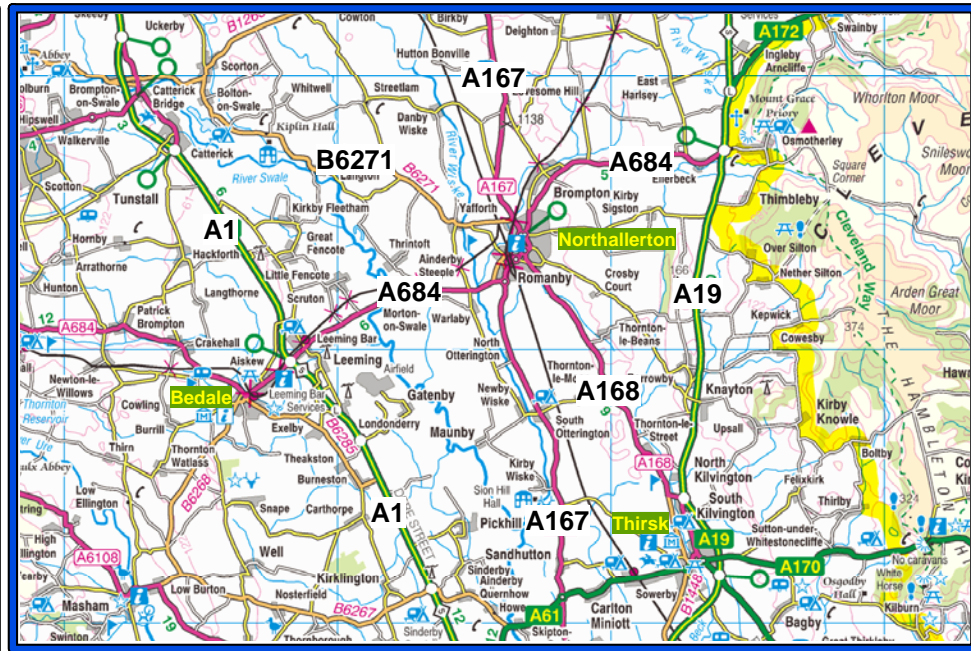
First Aid treatment can be obtained by telephoning Extension 7575.

PENSION BOARD

Membership

(9)		
	<i>Names</i>	
1	PORTLOCK, David	Chairman - Independent Member (Non-voting)
2	JORDAN, Mike (County Councillor)	Employer Representative
3	CUTHBERTSON, Ian (Councillor)	Employer Representative
4	VACANCY	Employer Representative
5	BRANFORD-WHITE, Louise	Employer Representative
6	DRAKE, Ben	Scheme Member Representative
7	SMETHURST, Stella	Scheme Member Representative
8	SWINTHENBANK, Mandy	Scheme Member Representative
9	GRESTY, Gordon	Scheme Member Representative

Quorum - The Board shall be quorate if the Chair, one scheme representative and one employer representative are present.



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County Hall

Northallerton
North Yorkshire
DL7 8AD



North Yorkshire County Council

Tel : 0845 8 72 73 74

NORTH YORKSHIRE COUNTY COUNCIL**PENSION BOARD****30 JULY 2015****TERMS OF REFERENCE****Report of Legal & Democratic Services****1.0 PURPOSE OF REPORT**

- 1.1 To adopt the Terms of Reference of the Pension Board.
- 1.2 To seek proposals from Pension Board members on changes to the Terms of Reference approved by the Council.

2.0 BACKGROUND

- 2.1 On 23 June 2014 the Government published a consultation “The Local Government Pension Scheme (Amendment) Regulations 2014: draft Regulations on scheme governance”. These Regulations are essentially a crystallisation of the governance arrangements framework set out in the Public Service Pensions Act 2013.
- 2.2 The Regulations required administering authorities to each establish a Pension Board by 1 April 2015, being a formal body constituted by the Council, and the Board to be operational by 1 August 2015.
- 2.3 The Terms of Reference for the Pension Board was drafted in February 2015 to comply with the draft Regulations and following the guidance available at the time, and in consultation with the Chair and Vice-Chair of the Pension Fund Committee and the Assistant Chief Executive (Legal and Democratic Services). The document was approved by the Council on 18 February 2015.

3.0 TERMS OF REFERENCE

- 3.1 The Terms of Reference for the Pension Board is attached at **Appendix 1**.
- 3.2 Pension Board members may wish to review the Terms of Reference by referring to the following hyperlinked documents, being the enacted legislation, tPR Code of Practice and the updated guidance from Government:

- i. [Public Service Pensions Act 2013, sections 5\(5\) and 5\(6\)](#)
- ii. [the Pensions Regulator Code of Practice 14](#)
- iii. [LGPS guidance on the creation and operation of local Pension Boards in England and Wales, paragraphs 5.34 to 5.36](#)

3.3 Pension Board members are invited to make comments on the Terms of Reference and make recommendations for changes if appropriate. Any such changes to the Terms of Reference will need to be approved by the Council, as described in Section 17 of that document.

4.0 **RECOMMENDATIONS**

4.1 Pension Board members to adopt the Terms of Reference (**Appendix 1**).

4.2 Pension Board members to make recommendations for changes to the Terms of Reference, to be considered by the Council (see **paragraph 3.3**).

Legal & Democratic Services
County Hall
Northallerton

21 July 2015

Pension Board of the North Yorkshire Pension Fund

Terms of Reference and Delegated Authorities

1) Role of the Local Pension Board

The role of the local Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is

- to assist North Yorkshire County Council (NYCC) as Administering Authority in its role as Scheme Manager
 - to secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS
 - to secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator
 - to secure the effective and efficient governance and administration of the LGPS for the North Yorkshire Pension Fund (NYPF, or the Fund)
 - in such other matters as the LGPS regulations may specify
- to provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest

The terms “Administering Authority” and “Scheme Manager” are used interchangeably in the Regulations but are separately defined in this document (see section 18). NYCC as the Administering Authority has ultimate responsibility for the Fund and has delegated powers to manage the Fund to the Pension Fund Committee (PFC).

These Regulations provide that the Pension Board has the general power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board will also help ensure that the NYPF is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator, with due regard to guidance issued by Government, the Pensions Regulator and the National Scheme Advisory Board.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively, but not less than four times in any year. The Pension Board will determine the precise timing of its own meetings, which will take place at suitable intervals between PFC meetings so that PFC activity relevant to the Board can be considered and responses to recommendations reviewed prior to the next meeting of the PFC.

2) Membership and Appointment Process

The Pension Board shall consist of 9 members and be constituted as follows:

- i) 4 scheme member representatives, of whom
 - a. 2 shall represent and be drawn from active members of the Fund
 - b. 1 shall represent and be drawn from pensioner and deferred pensioner members of the Fund
 - c. 1 shall represent and be drawn from either the active or deferred/pensioner members of the Fund
- ii) 4 employer representatives, of whom
 - a. 1 shall be nominated by NYCC who shall meet the requirements of the relevant regulations in relation to avoidance of conflict with the County Council's role as Administering Authority
 - b. 1 shall be nominated by the City, Borough and District Councils, the Police and Fire bodies and the National Parks which are employers within the Fund
 - c. 1 shall be nominated by all other employers within the Fund
 - d. 1 shall be nominated by any employer other than NYCC
- iii) 1 independent member, who shall be appointed as Chair of the Pension Board

Elected Members and officers involved in the management and administration of the Fund are not permitted to become Pension Board members.

The Administering Authority will contact employers and members of the Fund to inform them of the Pension Board arrangements and to canvass interest whenever appointments to the Pension Board are required. Active, pensioner and deferred pensioner members will be eligible to nominate themselves as "scheme member representatives". Individuals put forward by the Fund's employers, whether or not those individuals are members of the Fund, will be eligible to stand as "employer representatives".

The position of independent member will be advertised publically. The Administering Authority will seek an independently minded individual with a track record of dealing with governance issues.

Following receipt of nominations/applications the Administering Authority will arrange an independent as possible appointment process. This process will include assessing information supplied by candidates in support of their nomination/application and may be supplemented by interviews as appropriate.

Members in all categories will only be appointed to the Pension Board by the Administering Authority if they either meet the knowledge and skills requirements set out in the relevant regulations and guidance (see Section 7) or commit to do so within 3 months of the appointment date.

Members of the Pension Board will serve for a term of 4 years following which they may either retire from the Board or seek nomination for an additional term. The term of office may otherwise come to an end

- i. for scheme member representatives if they cease to be a member of the relevant group
- ii. for employer representatives who are councillors if they cease to hold office as a councillor

- iii. for employer representatives who are not councillors when they cease to be employed by their nominating employer
- iv. for a councillor member who is appointed to the PFC
- v. for a scheme member or employer representative who is appointed to a role with responsibility for the management or administration of the Fund
- vi. where there is a conflict of interest which cannot be managed in accordance with the Pension Board's Conflicts of Interest Policy
- vii. where a member fails to attend meetings, undertake training or otherwise comply with the requirements of being a Pension Board member

Each Pension Board member should endeavour to attend all Board meetings during the year and is expected to attend at least 3 meetings each year. The chair of the Board is also expected to attend the quarterly meetings of the PFC.

Given the nature of the Pension Board as a supervisory body and the need for appropriate knowledge and skills and the clear avoidance of conflicts of interest, substitute members are not permitted.

In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Administering Authority.

Other than by ceasing to be eligible as set out above, a Board member may also be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Administering Authority.

3) Conflicts of Interest

The policy for identifying, monitoring and managing conflicts of interest is set out in a separate policy document, which should be regularly reviewed by the Pension Board.

4) Standards of Conduct

The role of Pension Board members requires the highest standards of conduct and therefore the "seven principles of public life" will be applied to all Pension Board members and embodied in their code of conduct.

These are:

- selflessness
- integrity
- objectivity
- accountability
- openness
- honesty
- leadership

5) Knowledge and Skills

A member of the Pension Board must be conversant with:

1. The legislation and associated guidance of the LGPS
2. Any document recording policy about the administration of the LGPS which is for the time being adopted by the NYPF

A member of the Pension Board must have knowledge and understanding of:

- a. the law relating to pensions, and
- b. any other matters which are prescribed in the regulations

Individual Pension Board members must satisfy themselves that they have the appropriate degree of local knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board. This includes being fully aware of all requirements detailed in these terms of reference for example on standards of conduct and conflicts of interest, and being conversant with the investment strategy of the Fund.

In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

6) Board Review Process

The Board will undertake each year a formal review process to assess how well it and its members are performing with a view to seeking continuous improvement in the Board's performance.

7) Accountability

The Pension Board will be collectively and individually accountable to the Administering Authority.

8) Remit of the Board

The Pension Board must assist the Administering Authority with such matters as the scheme regulations may specify. It is for scheme regulations and the Administering Authority to determine precisely what the Pension Board's role entails. Examples of activity include, inter alia:

- reviewing the Fund's governance and policy documents, such as the Governance Compliance Statement and the Communications Policy Statement
- reviewing the Fund's Annual Report
- reviewing the administrative performance of the Fund
- reviewing shareholder voting and engagement arrangements
- reviewing the Fund's Risk Register
- reviewing the NYPF website
- supporting and challenging PFC actions as a critical friend

9) Decision making

Each Pension Board member who is a scheme member or employer representative will have an individual voting right but it is expected that the Pension Board will as far as possible reach a consensus. The Chair of the Pension Board will not be entitled to vote.

10) Quorum

The Board shall be quorate if the Chair, 1 scheme member representative and 1 employer representative are present.

11) Board Meetings – Notice, Minutes and Reporting

The Administering Authority shall give notice to all Pension Board members of every meeting of the Pension Board and shall ensure that a formal record of Pension Board proceedings is maintained. Following the approval of the minutes by the Chair of the Board, they shall be circulated to all Pension Board members.

The Pension Board is a committee of the Council and as such the Council's rules on notice of meetings, publishing agendas, reports and minutes and that meetings and papers (unless exempt) are open to the public will apply. At the discretion of the Administering Authority items may be edited or excluded 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.

The Pension Board shall annually report to the Administering Authority on its nature and activities. The precise content of this report will be subject to consideration and agreement at a meeting of the Board but as a minimum should include

- a. details of members attendance at meetings of the Pension Board
- b. details of training and development activities made available to Pension Board members and attendance at such activities
- c. details of any recommendations made by the Pension Board to the Scheme Manager and the Scheme Manager's response to those recommendations
- d. details of costs incurred in the operation of the Pension Board
- e. a review of the effectiveness of the Board (see Section 6)

In consideration of items of business at its ordinary meetings the Pension Board shall determine whether it wishes to make recommendations to the Scheme Manager, to which the Scheme Manager shall respond at the subsequent meeting.

The Pension board shall also report as required by the regulations to the Pensions Regulator and the National Scheme Advisory Board.

12) Reporting Breaches

Any breach brought to the attention of the Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in the draft code of practice 14 issued by the Pensions Regulator, *Governance and Administration of Public Service Pension Schemes*.

13) Publication of Pension Board information

Scheme members and other interested parties will want to know that the NYPF is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, and to carry out its role in relation to the governance and administration of the scheme and requirements of the Pension Regulator.

Up to date information will be posted on the NYPF website showing:

- the names of the Pension Board members and other relevant information
- how the scheme members are represented on the Pension Board
- the responsibilities of the Pension Board as a whole
- the full terms of reference and policies of the Pension Board and how they operate
- the Pension Board appointment process
- any specific roles and responsibilities of individual Pension Board members

The Administering Authority will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

14) Advice to the Board

The Board will be supported in its role and responsibilities by the Administering Authority through advice and support as appropriate.

15) Expense Reimbursement, remuneration and allowances

The Administering Authority will determine remuneration and allowances to be paid to Pension Board members based on recommendations made by the Independent Panel on Members Remuneration. These arrangements are reviewed annually.

Expenses in connection with fulfilling Pension Board responsibilities will be met by the Fund based on the Council's Members Scheme of Allowances and officers Travel and Expenses Policy as appropriate. The costs of appropriate training will also be met by the Fund.

16) Insurance

The Council's Public Liability Insurance applies to members of the Pension Board.

17) Updating the Pension Board Terms of Reference

Approval for significant amendments must be pursued through the Council's Constitution Working Group. General updating or housekeeping can be carried out without the need to seek formal approval.

18) Definitions

The undernoted terms shall have the following meaning when used in this document:

<i>“Pension Board” or “Board”</i>	Means the Pension Board for the Council as the Administering Authority of the NYPF as required under the Public Service Pensions Act 2013
<i>“Administering Authority”</i>	Means the Council
<i>“Scheme Manager”</i>	Means the PFC of the Council
<i>“Chair”</i>	The individual responsible for chairing meetings of the Pension Board and guiding its debates
<i>“LGPS”</i>	The Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and the The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009
<i>“Scheme”</i>	Means the Local Government Pension Scheme as defined under “LGPS”

NORTH YORKSHIRE COUNTY COUNCIL

PENSION BOARD

30 JULY 2015

CONFLICTS OF INTEREST POLICY

Report of Legal & Democratic Services

1.0 PURPOSE OF REPORT

- 1.1 To seek adoption of the Conflicts of Interest policy.

2.0 BACKGROUND

- 2.1 As detailed in the Terms of Reference, a policy for identifying, monitoring and managing conflicts of interest is to be set out in a separate policy document, which should be regularly reviewed by the Pension Board. The Scheme Advisory Board and the Pension Regulator's Code of Practice both include the requirement for there to be a Conflicts of Interest policy in place for each Pension Board.

3.0 CONFLICTS OF INTEREST POLICY

- 3.1 The Conflicts of Interest Policy was prepared by Council officers in February 2015 in accordance with the draft legislation and guidance available at the time and is attached at **Appendix 1**.
- 3.2 Pension Board members may wish to review the Conflicts of Interest policy by referring to the following hyperlinked documents, being the enacted legislation, tPR Code of Practice and the updated guidance from Government:
- i. [Public Service Pensions Act 2013, sections 5\(4\) and 5\(5\)](#)
 - ii. [the Pensions Regulator Code of Practice 14, conflicts of interest and representation](#)
 - iii. [LGPS guidance on the creation and operation of local Pension Boards in England and Wales, section 7](#)
- 3.3 The Conflicts of Interest policy will be updated with any amendments agreed by the Pension Board.

4.0 **RECOMMENDATIONS**

- 4.1 Pension Board members to adopt the Conflicts of Interest policy attached at **Appendix 1**, subject to any amendments (see **paragraph 3.3**).

Legal & Democratic Services
County Hall
Northallerton

21 July 2015

NORTH YORKSHIRE COUNTY COUNCIL

PENSION BOARD

CONFLICTS OF INTEREST POLICY

Introduction

There is a requirement for Pension Board members not to have a conflict of interest. However, it is important to note that the issue of conflicts of interest must be considered in light of the Pension Board's role, which is to assist the Administering Authority. The Pension Board does not make decisions in relation to the administration and management of the Fund: this rests with the Administering Authority. As a result, it is not anticipated that significant conflicts will arise in the same way as would be the case if the Board were making decisions on a regular basis (compared, for example, to the Pension Fund Committee). Nevertheless, steps need to be taken to identify, monitor and manage conflicts effectively.

The Regulator has a particular role in relation to members of the Pension Board and conflicts of interest. Whilst members of the Pension Board may be subject to other legal requirements when exercising functions as a member of the Pension Board, the Regulator expects the requirements which specifically apply by virtue of the Public Service Pensions Act 2013 to be met and the standards of conduct and practice set out in its Code of Practice to be complied with.

The Code of Practice offers guidance about managing potential conflicts and the identification, monitoring and management of actual conflicts. This Policy is intended to reflect the principles of the Regulator's Code of Practice and apply them in an LGPS context.

Identifying conflicts of interest

For the purposes of a member of the Pension Board, a 'conflict of interest' is defined in section 5(5) of the 2013 Act as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pension Board. The 2013 Act also specifies that a conflict does not include a financial or other interest arising merely by virtue of that person being a member of the LGPS.

Therefore, a conflict of interest may arise when a member of the Pension Board must fulfil their legal duty to assist the Administering Authority and at the same time they have:

- a. a separate personal interest (financial or otherwise); or
- b. another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility as a Pension Board member

The Regulations place a duty on the Administering Authority to satisfy itself that those appointed to its Pension Board do not have an actual conflict of interest prior to appointment and “from time to time”.

There is a corresponding duty on any person who is proposed to be appointed to the Pension Board, and on an appointed member of the Pension Board, to provide the Administering Authority with such information as the Administering Authority reasonably requires to be satisfied that there are no conflicts of interest. Pension Board members also have a responsibility to anticipate potential conflicts of interest in relation to plans for future Pension Board activity.

Some examples of how a conflict might arise specifically in relation to a member of a Pension Board include:

- i. a finance officer appointed as a member of the Pension Board may, from time to time, be required to take or scrutinise a decision which may be, or appear to be, in opposition to another interest or responsibility. For example, they may be required as a member of the Pension Board to take or scrutinise a decision which involves the use of departmental resources to improve scheme administration, whilst at the same time being tasked, by virtue of their employment, with reducing departmental spending
- ii. a Pension Board member who works in the Administering Authority’s internal audit function may be required as part of his work to audit the Fund. For example, the employee may become aware of confidential breaches of law by the Fund which have not yet been brought to the attention of the Pension Board
- iii. an employer representative from the private sector may also have a conflict of interest as a decision-maker in their own workplace. For example, if an employer representative is drawn from a company to which the Administering Authority has outsourced its pension administration services and the Board are reviewing the standards provided by it

Conflicts of interest may also arise in respect of advisers to the Pension Board. For example, an adviser may have a conflict of interest if he or she (or the same firm) is also advising the Administering Authority. The risk to the Pension Board is that the adviser does not provide, or is not seen to provide, independent advice. Where there is likely to be a conflict of interest in giving advice, the Board should consider carefully whether it is appropriate to appoint the adviser in the first place. It may also be necessary to consider carefully whether they should take steps to remove an adviser who has already been appointed.

Monitoring and Managing potential conflicts of interest

In order for the Administering Authority to fulfil its obligation to ensure that members of the Pension Board do not have a conflict of interest, the Pension Board must include an item on conflicts of interest at each meeting of the Pension Board and in its annual report to the Administering Authority.

The Pension Board is required to maintain a written register of dual interests and responsibilities which have the potential to become conflicts of interest, which may adversely affect members' or advisers' suitability for the role. Each member of the Pension Board (as well as any other attendees participating in the meeting) will be expected to declare, on appointment and at each meeting, any interests which may lead to conflicts of interest. Such a conflict could be in relation to a general subject area or to a specific agenda item of a Pension Board meeting.

The Chair of the Pension Board must be satisfied that the Board is acting within:

- the conflicts of interest requirements of the Public Service Pensions Act and the LGPS Regulations, and
- in the spirit of any national guidance or code of practice in relation to conflicts of interest for Pension Board members, and

Each member of the Pension Board, or a person proposed to be appointed to the Board, (as well as attendees participating in the meeting) must provide the Chair of the Pension Board with such information as he or she reasonably requires for the purposes of demonstrating that there is no conflict of interest.

Pension Board members are required to have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest, and should know how potential conflicts should be managed.

The Pension Board is required to evaluate the nature of any dual interests and responsibilities, assess the impact on operations and governance were a conflict of interest to materialise, and seek to prevent a potential conflict of interest becoming detrimental to the conduct or decisions of the Pension Board. The Pension Board

may consider seeking independent legal advice from a nominated officer (for example, the monitoring officer) or external advisers where necessary on how to deal with these issues, if appropriate.

Individual members of the Pension Board must know how to identify when they have a conflict of interest which needs to be declared and which may also restrict their ability to participate in meetings or decision-making. They also need to appreciate that they have a legal duty under the Regulations to provide information to the Administering Authority in respect of conflicts of interest.

Options for managing an actual conflict of interest, should one arise, include:

- a. a member withdrawing from the discussion and any decision-making process;
- b. the Board establishing a sub-board to review the issue (where the terms of reference give the power to do so); or
- c. a member resigning from the Board if the conflict is so fundamental that it cannot be managed in any other way

NORTH YORKSHIRE COUNTY COUNCIL

PENSION BOARD

30 JULY 2015

TRAINING POLICY

Report of Legal & Democratic Services

1.0 PURPOSE OF REPORT

- 1.1 To note the mandatory training that members of the Pension Board will be required to undertake, using the on-line training course provided by the Pensions Regulator (TPR) in the Trustee Toolkit.
- 1.2 To provide a draft training policy for comment and adoption by the Pension Board.
- 1.3 To describe training options available to the Pension Board.

2.0 BACKGROUND

- 2.1 Board members have a statutory requirement to be conversant with the Local Government Pension Scheme (LGPS) regulations, wider pensions regulations and the requirements of the Pensions Regulator (tPR). They also have an individual responsibility to acquire such knowledge.
- 2.2 The Board will therefore need to develop and comment upon a Training Policy designed to help all its members to acquire knowledge and skills to ensure their Knowledge and Understanding needs are met.

3.0 TRAINING POLICY

- 3.1 A draft Training Policy (**Appendix 1**) has been prepared by Council Officers. This refers to the Knowledge and Understanding required by Pension Board members as described by tPR and in the guidance supporting the legislation.
- 3.2 Pension Board members are invited to amend this Training Policy and adopt the document.

4.0 TRAINING OPTIONS

4.1 The Knowledge and Understanding requirement is rather vague, being described as sufficient to enable Pension Board members to carry out their role effectively.

4.2 There are therefore a number of options available to Board members, including but not limited to:

- online training using tPR website training modules (see section 5)
- external training sessions provided by specialists such as Aon or the Local Government Association (see section 6)
- bespoke training session for Pension Board members, which could for example be provided by NYPF's Independent Professional Observer
- unstructured training, for example internet research

4.3 Council and NYPF officers will advise on availability and/or suitability of these and any other options.

5.0 THE PENSIONS REGULATOR (tPR) TRUSTEE TOOLKIT

5.1 The Regulator has provided a free e-learning programme which has been developed to meet the needs of all members of public sector scheme pension boards. It is recommended that Pension Board members complete the on-line training course provided by tPR in the Trustee Toolkit.

5.2 The tPR Trustee toolkit provides a guide to learning development and an assessment of learning needs, and includes a series of online learning modules and downloadable resources. These have been developed to help Pension Board members meet the minimum level of knowledge and understanding introduced by legislation.

5.3 The toolkit includes nine "essential learning for trustees" compulsory modules and seven "Public Sector Toolkit" compulsory online learning modules that must be completed successfully to pass the induction training.

6.0 EXTERNAL TRAINING SESSIONS

6.1 It is not anticipated that tPR trustee toolkit alone will provide the sufficient level of LGPS specific training required for Pension Board members. Additionally there will be courses provided by specialist providers such as Aon or the LGA.

- 6.2 Details of training already attended by some members and upcoming events is shown in **Appendix 2**. A Training Register will be maintained by Council officers of training attended by Pension Board members.
- 6.3 Upcoming training includes a three day LGPS specific training run by the Local Government Association “**Details of Fundamentals XIV 2015**”. The fundamentals course is run on an annual basis, and provides an insight into LGPS “trusteeship” for newly elected Committee members whilst also serving as an update/refreshers course for longer-serving members.

The course is spread over three days. Fundamentals XIV 2015 will be delivered in Leeds with day 1 on 21 October, day 2 on 17 November and day 3 on 8 December. Further information on this training can be found at

<http://www.local.gov.uk/documents/333443/1091755/292+May+2015.pdf/8ac95b0a-6890-40a7-850d-b04af735000d>. The cost of the course costs will be met by the Pension Fund.

7.0 BESPOKE TRAINING

- 7.1 Pension Board members may wish to consider bespoke training sessions. For example an introductory session could be provided by the Fund’s Independent Professional Observer. Later sessions could focus on specific areas covered by the work plan.

8.0 RECOMMENDATIONS

- 8.1 Pension Board members to adopt the Training Policy (**Appendix 1**) subject to any amendments.
- 8.2 Pension Board members are asked to make requests for training, with arrangements to be made by NYCC officers (see **section 4**).

Legal and Democratic Services
County Hall
Northallerton

21 July 2015

PENSIONS BOARD TRAINING POLICY

1.0 Introduction

- 1.1 This policy statement details the training agenda for members of the Pensions Board and has been drawn up to meet their needs in relation to training.
- 1.2 In addition to the Training Policy for Board members, Board members will have access to all training provided to members of the Pensions Fund Committee.

2.0 Knowledge and understanding required by pension board members

- 2.1 A member of the pension board of a public service pension scheme must be conversant with:
 - a. the rules of the scheme, and
 - b. any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

- a. the law relating to pensions, and
- b. any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.

3.0 Training Agenda

- 3.1 Pension Board members will need to carry out a personal training needs self-assessment to identify training needs, and assess their overall level of Knowledge and Understanding.
- 3.2 It is a requirement by the Pensions Regulator (tPR) that Pension Board members should invest sufficient time in learning and development and keep records of learning activities. Using a personalised training plan will help to document and address training needs promptly as well as keep knowledge and understanding up to date.

- 3.3 Council officers will provide details of training events relevant to Pension Board members.
- 3.4 Training should be on-going for Board members, and may consist of some or all of following:
- on-line training provided by tPR
 - attendance at employer and scheme member events hosted by the Pension Fund
 - attendance at seminars and training events offered by the Fund's investment managers and advisors
 - attendance at external training courses, seminars and events suitable for their needs

In addition, unstructured training such as internet research may constitute training.

4.0 Review arrangements

- 4.1 A report will be presented to the Pensions Board on a quarterly basis detailing:
- training completed, and by which members
 - advance notification of forthcoming training events
- 4.2 Pension Board members will carry out an annual review of skills, competencies and knowledge to identify any gaps or weaknesses to reassess their overall level of "Knowledge and Understanding".
- 4.3 The Pension Board will review the Training policy annually.

5.0 Costs of Training

- 5.1 All training costs will be met by the Pension Fund.

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Mandy Swithenbank	Stella Smethurst	Ben Drake	Gordon Gresty	Louise Branford-White	Cllr Mike Jordan	Cllr Ian Cuthberston	Vacant
04/06/2015	Training event for Pension Board Members	LGA	Marriott Hotel, Leeds			√		√	√			
03/07/2015	Pension Board Member Training	AON	Leeds		√							
17/07/2015	Pension Board Member Training	AON	Leeds		√	√						
24/07/2015	Pension Board Member Training	AON	Leeds			√						
25/09/2015	CIPFA Pensions Network - Introduction to the LGPS	Northern Trust	London									
21/10/2015	LGPS Trustee Training FundamentalsXIV	LGA										
17/11/2015	LGPS Trustee Training FundamentalsXIV	LGA										
08/12/2015	LGPS Trustee Training FundamentalsXIV	LGA										

NORTH YORKSHIRE COUNTY COUNCIL**PENSION BOARD****30 JULY 2015****WORK PLAN****Report of Legal and Democratic Services****1.0 PURPOSE OF REPORT**

- 1.1 To provide the Pension Board with examples of possible items to be included in work plan.
- 1.2 To agree the process to prepare a detailed work plan.

2.0 BACKGROUND

- 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 assist North Yorkshire County Council (NYCC) as Administering Authority in its role as Scheme Manager
 - to secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS
 - to secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator
 - to secure the effective and efficient governance and administration of the LGPS for the North Yorkshire Pension Fund (NYPF, or the Fund)
 - in such other matters as the LGPS regulations may specify

3.0 WORK PLAN

- 3.1 The work plan will be determined by the Pension Board itself with regard to fulfilling its legal duties. Schedule A of the LGPS Pension Board guidance provides examples of items to be included in the Work Plan and is attached as **Appendix 1**.

- 3.2 The Pension Board may wish to discuss the potential content of the work plan, and either propose items at the meeting for inclusion over the term of the plan, or reflect and feed back to the Chair. A Work Plan report will be drawn up by officers in consultation with the Chair and brought to the next meeting of the Board for approval.

4.0 **RECOMMENDATIONS**

- 4.1 The Pension Board agree that a detailed Work Plan will be drawn up in consultation with the Chair, which can be brought to the next meeting for approval.

21 July 2015

Legal and Democratic Services
County Hall
Northallerton

Pension Board Guidance – Schedule A

Example of a remit of a Local Pension Board

Administering Authorities should remember that the Local Pension Board does not replace the Administering Authority or make decisions or carry out other duties which are the responsibility of the Administering Authority.

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. Within this extent of this core function the Board may determine the areas 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 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 of Practice.
- 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 Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.
- e) Assist with the development of and continually review scheme member and 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 Dispute Resolution Process.
- 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 Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- k) Review the complete and proper exercise of employer and administering authority discretions.
- l) Review the outcome of internal and external audit reports.
- m) Review draft accounts and scheme annual report.
- n) Review the compliance of particular cases, projects or process on request of the Committee.
- o) Any other area within the core function (i.e. assisting the Administering Authority) the Board deems appropriate.

The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the 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 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 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 of Committee.

j) Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code.

k) Any other area within the core function (i.e. ensuring effective and efficient governance of the Scheme) the Board deems appropriate.

In support of its core functions the Local Pension Board may make a request for information to Committee with regard to any aspect of the Administering Authority function. Any such request should be reasonably complied with in both scope and timing.

In support of its core functions the Local Pension Board may make recommendations to Committee which should be considered and a response made to the Board on the outcome within a reasonable period of time.

***Schedule A has been added as an example only - it should not be considered an exhaustive list and full consideration should be given locally to the remit of the Local Pension Board.**