

Police Pension Board Terms of Reference
for the Police Pension Board for the South West
(Police Forces for Avon and Somerset, Devon and Cornwall, Dorset,
Gloucestershire and Wiltshire)

1. INTRODUCTION

The purpose of this document is to set out the Terms of Reference for the Police Pension Board for the South West for the Police Forces of Avon and Somerset, Devon and Cornwall, Dorset, Gloucestershire and Wiltshire (the "Board"). The Board is established by the Scheme Managers for the five Forces under the powers of Section 5 of the PSPA and Regulation 13 of the Regulations on (date of first meeting)

1. DEFINITIONS AND INTERPRETATION

The following words apply to the Terms of Reference:

" Board Member"	means a member of the Board (this includes a reference to an Employer Representative and a Member Representative).
" Chair"	means the appointed Chairperson of the Pension Board.
" Code of Conduct"	means the Code of Conduct adopted by the Board.
" Code of Practice"	means The Pensions Regulator's Code of Practice no. 14 entitled " <i>Governance and administration of public service pension schemes</i> ".
" Conflicts of Interest"	is as defined in the Public Service Pensions Act2013 (as amended) (PSPA)
" Conflicts of Interest Policy"	means the policy on conflicts of interest as adopted by the Board.
" Deputy Chair"	means the appointed deputy chairperson of the Board.
" Employer Representative"	means a person appointed to the Board for the purpose of representing employers for the Scheme and any connected scheme.

“Member Representative”	means a person appointed to the Board for the purpose of representing members of the Scheme and any connected scheme.
“Board Member Appointment and Removal Rules”	the document adopted by the Board setting out the nomination and selection procedure and how Board Members are to be appointed and removed.
“PSPA”	the Public Service Pensions Act 2013 (as amended).
“Regulations”	The Police Pensions Regulations 2015
“Reporting Procedure”	means the procedure adopted by the Board setting out the Board’s procedure for reporting breaches of law and other matters.
“Scheme Manager”	the Chief Constables for the five Forces in the South West – Avon and Somerset, Devon and Cornwall, Dorset, Gloucestershire and Wiltshire, And, for the Chief Constable’s pension the five PCCs in the South West – Avon and Somerset, Devon and Cornwall, Dorset, Gloucestershire and Wiltshire.
“Scheme”	the Police Pension Schemes for Avon and Somerset, Devon and Cornwall, Dorset, Gloucestershire and Wiltshire
“Knowledge and Understanding and Training Policy”	means the training policy as adopted by the Board.

2. POWERS OF THE BOARD

The Board will exercise all its powers and duties in accordance with the law and this Terms of Reference.

3. FUNCTIONS OF THE BOARD

3.1 The role of the Pension Board is defined by Regulation 13 (1) of the Regulations as to assist the Scheme Managers:

3.1.1 to secure compliance with:

3.1.1.1 the Regulations;

3.1.1.2 any other legislation relating to the governance and administration of the Scheme (and any statutory pension scheme that is connected with it); and

3.1.1.3 any requirements imposed by the Pensions Regulator in relation to the Scheme (and any statutory pension scheme that is connected with it); and also

3.1.2 in the performance of the Scheme Managers' functions under the Regulations.

3.2 The Scheme Managers considers that assisting the Scheme Managers should be interpreted as helping the Scheme Managers, including doing work requested by the Scheme Managers in relation to such aspects of governance and administration of the Scheme as the Scheme Managers determine. The specific functions of the Board as determined by the Scheme Managers may include such functions as set out in Annex A.

4. COMPOSITION OF THE PENSION BOARD

4.1 Membership

4.1.1 The Board shall consist of 10 voting members, as follows:

4.1.1.1 5 Employer Representatives; and

4.1.1.2 5 Member Representatives.

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

4.1.3 There shall also be the Chair, who also has the power to vote (see below in relation to their appointment).

4.1.4 Employer Representatives

4.1.4.1 Employer representatives shall be office holders or senior employees of employers of the Schemes or have experience of representing scheme employers in a similar capacity.

4.1.4.2 Employer representatives should be able to demonstrate their capacity to attend and complete the necessary

preparation for meetings and participate in training as required.

4.1.4.3 A total of five employer representatives shall be appointed, to represent each of the five employers for the schemes.

4.1.5 Member Representatives

4.1.5.1 Member representatives shall either be scheme members or have the capacity to represent scheme members.

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

4.1.5.3 A total of five member representatives shall be appointed representing the National Association of Retired Police Officers (NARPO), the Police Federation, the Superintendents Association and the Chief Police Officers Staff Association (CPOSA).

4.2 Appointment and Removal of Chair

4.2.1 The Scheme Managers will appoint the Independent Chair of the Board when the Board is first constituted for a term of two meetings.

4.2.2 Following the first two meetings the Scheme Managers will appoint the Independent Chair of the Board for a term of three years.

4.2.3 If the Chair's term of office:

4.2.3.1 terminates by natural expiry under paragraph 4.2.2, the Scheme Managers may re-appoint the Chair for a further term as set out in that paragraph; or

4.2.3.2 terminates for any other reason, the Scheme Managers will appoint another person to replace the outgoing party externally in accordance with this paragraph 4.2.

4.2.4 The Chair will ensure that meetings are properly conducted and the decision of the Chair on all points of procedure and order shall be final.

4.2.5 The Chair may delegate any of their functions, apart from the responsibility to appoint Board Members.

4.2.6 The Scheme Managers will appoint a Deputy Chair of the Board. The office of Deputy Chair will be filled alternatively by an Employer Representative and a Member Representative. The role of the Deputy Chair is to assist the Chair in carrying out their function and to carry out those functions if the Chair is not present.

4.3 Appointment and Removal of Board Members

- 4.3.1 The Chair of the Board shall appoint the Employer Representatives and Member Representatives, subject to the approval of the Scheme Managers.
- 4.3.2 The eligibility and selection criteria for selecting Board Members and details as to how Board Members are to be removed are set out in the Police Pension Board Member Appointment and Removal Rules at Annex B.

5. DECISION MAKING AND ADMINISTRATION

5.1 Notice of Meetings, Agendas and Minutes

- 5.1.1 The Chair of the Board will prepare an agenda of the Board prior to each Board meeting. The agenda shall be approved by the Scheme Managers before it is circulated.
- 5.1.2 Notice of meetings should be provided to all Board Members 20 working days in advance of each meeting. If a Board Member decision is required as a matter of urgency, a shorter notice period will be used.
- 5.1.3 The agenda and any papers for the Board will be issued either electronically or by post at least ten working days (where practicable) in advance of the meeting except in the case of matters of urgency.
- 5.1.4 Minutes of each meeting including all actions and agreements will be recorded and circulated to all Board Members within ten working days after the meeting. These minutes will be subject to formal agreement by the Chair taking consideration of comments by Board Members (which may be done electronically between meetings).
- 5.1.5 The minutes may, at the discretion of the Chair, be edited to exclude items on the grounds that they would involve the likely disclosure of exempt information as required under the Data Protection and Information Security Policy.

5.2 Location and Timing

- 5.2.1 Subject to the ability of the Board to meet by telephone or by other electronic means as set out in paragraph 5.3.2 below, the Board will normally meet at an office within the South West region.
- 5.2.2 Meetings should be within the times of 10.00 am and 16.00 pm. on a normal working day apart from in exceptional circumstances agreed by all Board members and other individuals expected to attend the Board.
- 5.2.3 The Board will meet four times in each calendar year. The Chair may call, or agree to call, additional meetings in exceptional circumstances. There shall also be an ability for Board members and/or the Scheme Managers to require a special meeting to be convened on notice.
- 5.2.4 The frequency of meeting will be reviewed on a regular basis.

5.3 Quorum and Appointment of Proxies

- 5.3.1 A meeting of the Board is quorate when:
 - 5.3.1.1 Six members are present;
 - 5.3.1.2 the Chair, or the Deputy Chair, is present and
 - 5.3.1.3 there are at least three Employer Representatives and at least three Member Representatives present
- 5.3.2 The Board may meet in person, by telephone or by other electronic means, so long as each Board Member can contribute to the business of the meeting simultaneously.
- 5.3.3 All Members of the Board are expected to regularly attend meetings. Records of attendance of all Members will be maintained in the Record of Attendance Register and reported to the Scheme Managers on at least an annual basis.
- 5.3.4 Substitute members can be appointed to the Board subject to completion of the nomination process and at the discretion of the Chair.
- 5.3.5 If for any reason a Board Member cannot attend a Board meeting an appointed substitute (as per 5.3.4) can attend and vote at the meeting in their place, as long as they are representing the same group as the Board Member they are substituting for. For example an employer representative substitute can only substitute for an employer representative Board Member. Such substitution only remains valid for the meeting that the Board Member cannot attend.

5.4 Voting and Decision-making

- 5.4.1 A decision will require approval of a majority of Board Members present at the meeting.
- 5.4.2 The Board Members may also make decisions by written resolution signed by all of the Board Members.
- 5.4.3 Each Employer and Member Representative on the Board will have an individual voting right. The Chair also has voting rights. Each voting right carries equal weight. The deputy Chair only has one vote.
- 5.4.4 If there is a tied vote on any issue, the Chair has a casting vote.
- 5.4.5 The results of any voting outcomes will be reported in the Board Minutes.

5.5 Creation of Working Groups/Sub-Boards

- 5.5.1 The Board has the power to set up working groups or sub-boards on whatever terms that the Board determines.
- 5.5.2 If the Board decides to create a working group or sub-board then it will prepare terms of reference for each of these sub-committees.

6. BUDGET

6.1 The Board will have a budget for the following purposes:

- 6.1.1 fees and expenses for Board Members;
- 6.1.2 legal, technical and other professional advice;
- 6.1.3 cost of secretarial support;
- 6.1.4 accommodation and administrative support to conduct its meetings and other business accommodation costs;
- 6.1.5 training for members; and
- 6.1.6 anything else that the Scheme Managers determines.

6.2 The amount of the budget shall be as notified to the Board by the Scheme Managers on an annual basis.

6.3 The budget shall be funded equally by each of the Forces represented on the Board.

7. FEES AND EXPENSES

7.1 Fees

- 7.1.1 Fees will be paid to the Chair at a rate as determined by the Scheme Managers.
- 7.1.2 The employer of Employer Representatives on the Pension Board will allow their employee time off to allow the Representative to perform the role within their normal working day.
- 7.1.3 It is hoped that the employer of Member Representatives on the Pension Board will allow their employee time off to allow the Representative to perform their role within their normal working day.

7.2 Expenses

Employer and Member Representatives will be entitled to claim expenses for attending meetings:

- 7.2.1 The expenses for Employer Representatives will be paid by the Force they represent, and will be agreed by the Scheme Manager for that Force.
- 7.2.2 The expenses for Member Representatives will be paid by individual Forces, as agreed between the Scheme Managers.

8. CONFLICTS OF INTEREST

8.1 The members of the Board shall always act within these Terms of Reference and in accordance with the Board's Conflict of Interest Policy.

- 8.2 Though members of the Board include representatives of specific categories of stakeholder (i.e. scheme members and employers) each Board Member is required to have due regard to the role of the Board as outlined in these Terms of Reference. Accordingly all members are expected to work jointly with the key purpose of oversight of the management of the Scheme, putting aside any individual views of any stakeholders. This should not prevent Board Members from sharing their knowledge on how matters might impact specific stakeholders of the Scheme.
- 8.3 The Chair of the Board must be satisfied that the Board is acting within:
- 8.3.1 the conflicts of interest requirements of the PSPA and the Regulations;
and
 - 8.3.2 in the spirit of the Code of Practice in relation to conflicts of interest;
and
 - 8.3.3 in accordance with the Board's Conflict of Interest Policy.
- 8.4 Each member of the Board, or a person proposed to be appointed to the Board, (as well as attendees participating in the meeting) must provide the Scheme Manager with such information as he or she reasonably requires for the purposes of demonstrating that there is no conflict of interest.

9. ADVICE AND INFORMATION

- 9.1 The Board may appoint professional advisers, or other advisors to advise the Board on such matters that the Board determines. This will be on a 'as required' basis. For the avoidance of doubt, any expert adviser is not a Board Member.
- 9.2 The process for their appointment and agreeing their fees shall be on terms as the Board determines.
- 9.3 The Board should request such information and documents from the Scheme Managers that it requires to carry out its functions. The Scheme Managers will be required to consider positively all reasonable requests in relation to the role of the Board whilst being mindful of value for money.

10. KNOWLEDGE AND SKILLS

- 10.1 Under the requirements of the PSPA, a member of the Board must be conversant with:
- 10.1.1 the rules of the Scheme; and
 - 10.1.2 any document recording policy about the administration of the Scheme which is for the time being adopted in relation to the Scheme.
- 10.2 In addition, a member of the Board must have knowledge and understanding of:
- 10.2.1 the law relating to pensions; and
 - 10.2.2 any other matters which are prescribed in regulations.

The degree of knowledge and understanding referred to above is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the Board.

11. It is for individual Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Board and therefore must comply with the Board's Knowledge and Understanding and Training Policy.

12. STANDARDS OF CONDUCT

The Code of Conduct shall apply in relation to the standards of conduct of Board Members.

13. REPORTING ON THE BOARD'S ACTIVITIES

13.1 The Chair shall provide the approved minutes of each meeting to the Scheme Managers and produce an annual report on the Board's activities.

14. REPORTING BREACHES OF LAW

The Board shall report breaches of law in accordance with its Reporting Procedures.

15. ACCESS TO THE PUBLIC AND PUBLICATION OF PENSION BOARD INFORMATION

The following will be entitled to attend Board meetings in an observer capacity:

15.1 the Deputy Chief Constables and Assistant Chief Constables for the five Forces.

15.2 the Police and Crime Commissioners and the Chief Executives for Avon and Somerset, Devon and Cornwall, Dorset, Gloucestershire and Wiltshire.

15.3 the Monitoring Officers for the five Forces.

15.4 the Chief Finance Officers for the Chief Constables and for the PCCs for the five Forces.

15.5 The Pension Scheme Administrators for the five Forces.

15.6 other officers or advisers of the five Forces subject to approval in advance by the Chair, or on request by the Chair;

15.7 any other person requested to attend by the Chair; and any other person subject to approval in advance by the Chair.

Any such attendees will be permitted to speak on request to the Chair.

16. REVIEW, INTERPRETATION AND PUBLICATION OF TERMS OF REFERENCE

16.1 These Terms of Reference have been agreed by the Board. The Board may review these Terms of Reference from time to time.

16.2 Changes to these Terms of Reference must be approved by the Scheme Managers and will only be approved by the Board with the Scheme Managers' approval.

ANNEX A

Functions of the Board above its core statutory role

The Scheme Manager considers that the Board should assist the Scheme Manager in the following matters above the Board's core statutory role:

1. setting the scope and direction of Scheme administration and any new strategic approach;
2. developing communications link with Scheme Advisory Board to receive advice from it and escalate issues to it;
3. scrutinising the level and quality of service, challenging and directing service providers to improve Scheme performance, focusing on continuous improvement and value for money and identifying opportunities to enhance the range and quality of services offered by the Scheme;
4. challenging the performance of the service providers; benchmarking the scheme administration, identifying and promoting good practice and addressing any areas of weakness with the service providers;
5. establishing the effectiveness, efficiency and value for money of Scheme administration;
6. overseeing the procurement of administration services, making recommendations on the scope of the service, budget, evaluation criteria and signing off preferred provider proposals;
7. commissioning additional services from the administrator to meet changing needs of membership and employers;
8. ensuring the scheme administrator supports employers to communicate the benefits of the Scheme;
9. ensuring the administrator supports members with a range of tools to improve their understanding of their pension benefits;
10. developing and managing an internal controls risk management framework;
11. improve pension data quality;
12. overseeing the development of processes and systems to incorporate any new statutory requirements;
13. overseeing and providing challenge to Scheme budget forecasting;
14. ensuring that there is an effective audit strategy is in place for the Scheme and approving and monitoring audit delivery plans;
15. monitoring common areas of complaints and disputes and addressing issues arising from cases referred to the internal dispute resolution procedure and/or the Pension Ombudsman; and

any such other matters as the Scheme Manager determines from time to time.

ANNEX B

Board Appointment and Removal Rules

These rules set out the procedures which have been agreed and adopted by the Board for the appointment and removal of the Employer and Member Representatives.

Part A – Appointment of Representative Board Members

Nomination and Selection Procedure

Representative Board Members will be chosen by way of a two stage nomination and selection process, as follows:

STAGE 1 - Nomination Process

- The Employer Representative Board Members are nominated by the Chief Constable for each Force, in consultation with their Chief Finance Officer.

There will be one Employer representative for each Scheme represented on the Board.

- The Member Representative Board Members are nominated by the following associations – Police Federation, Superintendents Association, Chief Police Officers Staff Association (CPOSA), National Association of Retired Police Officers (NARPO).

It is intended to have at least one representative from each association on the Board. Nominations will be invited from the branches of these associations from each Force represented within the scheme.

- Individuals are only eligible to be nominated as a Board Member if they meet the Eligibility Criteria. The Eligibility Criteria is as follows:
 - The Employer Representatives:
 - Should be office holders or senior employees of the Schemes or have experience of representing scheme employers in a similar capacity.
 - Should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
 - The Member Representatives:
 - Shall either be scheme members or have the capacity to represent scheme members.
 - Should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

STAGE 2 – Selection Process

The Board Members are then selected by the Chair.

Board Members must then be approved by the Scheme Managers.

Part B – Term of Office and Removal of Representative Employer and Member Representative Board Members

- Employer and Member Representatives are appointed for a period of three years from the date of establishment of the Board or the date of their appointment, if later.
- This period may be extended to up to three years if jointly agreed by the Scheme Manager and Chair.
- Board members must sign the Undertaking from new board members and ensure that they have no conflicts of interest.
- Any Board Member may be re-appointed for further terms following an appointment process.
- An appointment will automatically cease if:
 - a Board Member no longer meets the Eligibility Criteria;
 - a Board Member has a conflict of interest which, in the opinion of the Scheme Managers, cannot be managed in accordance with the Board's Conflicts of Interest Policy;
 - a Board Member dies or, in the opinion of the Board, becomes incapable of acting; and
 - a Board Member wishes to resign, and has given one month's notice in writing to the Chair.
- Further, if a Board Member fails to attend meetings or otherwise comply with the requirements of being a Board Member, (for example fails to attend the necessary knowledge and understanding training) then the Chair of the Board and the Scheme Managers can decide, whether the member should be given an opportunity to change their behaviour. Where issues of this nature arise, the Chair will lead responsibility for an initial informal discussion with the Board Member about the concerns.
- Where a vacancy arises for a representative member mid-term, the Chair and Scheme Manager will consider and agree on the process to be used to fill that vacancy.

Part D - Review of the Rules

The Board will keep these rules under review having due regard to the Regulations, the Code of Practice and guidance (statutory or otherwise). The Board will amend the rules as and when it sees fit.