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## **REPORT OF CORPORATE DIRECTOR RESOURCES**

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### **LOCAL PENSION BOARD TERMS OF REFERENCE AMENDMENTS**

#### **Reason for this Report**

1. To approve amendments to the Local Pension Board (LPB) Terms of Reference, in particular to clarify that current Board members are eligible for re-appointment irrespective of whether they have previously been Board members.

#### **Background**

2. The LPB was established in 2015 in compliance with the Public Services Pensions Act 2013 and the LGPS Regulations. The role of the LPB is to assist Cardiff Council, as Administering Authority for the Cardiff and Vale of Glamorgan Pension Fund, with its effective and efficient governance and administration of the Pension Fund. The Board has seven members, an independent Chair, three members who represent Employers in the Fund and three members who are nominated by the Trade Unions to represent Pension Fund members.
3. In June 2018 the Council approved revised terms of reference for the Local Pension Board, updated to include reference to the Pensions Committee and various other amendments proposed in light of operational experience.

#### **Issues**

4. The current LPB Terms of Reference include the following in relation to the 'Appointment of Members of the Pension Board', point 3:  
  
"Members are appointed for a period of four years and are eligible for reappointment at the end of their first term of office."
5. The current wording in the Terms of Reference, point 3, is unclear about what happens when LPB Members reach the end of their second term.
6. A number of the current LPB Members will shortly be reaching the end of their second terms of office. It is recommended that the LPB Terms of Reference should be amended to make it clear that on expiry of their second terms of office, or any subsequent terms, existing LPB Members are eligible to re-stand for office.
7. It is important to emphasize that an automatic roll forward of office will not apply as any vacancies due to arise will be publicised and existing LPB Members will be

eligible to re-stand for nomination along with any other individuals who wish to join the LPB.

8. Allowing LPB Members to stand for further terms of office will enhance the effectiveness of the LPB by retaining the experience of the existing members of the Board.
9. In reviewing the LPB terms of reference, a number of other minor updates (for example, in relation to the possibility for meetings to be held remotely) and drafting improvements have also been identified. The proposed amendments to the LPB terms of reference are shown in **Appendix 1**.

## **Legal Implications**

7. As noted in paragraph 2 of the report, the Council is required to establish a Local Pension Board in accordance with the requirements of The Public Service Pensions Act 2013 and The Local Government Pension Scheme Regulations 2013 (as amended), to assist the Council (as Administering Authority) in its role as the Scheme Manager of its Fund.
8. The authority must have regard to guidance issued by the Secretary of State in relation to local pension boards: [LDS\\_003\5815317\2 \(lgpsboard.org\)](https://www.lgpsy.gov.uk/003/5815317/2)
9. The guidance on Pensions Boards includes guidance on the constitution and membership of Local Pension Boards, including their terms of reference (section 5 of the guidance). On Terms of Office, the guidance provides as follows:

*5.29 Consideration should be given to the term of office so that experience is retained on the Local Pension Board. This could be by a proportion of members retiring on a rolling basis so that the Local Pension Board has the benefit of gaining new members with new experience whilst also retaining existing experienced members and stability for the Local Pension Board.*

*5.30 The ability of members to seek re-appointment for a further term needs to be considered. Given the complexity of the subject matter there is a case for renewing membership over an extended period.*
10. The terms of reference of the LPB are included within the Constitution, Part 3, Appendix 2.
11. The approval of any changes to the LPB's terms of reference is a matter for decision by full Council (except for minor amendments which may be approved by the Corporate Director Resources, in consultation with the Chair of the Pensions Committee and the Chair of the Pensions Board, under the approved terms of reference, point 13).

## **Financial Implications**

12. There are no financial implications arising from this report and any costs associated with the LPB are met by the Pension Fund.

## **RECOMMENDATIONS**

13. The Council is recommended to approve the revised Local Pension Board Terms of Reference. as set out in **Appendix 1**; and authorise the Monitoring Officer to update the Constitution accordingly.

**CHRISTOPHER LEE**  
**Corporate Director Resources**

30 March 2023

Appendix 1 – Local Pension Board Terms of Reference – Proposed amendments (March 2023)

## **BACKGROUND PAPERS**

Council report, 'Cardiff & Vale of Glamorgan Pension Fund – Amendment of Terms of Reference for the Local Pension Board', 21 June 2018: [CARDIFF COUNTY COUNCIL \(moderngov.co.uk\)](https://www.moderngov.co.uk/council-reports/council-reports/2018-06-21-cardiff-vale-of-glamorgan-pension-fund-amendment-of-terms-of-reference-for-the-local-pension-board)