London Pension Fund Authority

Local Pension Board Terms of Reference

Owner: Local Pension Board

Review Owner: Ashley Durkan, Head of Governance

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1. Purpose

1.1 The role of the Local Pension Board is defined by sections 5(1) and 5(2) of the Public Service Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme Regulations 2013, as amended.

1.2 The statutory purpose of the Local Pension Board is to assist the London Pensions Fund Authority, in its capacity as the administering authority for the Local Government Pension Scheme, in securing compliance with:

a) the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme and any statutory pension scheme connected with it;
b) requirements imposed in relation to the Scheme and any connected scheme by the Pensions Regulator; and
c) such other matters as may be specified in the LGPS Regulations.

2. Membership, quorum and attendance at meetings

2.1 The Local Pension Board shall comprise, in equal numbers, at least three Employer Representatives and at least three Member Representatives. In addition, an Independent Chair shall be appointed by the administering authority. The Independent Chair shall not be counted as either an Employer or Member Representative.

2.2 Members shall serve a term of up to four years. Terms may be staggered to ensure continuity and avoid wholesale turnover of the Board. No member shall serve more than two consecutive terms. The appointment process and terms and conditions of appointment shall be determined in accordance with the administering authority's Scheme of Delegation.

2.3 A member may be removed by the administering authority where it determines, acting reasonably, that removal is appropriate. Circumstances may include, but are not limited to:

a) failure to be reappointed at the end of a term;
b) where an Employer Representative's employer ceases to participate in the Fund;
c) failure to attend three consecutive meetings without reasonable cause and without prior approval of the Chair;
d) reaching the maximum permitted term;
e) resignation on three months' written notice;
f) the existence of a conflict of interest which cannot be effectively managed;
g) failure to maintain the knowledge, skills, capacity or fit and proper status required for the role;
h) death or incapacity;
i) breach of law or regulatory requirement of significance to the Pensions Regulator in the exercise of any of their functions; or
j) misconduct.

2.4 The quorum for meetings shall be at least one Employer Representative and one Member Representative.

2.5 If the Independent Chair is not present, those members present may elect one of the Employer or Member Representatives to chair the meeting for that occasion.

2.6 Decisions shall be determined by a majority of those members present and voting. The Independent Chair shall not have a vote. In the absence of the Independent Chair, the elected chair of the meeting shall not have a casting vote. Where votes are equal, the matter shall be deferred to a subsequent meeting.

2.7 The Chair and members shall work with the Monitoring Officer and Head of Governance to maintain an annual training plan. This shall reflect the knowledge and understanding requirements applicable to Local Pension Board members and address any identified skills gaps or regulatory developments.

2.8 Alternate members shall not be appointed.

2.9 Members of the LPFA Board may attend meetings of the Local Pension Board as observers but shall not vote or count towards the quorum.

2.10 The Chief Executive Officer shall normally attend meetings. Other officers of the administering authority may attend as required for the conduct of business.

2.11 The Monitoring Officer may attend meetings of the Local Pension Board.

3. Arrangements for meetings

3.1 The Local Pension Board shall meet at least four times each year. Additional meetings may be convened by the Chair where considered necessary.

3.2 The Monitoring Officer shall appoint a nominee to act as Secretary to the Local Pension Board.

3.3 Written notice of each meeting shall be issued to members by the Secretary at least five working days in advance of the meeting. The notice shall specify the date, time and location of the meeting and shall be accompanied by the agenda and relevant papers. In exceptional circumstances, a shorter notice period may be agreed by the Chair.

3.4 Meetings of the Local Pension Board shall not be held in public. However, approved minutes shall be published on LPFA's website in accordance with the Authority's transparency arrangements.

3.5 A register of interests shall be maintained for each member. Members shall declare any actual or potential conflicts of interest at the start of each meeting, or as soon as they become aware of them, and such conflicts shall be managed in accordance with LPFA's conflicts of interest policy.

4. Delegated powers

4.1 The Local Pension Board shall exercise the functions set out in these Terms of Reference in accordance with its statutory purpose. The Board acts in an advisory capacity and has no executive or decision-making powers. The Local Pension Board shall report to the LPFA Board, and the LPFA Board shall be informed of key matters discussed and any recommendations made.

4.2 Where the Local Pension Board considers that independent professional advice is required on a matter within its remit, it may request that officers of the administering authority obtain such advice. Any such request shall be subject to operational requirements and budgetary considerations. In normal circumstances, advice shall be sought through the administering authority's existing professional advisers.

4.3 The Local Pension Board shall undertake an biennial review of its effectiveness and that of its members, with a view to continuous improvement.

5. Duties

5.1 In accordance with its statutory purpose, the LPB's core duties may include the following:

5.2 Compliance

a) Reviewing regular administration performance reports, including LPPA service level and breach reporting, and monitoring the exercise of functions under the LGPS Regulations;
b) Reviewing administrative and governance processes to provide assurance that they remain compliant with the LGPS Regulations and with codes of practice and guidance issued by the Pensions Regulator;
c) Monitoring the compliance of scheme employers with their statutory duties under the LGPS Regulations;
d) Assisting with the development of, and reviewing, documentation required under the regulations, including the Governance Compliance Statement and the Annual Governance Statement;
e) Assisting with the development of, and reviewing, member and employer communications required under the regulations;
f) Monitoring complaints and reviewing trends in Internal Dispute Resolution Procedure stage 2 cases and Pension Ombudsman determinations;
g) Reviewing the implementation of regulatory changes affecting the Scheme;
h) Monitoring the operation of employer and administering authority discretions; and
i) Reviewing the draft Pension Fund Annual Report and noting relevant LGPS consultation responses.

5.3 Efficient and effective governance

a) Providing input and challenge in relation to improvements in member services;
b) Monitoring performance of administration and governance arrangements against agreed service levels and key performance indicators;
c) Monitoring reported data protection incidents and receiving assurance that appropriate controls are in place to comply with applicable data protection legislation; and
d) Reviewing the outcome of the triennial actuarial valuation for assurance purposes.

6. Other matters

6.1 In support of its statutory purpose, the Local Pension Board may request information from officers of the administering authority and may escalate matters of concern to the LPFA Board through the Chief Executive Officer or appropriate officers. Any such request shall relate to the LPB's functions and shall be complied with within a reasonable timeframe, having regard to operational priorities.

6.2 The Chair of the Local Pension Board shall report to the LPFA Board on the work and activities of the LPB as appropriate. All LPB members may attend public meetings of the LPFA Board as observers.

6.3 These Terms of Reference may only be amended by resolution of the LPFA Board, except for minor or factual amendments which are delegated to the Chief Executive Officer and the Monitoring Officer

6.4 The Local Pension Board shall prepare an Annual Report of its activities for presentation to the LPFA Board and for inclusion in the Pension Fund Annual Report.

7. Change history and distribution list

ToR: LPFA Local Pension Board Terms of Reference						
Version no.	**Description of change**	**Owner**	**Date approved**	**Approved by**	**Date of issue**	**Next review date**
1.0	Initial version	LPFA CEO	28.02.2020	LPFA Board	28.02.2020	30.01.2021
1.1	Second version	LPFA CEO	08.09.2021	LPFA Board	08.09.2021	2022
2.0	Reviewed	LPFA CEO	20.09.2022	LPFA Board	20.09.2022	2023
3.0	Reviewed minor amendments	Governance Manager	21.11.2023	LPFA Board	16.12.2023	2025
4.0	Reviewed minor amendments	Head of Governance	19.02.2025	LPFA Board	30.03.2025	2026
5.0	Reviewed minor amendments	Head of Governance	10.03.2026	TBC	TBC	2027