

Governance and Compliance Statement

Approved 16 June 2023



Contents

Governance Policy Statement	Page 3
Delegation of Functions	Page 16
Compliance Statement	Page 18
Pension Committee terms of reference	Page 21
Local Pension Board terms of reference	Page 24

Governance Policy Statement

Introduction

This is the Governance Policy Statement of the East Sussex Pension Fund (the Fund), which is managed by East Sussex County Council (ESCC), the Administering Authority (Scheme Manager) on behalf of all the relevant employer bodies in the Fund. All Local Government Pension Scheme (LGPS) Funds in England and Wales are required to publish and keep under review a Governance Compliance Statement.

The Public Services Pensions Act 2013 (The Act) introduced a new framework for the governance and administration of public service pension schemes. The Act has a material impact on existing governance arrangements in the Local Government Pension Scheme (LGPS), which are enforced by changes to the LGPS regulations.

As a result of the Act, the Pensions Regulator introduced codes of practice covering specific areas relating to public sector pension schemes. It is noted that the Pensions Regulator intends to make changes to its Codes of Practice and the potential impact on the Fund is being monitored. It is expected that the new Code of Practice will come into force in 2023.

As Administering Authority, ESCC is the designated statutory body responsible for administering the Fund on behalf of the constituent Scheduled and Admitted Bodies in the relevant area. The LGPS Regulations specify that, in investing the Fund's money, regard must be given to the need for diversification and for proper advice.

Governance of East Sussex Pension Fund

ESCC operates a Cabinet style decision-making structure. Under the Constitution, the Pension Committee has delegated authority to exercise the powers of the County Council in respect of all powers and duties in relation to its functions as the Scheme Manager and Administering Authority for the Fund, including the approval of the Fund admission agreements.

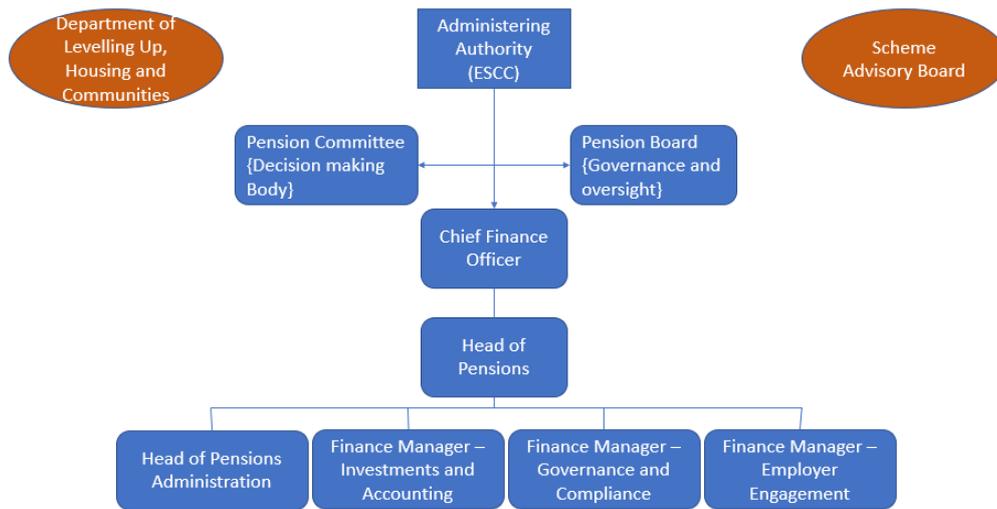
Delegations by the administering authority are published in the Council's constitution which can be accessed [here](#)

The Fund governance focuses on:

- The effectiveness of the Pension Committee, the Local Pension Board (Pension Board) and Officers to which delegated function has been passed, including areas such as decision-making processes, knowledge and competencies.
- The establishment of policies and their implementation.
- Clarity of areas of responsibility between Officers and Pension Committee/Board members.
- The ability of the Pension Committee/Board and Officers to communicate clearly and regularly with all stakeholders.
- The ability of the Pension Committee/Board and Officers to ask for the appropriate information and advice and to interpret that information in their supervision and monitoring of the Scheme in all areas.
- The management of risks and internal controls to underpin the framework.

The Overall responsibility for the governance of the LGPS and for the approval of this document resides with the Pension Committee.

East Sussex Pension Fund Governance & Compliance Statement 2023



Responsibilities of the East Sussex Pension Committee

The Pension Committee is established as the Fund’s delegated scheme manager and is responsible for arrangements for the investment, administration, funding, communication, risk management and the overall governance process surrounding the Fund. It acts with the delegated authority of ESCC, which is the formal scheme manager.

The Pension Committee is responsible for setting all Fund policies including the setting of the appropriate funding target.

The Pensions Committee will exercise its functions in accordance with fiduciary duties, safeguarding the interests of the beneficiaries of the Fund.

Committee Members must take decisions in accordance with their public law obligations, including the obligations of reasonableness, rationality and impartiality.

Committee Members are required to be rigorous about conflicts of interest and potential conflicts of interest, actual or perceived, as laid out in the Conflict of Interest Policy.

The Committee is subject to the statutory obligation of political balance in the membership of the Committee. Whilst all Committee Members bring with them their own knowledge and experience, political views should form no part of the consideration of issues or of the decision-making process.

Detailed terms of reference for the Committee are included as **Appendix A**.

Responsibilities of the East Sussex Pension Board

The Pension Board help to ensure that the Fund 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 (tPR).

The Board provide assistance to ESCC as the Administering Authority and the LGPS Scheme Manager in securing compliance with:

- LGPS Regulations and any other legislation relating to the governance and administration of the LGPS.
- requirements imposed in relation to the LGPS by tPR.
- ensure effective and efficient governance and administration of the LGPS; and
- any other matters as the LGPS regulations may specify.

The role of the Pension Board is to provide oversight of these matters and it is not a decision-making body. The Board seeks assurance that due process is followed by the Fund.

Detailed terms of reference for the Board are included as **Appendix B**.



East Sussex Pension Fund Governance & Compliance Statement 2023

Operational Procedures of the Pension Committee & Pension Board

The Pension Board and Pension Committee consider reports on administration of the Fund, the Risk Register and any breaches of the law at all core meetings as a minimum. Standard reports also include Governance, Employer engagement, Communications, Investments, Budget and Accounts.

Agendas and reports for both the Board and Committee are published on the ESCC website at least 5 working days in advance of the meeting.

All meetings are open to the public except where the Board and Committee resolve to exclude the press and public due to the consideration of information that is exempt under section 12A of the Local Government Act 1972. Meetings are held in person with some capacity for attendance online. The meetings of both the Pension Board and Pension Committee are made available to the public through a webcast.

The work plan of both Board and Committee is set out in a work program agreed at each meeting. This helps the stakeholders understand what will be discussed at future meetings.

The Committee and Board receive full reports on all necessary matters as decided by the Chief Finance Officer, along with matters as requested by the Committee or Board for detailed reports and discussion. Provision exists for the calling of special meetings if circumstances demand.

The Pension Board meets around two weeks in advance of the Pension Committee to enable the Board to consider and comment on the reports due to be considered by the Committee. This ensures the Committee takes into account the comments of scheme member and employer representatives ahead of the Committee making decisions. The Board consider all reports that are taken to the Pension Committee, other than Investment papers. The Board also consider further papers on communications and engagement activities on a quarterly basis that are only reported to the Pension Committee on an exception basis. The Board's minutes are included as part of the Committee agenda pack and the independent chair of the Board attends the Committee meetings commenting on discussion points raised by the Board on each item.

Both the Pension Board and Pension Committee have access to professional advice via specialist advisers, where appropriate to work being carried out.

The Pension Committee is supported by an Investment Consultant, Isio and Independent Advisor, Linchpin Advisory Ltd for all investment matters. In addition, the Pension Committee is supported by the Fund Actuary, Barnet Waddingham, for all actuarial matters. The Pension Committee receives and reviews quarterly performance reports and an annual Environmental, Social and Governance (ESG) impact assessment report in relation to all its Investment Fund Managers through its Investment Consultant, Isio. The Investment Consultant also carries out Strategic Asset Allocations reviews in full every three years and a lighter touch annually, as well as investment manager selection reviews or research papers as requested. The Independent Advisor, Linchpin Advisory Ltd, to help balance the advice providing additional challenge and debate to decision making.

In addition, the Pension Committee and Pension Board is advised by the County Council's Chief Finance Officer (in their capacity as the Council's designated section 151 Officer) and designated LGPG officer the Head of Pensions.

Frequency of meetings of the East Sussex Pension Committee

The Pension Committee is scheduled to meet at least 4 times a year with an additional meeting scheduled to discuss the investment strategy.

Frequency of meetings of the East Sussex Pension Board

The Pension Board is scheduled to meet at least 4 times a year.

Membership of the Pension Committee

The County Council appoints five members to the Pension Committee in accordance with political balance provisions contained in s.15 Local Government and Housing Act 1989. These provisions require that the make-up of the Committee is in line with the political balance of the Local Authority – ESCC.

The Pension Committee is currently made up of 3 Conservative, 1 Liberal Democrat and 1 Green Councillor. All members of the Committee have voting rights.

Whilst ESCC is also a scheme employer, the appointment of the Pension Committee is under the capacity of ESCC as Administering Authority and, as such, the Committee members are not appointed as scheme employer representatives but representatives of the Administering Authority to act on behalf of all Scheme members and employers. This is made expressly clear in the Pension Committee Terms of Reference where it states “No matters relating to East Sussex County Council’s responsibilities as an employer participating within the East Sussex Pension Fund are delegated to the Pension Committee”. The members of the Pension Committee are required to consider “views expressed by employing organisations and staff representatives in relation to the operation of the East Sussex Pension Fund” but are not permitted to take decisions to benefit any particular employer ahead of the overall interests of the Fund.

The Local Government Association (LGA) obtained legal opinion from James Goudie QC in January 2015 where it was confirmed that a Pension Committee with investment decision making powers is a Finance Committee and is, therefore, restricted in its membership, excluding non-elected members onto the Committee unless there is a separate subcommittee for investment decisions, which consists solely of elected members of the Administering Authority. For the Fund, investment decisions are taken by the Pension Committee.

The current roles and responsibilities set out in the Terms of Reference of the Pension Committee, indicate that this Committee is appointed to regulate and control the finance of the Fund. As such non-ESCC Councillors would not be permitted to be allowed to be members of the Pension Committee via section 102(3) of the Local Government Act 1972.

The Pension Committee is required under the 2016 LGPS Investment Regulations to take ‘proper advice’ – meaning the advice of a person whom the authority reasonably considers to be qualified by their ability in and practical experience of financial matters in formulating its investment strategy. Whilst all Committee Members bring with them their own knowledge and experience, political views should form no part of the consideration of issues or of the decision-making process. Committee Members must act as fiduciaries, safeguarding the interests of those to whom they owe their duties. Committee Members must take decisions in accordance with their public law obligations, including the obligations of reasonableness, rationality and impartiality.

Membership of the Pension Board

In accordance with Regulation 107 of the LGPS Regulations 2014, a Pension Board must include an equal number of employer and member representatives with a minimum requirement of no less than four in total. In considering the size of the East Sussex Pension Board, the Council has taken into consideration number of factors including:

- The size of the Council’s existing Pension Fund governing arrangement and decision-making process.
- The number of scheme members, number and size of employers within the Fund and any collective arrangements in place for them to make decisions or provide input in relation to Fund matters.

East Sussex Pension Fund Governance & Compliance Statement 2023

- The direct and indirect cost of establishing and operating the Board.

The Pension Board consists of 7 members as follows:

- Scheme Employer representative x 3 (to represent all employers within the scheme)
- Scheme member representative x 3 (to represent all members of the scheme; active, deferred and pensioners)
- Independent Chair x 1

Scheme Employer representatives and Scheme Member representatives have voting rights. The Independent Chair does not have voting rights.

Where possible, the employer representatives will be appointed to represent each of Brighton and Hove City Council, as the second largest scheme employer after ESCC; the five district and borough councils; and all other employers. However, in practice, all will actively represent the full range of employers in the scheme and the employer representative may be appointed from the wider employer base to ensure the appropriate level of knowledge and skills are retained within the Board.

An independent chair is appointed to enhance the experience, continuity, knowledge, impartiality and performance of the Board. The chair of the Board is invited to attend Pension Committee meetings where they are able to report back on discussions and recommendations from the Board, to represent the views of the employer and member representatives into Fund decision making.

The term of office for Board members is 4 years. This can be extended following reselection by 2 years.

Pension Board Representatives nomination/appointment

The methodology for appointing employer and member representatives is not prescribed by the Regulations. It is therefore up to the Administering Authority to establish an appropriate process, which has been included within the East Sussex Pension Board terms of reference. For details see Appendix B to this statement.

Pension Board representatives are normally appointed for a term of 4 years. Appointments are made by the Governance Committee. The Governance Committee can also agree a temporary extension of up to 2 years. In the case of multiple appointments and re-appointments the Governance Committee may choose to appoint members on a mixture of full and 2-year terms to minimise the number of vacancies needing simultaneous appointments in the future.

Where a Pension Board Representative has their term extended this can only happen once before a full appointment process will be run.

In the past year it has been necessary to appoint people to vacant positions for both member and employer representatives. The term for the Independent Chair also came to an end in April 2023.

The approach followed in year has been to request expressions of interest for member representatives and nominations for employer representatives. People with an interest in joining the Pension Board were invited to meet with the Pensions Manager Governance and Compliance and the Pension Board Independent chair. Following meetings with shortlisted candidates, a recommendation was made to the Governance Committee regarding making an appointment.

East Sussex Pension Fund Governance & Compliance Statement 2023

In relation to the Independent Chair, this role was advertised in the professional press with a selection of the candidates being interviewed by senior Officers within the Fund together with the Lead Member for Resources and Climate Change. A final appointment was then made by the Governance Committee in line with the Constitutional requirements.

Vice Chair appointment

Meetings of the Pension Board cannot go ahead without the Chair or Vice Chair present, so there is a risk that a meeting of the Board would not be able to proceed if the Chair is unable to attend for any reason.

In order to maintain the balance between scheme members and employer representation, a scheme member vice chair and an employer vice chair are nominated from the Pension Board members, and the role of vice chair alternates between scheme member and employer at each meeting.

Consultation with Employing Authorities

All employing bodies are kept informed of current pension issues, such as proposed changes in the regulations and their implications, by quarterly newsletter. They are encouraged to get in touch if they have questions.

In addition to these electronic briefings, the Fund holds an annual Employers' Forum to which all scheduled and admitted bodies of the Fund are invited. This meeting is held in person. It covers both actuarial and investment issues and always contains a presentation from the Fund's Actuary. In 2022 Employers received information about the triennial valuation process, including what it meant for them. There were also presentations on the wider work being done by the Fund on administration and communication.

An annual survey is carried out with employers to get input into the administration of the Fund.

Where there are proposed changes to key strategies such as the Pensions Administration Strategy and Funding Strategy Statement, employers are consulted prior to formal approval of the strategies.

The Fund has an Employer Engagement team to specifically focus on improving information sharing and support to scheme employers. This team works in consultation with other Officers to ensure an effective, joined up service is provided.



Consultation with Scheme Members

Active members receive electronic newsletters twice a year and Deferred and Pensioner members receive these once a year. The newsletters update on pension issues, especially on any changes affecting benefits.

The Fund carries out an annual survey with active and pensioner members to seek their views on the administration of the Fund. In 2022/23 the surveys looked at communication to help the Fund understand how members prefer to be communicated with and what information they would like to receive as well as service provided to members. For the first time a booklet providing a summary of the previous year's accounts and key topics has been sent by post to all members in April 2023.

More detail on the approach to communication is available in the Communication Strategy, which is available on the website.

Working Groups

The Fund has set up a number of working groups to help progress specific projects or areas of focus. The Pension Board are able to initiate working groups to focus on areas that would benefit from focus of the employer or member representatives.

An update is provided at each Pension Board and Pension Committee meeting to report back on the activities of each working group as appropriate.

In 2022/23 the Fund had four working groups. A communications working group, McCloud working group, an investment implementation working group and an administration working group.

Each working group has its own terms of reference and membership which is firstly discussed at Pension Board and approved by Pension Committee.

The Chair of the Pension Committee is invited to join the Investment Implementation Working Group, while membership of the group is Officers and Advisers. The Pension Board Chair is invited on occasion and where it is appropriate based on the meeting agenda. All other working groups consist of a mix of Officers, Pension Board members and Pension Committee members.

Conflicts of interest

A conflict of interest is a financial or other interest which is likely to prejudice a person's exercise of their duties as a member of the Pension Board or Pension Committee. It is not permitted for a Pension Board member to have an actual conflict of interest.

To prevent conflicts of interest members of the Pension Board, Committee and Officers are required to disclose interests. Potential conflicts are also disclosable as a standing item on the agenda for Board and Committee meetings. Interests which may lead to a potential conflict are additionally reviewed annually.

Where a potential conflict of interests is identified the person with the potential, or perceived, conflict is not able to take part in discussions on the topic; is excluded from voting; or otherwise has the conflict managed at the discretion of the Chair or Vice Chair as appropriate.



Knowledge and understanding

The Public Service Pensions Act 2013 requires Pension Board members to:

- be conversant with the rules of the scheme and any document recording policy about the administration of the scheme, and
- have knowledge and understanding of the law relating to pensions and 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 to properly exercise the functions of a member of the Pension Board. Where a new member joins the Pension Board, they are to develop this level of knowledge as soon as possible. Whilst the law does not stipulate a timeframe it does for a new trustee of a private occupational scheme and an inference can be drawn that the same six-month time period should apply.

The Scheme Advisory Board's (SAB) Good Governance Report says that Officers and Committee members should also have sufficient knowledge and understanding to carry out their functions. The Fund's Training Strategy is in line with this recommendation, is linked to the CIFPA skills matrix and applies to Pension Board and Committee members as well as officers.

The Fund has a Pensions Training Co-Ordinator. This Officer engages with the Chairs of both the Pension Board and Pension Committee to establish the individual needs of members, as well as liaising with Officers, to develop a detailed training plan. This plan will be in line with the published Training Strategy. The amount of time spent training will also be recorded.

New members of the Pension Board and Committee, along with those already in role and relevant Officers, are invited to induction training. Some of this training is provided by the Fund's legal, actuarial and investment advisors.

The Fund carried out a training needs analysis in September 2022 with Committee and Board members through a self-assessment questionnaire. The results of these training needs lead to the creation of the annual training plan for Board and Committee members and is being used to develop the content of training events which will be offered to Pension Board and Pension Committee members over the forthcoming year.

The Fund invite members of both the Board and Committee to a range of in-house and external training sessions and conferences to help develop their knowledge and skills relevant to their roles. In addition, officers attend training sessions and conferences in compliance with the training strategy and their professional CPD requirements to stay current. Notification of forthcoming training opportunities is provided at least once per month. The Fund have a budget assigned for training to ensure this is a priority of the Fund and sufficient resources available.

Interaction with Officers

Fund Officers carry out the day-to-day work involved with running the Fund. They are divided into an Accounting and Investment team, Administration team, Employer Engagement team, Governance and Compliance team and a Projects team. All Officer Teams are overseen by the Head of Pensions who reports to the Chief Finance Officer.

The Chief Finance Officer has two roles as the s.151 Officer for the Pension Fund and, separately, the s.151 Officer for the Council acting in its capacity as a Local Authority.

Officers provide papers for both the Pension Board and Pension Committee in advance of meetings. The content consists of information to bring to the attention of the Pension Board and Pension Committee, together with information requested by the Pension Board and Pension Committee through the quarterly agreed workplan.

East Sussex Pension Fund Governance & Compliance Statement 2023

Where the Pension Board has concerns that the Pension Committee is not acting in line with the principles of good governance it can raise the matter with the Chief Monitoring Officer and, by extension, the Governance Committee.

Good Governance report

In February 2021 the SAB published an updated version of its report following its review of good governance across the LGPS. This report covers representation, conflicts of interest and knowledge and understanding. The findings of these areas are referred to in the relevant sections above. Additionally, the SAB made several recommendations in the areas of service delivery along with compliance and improvement.

The SAB recommends that all funds in the LGPS should have a Pension Administration Strategy. The Fund updated and enhanced their policy in early 2023 to ensure this is fit for purpose and more accessible. This strategy was shared with employers in the Fund as part of a consultation process prior to implementation. The Pension Administration Strategy is a publicly available on the Fund's website. This policy is reviewed at least every three years.

The SAB has also recommended that funds in the LGPS document decision making levels. The Fund has created an internal decision matrix following a review of the constitution, delegations and job descriptions to ensure it is clear where decisions are reached, and which levels of the management team and committee structure need to be communicated on changes to documents and processes. This review will also allow the Fund to consider where improvements to the constitution can be made and will make recommendations to Governance Committee in 2023/24.

Audit review of service provision

The ESCC Audit team carries out independent appraisals of the County Council's systems under the direction of the Chief Operating Officer. The Pension Fund has commissioned 100 days of audit to review various aspects of its service provision, this will reduce to 75 days for 2023/24 due to the improvement in internal audit findings in the last two years. An annual audit plan is reviewed and approved at the start of the year with all audit findings reports being considered and discussed at quarterly Board and Committee meetings once the reports are finalised.

The 2022/23 internal audit work plan covered audits on Governance, Investments and Accounting, Cash Management, the administration of benefit payments i-Connect applications and Pension Fund cyber security arrangements.

LGPS Asset Pooling Governance - ACCESS Pool

ACCESS (A Collaboration of Central, Eastern and Southern Shires) is made up of 11 Local Government Pension Schemes (LGPS) Administering Authorities, who are committed to working together to optimise benefits and efficiencies on behalf of their individual and collective stakeholders, operating with a clear set of objectives and principles that drives the decision-making process.

ACCESS Pool Governance

The ACCESS Pool is not a legal entity in itself but is governed by an Inter Authority Agreement signed by each Administering Authority. The Inter Authority Agreement sets out the terms of reference and constitution of ACCESS.

The formal decision-making body within the ACCESS Pool is the ACCESS Joint Committee. The Joint Committee has been appointed by the 11 Administering Authorities under s102 of the Local Government Act 1972, with delegated authority from the Full Council of each Administering Authority to exercise specific functions in relation to the Pooling of Pension Fund assets.

The Joint Committee is responsible for ongoing contract management and budget management for the Pool and is supported by the S151 Officers, Officer Working Group and the ACCESS Support Unit. The Officer Working Group are Officers identified by the Administering Authorities whose role is to provide a central resource for advice, assistance, guidance and support for the Joint Committee.

The ACCESS Support Unit (ASU) provides the day-to-day support for running the ACCESS Pool and has responsibility for program management, contract management, administration and technical support services.

The Section 151 Officer of each Pension Fund provide advice to the Joint Committee and in response to decisions made by the Joint Committee ensure appropriate resourcing and support is available to implement the decisions and to run the ACCESS Pool.

Strategic oversight and scrutiny responsibilities remain with the Administering Authorities as does all decision-making power to their own Funds asset allocation and the pooling of assets that each Fund holds within the arrangements developed by the ACCESS Pool.

At its meeting on Monday 7 March 2022, the ACCESS Joint Committee agreed proposals enabling each ACCESS Authority's Local Pension Board to send two observers, on a rotational basis, to Joint Committee meetings. In practice, observers from three ACCESS Authority Local Pension Boards at a time will attend JC meetings in person, allowing each Pension Board to be represented at least once a year.

The observers can be drawn from scheme member representatives, employer representatives or independent members. This arrangement will be reviewed after its first full year.

East Sussex Pension Fund Governance & Compliance Statement 2023



The diagram above sets out the overarching ACCESS structure.

Link Fund Solutions Ltd was appointed to provide a pooled operator service. Link is responsible for establishing and operating an authorised contractual scheme (ACS) along with the creation of a range of investment sub-funds to meet the needs of the investing authorities enabling them to execute their asset allocation strategies and the appointment of the investment managers to those sub-funds. The operator role is FCA regulated.

ACCESS Implementation Adviser for illiquid assets

In January 2022, the ACCESS Pool appointed MJ Hudson, the specialist service provider to the asset management industry, as implementation advisor for the pooling of illiquid assets where work has been carried out to appoint a UK direct property manager and Global indirect property manager on behalf of the ACCESS pool.

Review of Governance Policy Statement

Responsibility for this document resides with the Chief Finance Officer and will be reviewed by no less frequently than annually.

This document will be reviewed if there are any material changes in the administering authority's governance policy or if there are any changes in relevant legislation or regulation.

Contact Details

Sian Kunert
Head of Pensions
Business Services Department
East Sussex County Council
County Hall
St Anne's Crescent
Lewes
East Sussex
BN7 1SF

Tel: 07701394423
Email: sian.kunert@eastsussex.gov.uk

Ian Gutsell
Chief Finance Officer
Business Services Department
East Sussex County Council
County Hall
St Anne's Crescent
Lewes
East Sussex
BN7 1SF

Tel: 01273 481399
Email: ian.gutsell@eastsussex.gov.uk

Delegation of Functions

Under the Constitution, the Pension Committee has delegated authority to exercise the powers of East Sussex County Council in respect of all powers and duties in relation to its functions as the Scheme Manager and Administering Authority for the Fund, including the approval of the Fund admission agreements.

Delegations by the administering authority are published in the Council's constitution which can be accessed [here](#). Full terms of reference for the Pension Committee are shown in Appendix I.

The Chief Finance Officer has been designated as the Officer with responsibility for the proper administration of the Council's financial affairs under section 151 of the Local Government Act 1972. The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the Council; Pension statutory duties arise from Local Government Pension Scheme Regulations 2013

Delegations to the Chief Finance Officer -

- To carry out the statutory duties referred to in Section 151 of the Local Government Act 1972 in relation to the Pension Fund and to provide advice to the County Council, Pension Committee and Pension Board in carrying out their responsibilities, in consultation with Head of Pensions.
- To Implement strategies and policies approved by the Administering Authority (including those delegated to the Pension Committee).
- To manage, in accordance with the policies and strategies approved by the Administering Authority (including the Pension Committee), and in accordance with legislative requirements, the East Sussex Pension Fund including ensuring arrangement for investment of assets and administration of contributions and benefits, in consultation with Head of Pensions
- To implement policies decided by the Administering Authority (including the Pension Committee).
- To take action or decide any other Pension Fund related matter on behalf of the Administering Authority in special or emergency situations, in consultation with the Chair of the Pension Committee, including but not limited to where delay in the purchase or sale of investments might be detrimental to the interests of the East Sussex Pension Fund.
- To approve the terms of admission or cessation agreement and, where appropriate, any related bond or indemnity, with a body wishing to participate in or leave the East Sussex Pension Scheme/Fund.
- To undertake any necessary actions relating to employers joining and leaving the Fund, or monitoring of such employers, based on decisions made by the Pension Committee.
- To agree Administering Authority responses to consultations on LGPS matters and other matters where they have minimal impact on the Fund or its stakeholders including relating to minor technical operational matters impacting the Administering Authority only.
- To implement the Fund's agreed strategic allocation including use of both rebalancing and conditional ranges in accordance with the Investment Strategy.

Compliance Statement

The Fund fully complies with the best practice guidelines on governance, issued by Department for Levelling Up, Housing and Communities (DLUHC), for details see the table below.

A - Structure

Task	Compliance status
The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Fully Compliant
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Fully Compliant
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Fully Compliant
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Fully Compliant

B – Committee membership and representation

Task	Compliance status
That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: - i) employing authorities (including non-scheme employers, eg, admitted bodies). ii) scheme members (including deferred and pensioner scheme members), iii) where appropriate, independent professional observers, and iv) expert advisors (on an ad-hoc basis).	Fully Compliant
That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	Fully Compliant

C – Selection and role of lay members

Task	Compliance status
That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Fully Compliant

East Sussex Pension Fund Governance & Compliance Statement 2023

That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	Fully Compliant
---	-----------------

D – Voting

Task	Compliance status
The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Fully Compliant

E – Training/Facility time/expenses

Task	Compliance status
That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	Fully Compliant
That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Fully Compliant
That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	Fully Compliant

F – Meetings (frequency/quorum)

Task	Compliance status
That an administering authority's main committee or committees meet at least quarterly.	Fully Compliant
That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	Fully Compliant
That an administering authority who does not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	Fully Compliant

G – Access

Task	Compliance status
That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers,	Fully Compliant

East Sussex Pension Fund Governance & Compliance Statement 2023

documents and advice that falls to be considered at meetings of the main committee.	
---	--

H – Scope

Task	Compliance status
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Fully Compliant

I – Publicity

Task	Compliance status
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Fully Compliant

Appendix A - Pension Committee terms of reference

Membership

The East Sussex Pension Committee will be composed of five members of East Sussex County Council, determined by the Council at the Council's Annual Meeting. (N.B. When making nominations Members should have regard to the need to ensure a balance of experience and continuity).

Named substitutes are permitted for East Sussex County Council members.

Terms of Reference

The Pension Committee's will exercise on behalf of East Sussex County Council all of the powers and duties in relation to its functions as the Scheme Manager and Administering Authority for the East Sussex Pension Fund except where they have been specifically delegated to another Committee. The Pensions Committee will exercise its functions in accordance with the fiduciary duties of the Council as the administering authority of the East Sussex Pension Fund.



The Pension Committee will have the following specific roles and functions, taking account of advice from officers and the Fund's professional advisers:

East Sussex Pension Fund Governance & Compliance Statement 2023

- Ensuring the Fund is administered, managed and pension payments are made in compliance with the regulations and having regard to statutory guidance that govern the operation of the Local Government Pension Scheme from time to time, and other legislation.
- Determining the Fund's aims and objectives, strategies, statutory compliance statements, policies and procedures for the overall management of the Fund, including but not limited to funding, investment, administration, communication and governance.
- Determining how the various administering authority discretions are operated for the Fund.
- Monitoring the implementation of all Fund policies and strategies on an ongoing basis.

In relation to the LGPS ACCESS Pension Fund Pool:

- Considering pooling matters including recommendations made by the ACCESS Joint Committee.
- Determining the transition of the assets held by East Sussex Pension Fund in relation to the Pool and the funds or sub-funds operated by the Operator.
- Recommending to the Governance Committee a member of the East Sussex County Council Pension Committee to the Joint Committee as and when required, having regard to the advice of the Head of Pensions.
- Appointing an East Sussex County Council officer to working groups such as the Officer Working Group and Onboarding Sub-Group as and when required.
- Advising the representative on the Joint Committee and Officer Working Group on such matters as may be required.
- Monitoring the performance of the LGPS ACCESS Pool and its Operator and recommending actions to the ACCESS Joint Committee, Officer Working Group or ACCESS Support Unit, as appropriate.
- Receiving and considering reports from the LGPS ACCESS Joint Committee, Officer Working Group and the Operator.
- Undertaking any other decisions or matters relating to the operation or management of the LGPS ACCESS Pool as may be required, including but not limited to appointment, termination or replacement of the Operator and approval of the strategic business plan.
- Making arrangements for actuarial valuations, ongoing monitoring of liabilities and undertaking any asset/liability and other relevant studies.
- Making decisions relating to employers joining and leaving the Fund. This includes approving which employers are entitled to join the Fund, and any requirements relating to their entry, ongoing monitoring and the basis for leaving the Fund.
- Agreeing the policy for exit credits and terms on which employers may leave the Fund. Approving decisions on cessations, post cessation arrangements, guarantees and bonds.
- Agreeing the terms and payment of bulk transfers into and out of the Fund.

East Sussex Pension Fund Governance & Compliance Statement 2023

- Ensuring robust risk management arrangements are in place, considering and making recommendations in relation to the internal audit strategy and internal audit report pertaining to the management of the fund and reviewing its findings.
- Agreeing the Fund's annual business plan and annual and medium-term budgets, and monitoring progress against them.
- Selection, appointment and dismissal of the Fund's advisers and suppliers, including actuary, benefit consultants, investment consultants, global custodian, fund managers, lawyers, pension fund administrator, Additional Voluntary Contribution providers and independent professional advisors. This includes determining the services to be provided and monitoring those services, including where this relates to shared services arrangements.
- Agreeing the Fund's Knowledge and Skills Policy and monitoring compliance with the policy.
- Agreeing the Administering Authority responses to consultations on LGPS matters and other matters where they may impact on the Fund or its stakeholders.
- Considering views expressed by employing organisations and staff representatives in relation to the operation of the East Sussex Pension Fund.
- Considering the Fund's financial statements and approving an Annual Report on the activities of the Fund in line with legislation and guidance.
- Considering the Breaches Register at every quarterly Pension Fund meeting and reviewing recommendations from the Pensions Board.

Notes: 1. No matters relating to East Sussex County Council's responsibilities as an employer participating within the East Sussex Pension Fund are delegated to the Pension Committee.

Notes: 2 As a Non-Executive Committee, no matters relating to the Pension Fund's non-executive responsibilities as Scheme Manager are delegated to an Executive of East Sussex County Council.

Notes: 3 The Committee's primary contacts will be the Head of Pensions, Chief Finance Officer and its retained advisors

Training

The East Sussex Pension Fund has a dedicated Knowledge and Skills Policy which applies to all members of the Committee, and which includes the expectation to attend regular training sessions in order they may maintain an appropriate level of knowledge and skills to perform their role effectively.

Appendix B - Pension Board Terms of reference

Introduction

- (i) The Pension Board is established by East Sussex County Council (ESCC) under the powers of Section 5 of the Public Services Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme (LGPS) Regulations 2013 ("the LGPS regulations" which includes such regulations as govern the Local Government Pension Scheme from time to time). ESCC is the scheme manager (and administering authority) to the East Sussex Pension Fund (ESPF).
- (ii) The East Sussex Pension Fund Board was appointed by East Sussex County Council (the Scheme Manager and Administering Authority to East Sussex Pension Fund) as its Local Pensions Board in accordance with section 5 of the Public Service Pensions Act 2013 and Part 3 of the Local Government Pension Scheme Regulations 2013. As such, Parts 4 Rules of Procedure (Council's procedural Standing Orders) sub-parts 1, 2, 3, 4, 5 and 6 of the Constitution of East Sussex County Council do not apply to this Pension Fund Board unless expressly referred to within and permitted by these Terms of Reference and Rules of Procedure. The Board will exercise all its powers and duties in accordance with legislation and these Terms of Reference and Rules of Procedure. The Board shall have the power to do anything which is considered to facilitate, or is conducive or incidental to, the discharge of its functions. Powers of the Pension Board.
- (iii) The Pension Board will exercise all its powers and duties in accordance with the law and this Terms of Reference.
- (iv) ESCC considers this to mean that the Pension Board is providing oversight of these matters and, accordingly, the Pension Board is not a decision-making body in relation to the management of the Fund but instead can make recommendations to assist in such management. The Fund's management powers and responsibilities which have been, and may be, delegated by ESCC to committees, sub-committees and officers of ESCC, remain solely the powers and responsibilities of those committees, subcommittees and officers including but not limited to the setting and delivery of the Fund's strategies, the allocation of the Fund's assets and the appointment of contractors, advisors and fund managers. The Pension Board operates independently of the ESPF Pension Committee.
- (v) The Pension Board will ensure that in performing their role it:
 - a. is done effectively and efficiently and
 - b. complies with relevant legislation and
 - c. is done by having due regard and in the spirit of The Pensions Regulator's Code of Practice and any other relevant statutory or non-statutory guidance.



Objectives and role of the Pension Board

The role of the Pension Board is defined by the LGPS Regulations as being to assist the Scheme Manager (ESCC as Administering Authority) to:

- Secure compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the LGPS, and requirements imposed in relation to the LGPS by the Pensions Regulator.
- Ensure the effective and efficient governance and administration of the LGPS. This should be interpreted as covering all aspects of governance and administration of the LGPS including funding and investments.

In doing this the Pension Board:

- Shall assist the Scheme Manager with such matters as the LGPS Regulations and guidance may specify.
- Shall seek assurance that due process is followed with regard to Pension Committee and may review any decisions made by or on behalf of the Scheme Manager or action taken by the Scheme Manager.
- Shall seek assurance that any identified issues raised by Pension Board members are considered.
- Shall comment on and assist in identifying and managing breaches of the law in relation to ESPF matters.
- Shall make representations and recommendations to the Pension Committee as appropriate and shall consider and as required, respond to any Government / Responsible Authority or Scheme Advisory Board requests for information or data concerning the Fund

May also undertake other tasks, including (but not limited to):

- Assisting the Pension Committee by reviewing aspects of the performance of the ESPF – for example by reviewing the risk management arrangements within ESPF (although the Pension Committee will remain accountable for risk management).
- Reviewing administration standards or performance or review efficacy of ESPF member and employer communications; or reviewing published policies to ensure they remain fit for purpose and are complete.
- Reviewing ESPF annual reports; or being part of any consultation process with the purpose of adding value to that process based on, for example, their representation of employers and ESPF members.
- Discussing strategic matters such as communications where requested by the Pension Committee.
- Will produce an annual report which is shared with the Scheme Manager. It will outline the work of the Pension Board throughout the scheme year, which will help to:
 - Inform all interested parties about the work undertaken by the Pension Board
 - Assist the Pension Board in reviewing its effectiveness and identifying improvements in its

East Sussex Pension Fund Governance & Compliance Statement 2023

- future operations.
- Shall carry out an annual self-assessment of the effectiveness of the Pension Board and produce a report on this which will be shared with the Pension Committee.
- Must provide a record of each meeting to the following Pension Committee meeting and may make reports and recommendations to the Pension Committee insofar as they relate to the role of the Pension Board.
- Shall assist in considering whether the East Sussex Pension Fund is being managed in accordance with the LGPS and other relevant legislation, including consideration of cases that have been referred to the Pension Regulator and/or the Pension Ombudsman, recommending changes to processes, training and/or guidance where necessary.
- Shall monitor administrative processes and support continuous improvements
- Will ensure the scheme administrator supports employers to communicate the benefits of the LGPS to scheme members and potential new members.

Membership

The Pension Board shall consist of:

- 3 employer representatives - employer representatives that can offer the breadth of employer representation for the ESPF.
- 3 scheme member representatives – member representatives nominated to ensure a broad representation of scheme membership (active, deferred, and pensioners). Two will be nominated by the trade unions, and the rest will be drawn from the total ESPF active, deferred and pensioner membership.
- Independent Chair - The Pension Board shall be chaired by an Independent Chair.

Substitutes for Board members are not permitted.

The Quorum of the Board will be 3 Members, excluding the Independent Chair. To be quorate the meeting must include at least one employer representative and one scheme member representative.

The Board has the power to set up working groups

Appointment of members of the Pension Board

The appointment process has been approved by the Governance Committee.

All appointments to the Pension Board shall be by the Governance Committee under delegated authority from the County Council, including the Independent Chair.

The Vice Chair will alternate between scheme member representatives and employer representatives at each meeting. The Vice Chairs will be nominated from the existing Board members whenever one of the existing Vice Chairs is replaced.

Appointments to the Pension Board shall be managed, wherever possible, so that appointment and termination dates are staggered such that there remains continuity for one meeting to the next.

Term of office

Employer representative appointments will expire after a 4-year period from their date of appointment by the Governance Committee or such time as resolved by the Governance Committee. The Governance Committee may agree an extension to this period by up to a further 2 years after which there shall be a further appointment process. Reappointment of existing members is permitted. Appointment will automatically cease if the individual is no longer in the employment of that employer, no longer holds office in relation to that employer or is no longer an elected member of that employer, as appropriate.

Scheme member representative appointments will expire after a 4-year period from their date of appointment by the Governance Committee or such time as resolved by the Governance Committee. The Governance Committee may agree an extension to terms of office up to a further 2 years after which there shall be a further appointment process. Reappointment of existing members is permitted. Appointment will automatically cease if the individual is no longer a trade union representative or representative of ESPF members (in accordance with the criteria set by the Governance Committee).

The Independent Chair appointment will expire after a period of 4 years from their date of appointment by the Governance Committee. The Governance Committee may agree an extension to terms of office by up to a further 2 years after which there shall be a further appointment process. Reappointment of the Independent Chair is permitted.

Term dates may not be exact due to the period of the appointment process. The term of office may therefore be extended for this purpose or other exceptional circumstances by up to three months with the agreement of the Governance Committee.

A Pension Board member who wishes to resign shall submit their resignation in writing to the Independent Chair. A suitable notice period must be given, of at least 1 month, to enable a replacement member to be found.

The role of the Pension Board members requires the highest standards of conduct and the ESCC Code of Conduct for Members will apply to the Pension Board's members. ESCC Standards Committee will monitor and act in relation to the application of the Code.

Poor performance will result in corrective action being taken, and in exceptional circumstances the removal of the Pension Board member by the Governance Committee.

Removal of the Independent Chair will be by the Governance Committee.

Chairing

It will be the role of the Chair to:

- Settle with officers the agenda for a meeting of the Pension Board.
- Manage the meetings to ensure that the business of the meeting is completed.
- Ensure that all members of the Pension Board show due respect for process and that all views are fully heard and considered.
- Strive as far as possible to achieve a consensus as an outcome.
- Ensure that the actions and rationale for decisions taken are clear and properly recorded.

East Sussex Pension Fund Governance & Compliance Statement 2023

- Uphold and promote the purpose of the Pension Board, and to ensure that meetings are properly conducted and professional advice is followed.
- To use their expertise and experience and liaise with the Head of Pensions to arrange such advice as required subject to agreement by the Head of Pensions on such conditions as that officer determines.
- Sign the minutes of each Pension Board meeting following approval by the Board.
- Prepare with the Head of Pensions an appropriate budget for the Pension Board's consideration before being formally considered by the Scheme Manager along with the ESPF Annual Budget.
- Liaise with officers and advisors on the requirements of the Pension Board, including advanced notice for Scheme Manager officers to attend and arranging dates and times of Board meetings.
- Provide guidance on all points of procedure and order at meetings having regard to advice from officers.

Other tasks which may be deemed appropriate by the Scheme Manager for the Independent Chair of the Pension Board.

- Liaise with the Chair of the Pension Committee as deemed appropriate.

Other tasks that may be requested by the Board, within the remit of these Terms of Reference and subject to agreement with the Head of Pensions.

- Annually review and report on the activities of the Pension Board.
- Commission a triennial review of LGPS & public pension fund non-statutory best practice guidance (referencing the SAB & other relevant bodies deemed relevant by the Board) which then brings recommendations to the Committee (when appropriate) for amendments to the operation of the Fund. Support arrangements and administration.

ESCC officers will provide governance, administrative and professional support to the Pension Board, and ESCC Member Services will provide secretariat support to the Pension Board, and as such will ensure that:

- Meetings are timetabled for at least four times per year.
- Adequate facilities are available to hold meetings.
- An annual schedule of meetings is produced.
- Suitable arrangements are in place to hold additional meetings if required.
- Papers are distributed 5 clear working days before each meeting except in exceptional circumstances.
- Draft minutes of each meeting are normally circulated 7 working days following each meeting including all actions, decisions and matters where the Pension Board was unable to reach a decision will be recorded.

East Sussex Pension Fund Governance & Compliance Statement 2023

- Final reports, minutes and agendas relating to the Pension Committee are shared appropriately with the Board.

The records of the meetings may, at the discretion of the Board, be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A (2) of that Act.

The minutes and any consideration of the Pension Board shall be submitted to the Pension Committee.

The Pension Board must comply with the General Data Protection Regulation and the Scheme Manager's data protection policy. It must also adhere to the Scheme Manager's requirements, controls and policies for Freedom of Information Act compliance.

Expert advice and access to information, including the Pension Committee

The Pension Board will have access to professional advice and support provided by officers of ESCC and, via them and where appropriate, advisers to the ESPF. In addition, Pension Board members will receive the final reports, minutes and agendas relating to the Pension Committee, save where the Committee expressly decides otherwise such as where an item is exempt, although this is anticipated to be in exceptional cases.

Insofar as it relates to its role, the Pension Board may also:

- Request information and reports from the Pension Committee or any other body or office responsible for the management of the Fund.
- Examine decisions made or actions taken by the Pension Committee or any other body or officer responsible for the management of the Fund.
- Access independent professional advice from actuaries, other independent advisers, and investment managers as required, where there are major matters being considered, i.e., investment strategy, triennial valuation, etc.
- Access to professional advice regarding non-major decisions will require the approval of the Pension Committee for additional resources.
- Attend all or any part of a Pensions Committee meeting unless they are asked to leave by the Committee or as a result of a conflict of interest.

ESCC officers will provide such information as is requested that is available without incurring unreasonable work or costs.

Knowledge and Skills

Pension Board members will be required to have the 'capacity' to carry out their duties and to demonstrate a high level of knowledge and of their role and understanding of:

- The scheme rules (i.e., regulations).
- The schemes administration policies.
- The Public Service Pensions Act (i.e., being conversant with pension matters relating to their role) and the law relating to pensions.

East Sussex Pension Fund Governance & Compliance Statement 2023

A program of updates and training events will be organised by ESPF officers.

It is for individual Pension 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 Pension Board.

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:

- Participate in training events (a written record of relevant training and development will be maintained).
- Undertake a personal training needs analysis or other means of identifying any gaps in skills, competencies and knowledge relating to Pension Board matters.
- Comply with the Fund's Knowledge and Skills Policy insofar as it relates to Pension Board members.

Standards and Conflicts of Interest

A conflict of interest is defined in the Public Service Pensions Act 2013 as: “in relation to a person, means a financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the Pension Board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).”

The Public Service Pensions Act 2013 requires that members of the Pension Board do not have conflicts of interests. As such all members of the Pension Board will be required to declare any interests and any potential conflicts of interest in line with legal requirements in the Public Service Pensions Act 2013 and the Pension Regulator’s code. These declarations are required as part of the appointment process, as well as at regular intervals throughout a member’s tenure.

The Pension Board shall adopt a policy for identifying and managing potential conflicts of interest.

Members of the Pension Board must provide, as and when requested by the Scheme Manager, such information as the Scheme Manager requires to identify all potential conflicts of interest and ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest at appointment or whilst a member of the Pension Board.

Part 5(1) of ESCC Code of Conduct shall apply in relation to the standards of conduct of Pension Board members, insofar as they can be reasonably considered to apply to the role of members of the Board, including the non-disclosure of confidential information.

Members of the Pension Board must adhere to the requirements of the ESPF Procedure for Monitoring and Reporting Breaches of the Law and should be mindful of the individual legal requirements in Section 70 of the Pensions Act 2004 relation to reporting breaches of the law in relation to ESPF matters.

Access to the Public and Publication of Pension Board information

Members of the public may attend the Pension Board meeting and receive papers, which will be made public in accordance with the Access to Information Rules in ESCC's Constitution.

East Sussex Pension Fund Governance & Compliance Statement 2023

In accordance with the Public Service Pensions Act 2013, ESCC is required to publish information about the Pension Board and up-to-date information will be posted on the ESPF website showing:

- a. Names of and information regarding the Pension Board members
- b. How the scheme members and employers are represented on the Pension Board
- c. Responsibilities of the Pension Board as a whole
- d. Full terms of reference and policies of the Pension Board and how it operates.

In accordance with good practice, ESPF may publish other information relating to the Pension Board as considered appropriate from time to time, and which may include:

- a. the agendas and meeting records
- b. training and attendance logs
- c. an annual report on the work of the Pension Board.

All or some of this information may be published using the following means or other means as considered appropriate from time to time:

- a. on the ESPF website – <https://www.eastsussex.gov.uk/yourcouncil/pensions/members/>
- b. on the ESCC website – <http://www.eastsussex.gov.uk>,
- c. within the ESPF Annual Report and Accounts,
- d. within the ESPF's Governance Policy and Compliance Statement.

Information may be excluded on the grounds that it 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.

Expense reimbursement, remuneration and allowances

All Pension Board members will be entitled to claim travel and subsistence allowances for attending meetings relating to Pension Board business (including attending training) at rates contained in the Members' Allowances Scheme in the ESCC's Constitution. In addition, scheme member representatives may be paid an allowance equivalent to the co-optees' allowance in the ESCC Scheme of Members' Allowances in relation to time spent at meetings and training events relating to their role as a ESPF Pension Board member, unless they are attending they are attending during their normal working day without a reduction in pay or leave (in which case no allowance will be paid for that time). The Independent Chair's remuneration will be approved by the Governance Committee following consultation with the Chair of the Pension Committee. All costs will be recharged to the Fund.

Accountability

The Pension Board collectively and members individually are accountable to the Scheme Manager (ESCC), the Pensions Regulator, and the Local Government Pension Scheme Advisory Board. The Local Government Pension Scheme Advisory Board will advise the Responsible Authority (in the case of the LGPS the MHCLG) and the Scheme Manager. The Pensions Regulator will also be a point of escalation for whistle blowing or similar issues.

Decision Making Process

Employer representatives and scheme member representatives have voting rights, albeit the Pension Board is expected to operate on a consensus basis. The Independent Chair does not have voting rights.

In the event of an equal number of votes being cast for or against a proposal there shall be no casting vote, but the proposal shall be considered to have been rejected. The Scheme Manager shall be alerted when a decision is reached in this manner.

Reporting and escalation

The Pension Board must provide minutes of each meeting to the following Pension Committee meetings and may make reports and recommendations to the Pension Committee insofar as they relate to the role of the Pension Board. Any such reports or recommendations must be provided in advance of the next Pension Committee meeting to the S151 Officer.

An annual report of the Pension Board must be provided to the S151 Officer, the Monitoring Officer, the Pension Committee, and the Audit Committee and be published in the Fund's Annual Report and Accounts.

Where the Pension Board considers that a matter brought to the attention of the Pension Committee has not been acted upon or resolved to their satisfaction, the Pension Board will provide a report to the Monitoring Officer.

The Breaches Register will be presented at each meeting and considered by the Pension Board who may make recommendations to the Pension Committee.

Review, Interpretation and Publication of Terms of Reference and Rules of Procedure

These Terms of Reference have been agreed by ESCC. The Council will monitor and evaluate the operation of the Pension Board and may review these Terms of Reference and Rules of Procedure from time to time.

These Terms of Reference are incorporated into the Council's Constitution and published on the Council's website and may be amended by the same means as permitted for the Constitution. It will also form part of the ESPF's Governance Policy and Compliance Statement which will be made available in accordance with the requirements of the LGPS Regulations.