

## **Shadow Joint Committee Oversight Board – Terms of Reference**

### **1. Purpose**

The purpose of the Shadow Oversight Board (“Shadow Board”) is to support fund officers to develop the final proposal for Project Brunel. The Shadow Board will also provide effective engagement with the local fund committees as the project progresses. It will seek to encourage best practice, promote equity and fairness across all the local funds, and increase transparency and accountability to the local committees.

### **Evolution to Oversight Board**

If successful with initial proposal in July, the Shadow Board will oversee the appointment of Board members and continue to progress the delivery of the JCS and its functions until formal Board appointment is completed (recognising that this has to be done by the local committees). The Shadow Board’s remit therefore will evolve during this period as set out below.

### **2. Remit**

The remit of the Shadow Board is:

#### **Stage 1 – until July 2016 proposal is submitted**

- To provide advice to the work being undertaken by the fund officers to draft the final proposal for Project Brunel
- To consider issues and draft proposals as they are developed to ensure engagement with local fund committees
- To agree project management arrangements and the appointment of advisors.
- To agree costs to deliver final proposal for Project Brunel
- To agree lead authority responsibilities for delivery of the project and support arrangements
- To agree collation of work streams into final report to committees and final proposal
- To endorse positions and conclusions from work streams, including
  - Policy for sharing of transition and other costs
  - Exit policy from the pool
  - Process for agreeing structure of sub funds
  - Policy for monitoring managers and reporting to local funds
  - Assurance, compliance and risk management framework including audit and financial implications
  - Potential impact of MIFID II on the pool and local funds
- Agree the draft TOR for the Joint Committee Oversight Board and Operations Group and sub group roles and responsibilities

#### **Stage 2 – post approval of proposal until Joint Committee Oversight Board is established, in addition to Stage 1**

- Agree process for appointing to Joint Committee Oversight Board
- Make appointments to Joint Committee Oversight Board
- Enter contracts required to commence transition to new structure.

### **Stage 3 – Joint Committee Oversight Board established**

- Adopt contracts and policies in place
- Agree ToR for Joint Committee Oversight Board and Operations group.

### **3. Membership**

The membership of the Shadow Board and the process for appointment of those members is as follows:

<b>Seat</b>	<b>Representative</b>	<b>Appointment process</b>
<b>Interim Chair</b>	Independent	As agreed by Shadow Board
<b>Fund members</b>	Local committee representative	Chairs of local committee to nominate a representative for their fund and a named substitute
<b>Independent members</b>	Shadow Board appoints	Specialists in governance, compliance, pensions finance

### **4. Term of Shadow Board**

The term of appointment for all Shadow Board members is for the period to 31 March 2017 or the establishment of the Joint Committee Oversight, whichever is earlier. The term can only be extended beyond the above with agreement from all local committees.

### **5. Subcommittees and working groups**

The Shadow Board may establish these as and when required but will be responsible for developing and agreeing the terms of reference, membership and the when and how work should be reported back to the Shadow Board.

### **6. Chair and Vice Chair**

Interim independent Chair will be appointed.

The Vice Chair shall be nominated by the Shadow Board at its first meeting. The Vice Chair will deputise for the Chair when the Chair is absent. If both are absent, the Shadow Board shall appoint an acting chair from those present at the meeting.

### **7. Agreement of recommendations**

Agreement of recommendations shall be by consensus of the Shadow Board which will be determined by the Chair. Where consensus cannot be reached or where the view of the Chair is challenged the majority view shall prevail with 6 votes (*i.e. majority of 10 funds*) required to support any motion.

## **8. Frequency of meetings**

The Shadow Board shall meet at least monthly. The Chair can call more meetings as required. Due to time constraints, meetings may have to be called at short notice. Correspondence will be by email.

## **9. Attendance**

Members are expected to attend all meetings or ensure their substitute attends. Given the nature of the project and Shadow Board, members will, where possible, be able to attend via a conference call.

## **10. Quorum**

The formal quorum will be 6. Substitutes will count towards the quorum.

## **11. Declarations of Interest**

Each member of the Shadow Board will be expected to declare at each meeting any conflict of interests in the subject area to be considered by the Shadow Board. If there is a conflict of interest the member may be asked to leave the meeting whilst the matter is considered. Conflict of interest means a financial or other interest which is likely to prejudice the member in fulfilling their role as a member of the Shadow Board.

## **12. Remuneration of Shadow Board members**

Members will not be paid remuneration for attending the Shadow Board meetings. Local funds are responsible for paying expenses in line with their fund's policy.

## **13. Personal Liability of Shadow Board members**

As this is a body established by the local administering authorities, the members are undertaking work on behalf of the local funds and are therefore covered by the arrangements in place for their local committee.

## **14. Secretariat**

Fund officers will support the Shadow Board including;

- Provision of high level minutes including actions and agreements from meeting
- Arrange meetings
- Provision of agendas and any papers.