



2014 CHAPTER 2

Governance

Scheme advisory board

7.—(1) Scheme regulations for a scheme under section 1 which is a defined benefits scheme must provide for the establishment of a board with responsibility for providing advice to the responsible authority, at the authority's request, on the desirability of changes to the scheme.

(2) Where by virtue of section 4(5), there is more than one scheme manager for a scheme mentioned in subsection (1) (and accordingly there is more than one pension board for the scheme), the regulations may also provide for the board to provide advice (on request or otherwise) to the scheme managers or the scheme's pension boards in relation to the effective and efficient administration and management of—

- (a) the scheme and any statutory pension scheme that is connected with it, or
- (b) any pension fund of the scheme and any connected scheme.

(3) A person to whom advice is given by virtue of subsection (1) or (2) must have regard to the advice.

(4) The regulations must include provision—

- (a) requiring the responsible authority—
 - (i) to be satisfied that a person to be appointed as a member of the board does not have a conflict of interest, and
 - (ii) to be satisfied from time to time that none of the members of the board has a conflict of interest;
- (b) requiring a member of the board, or a person proposed to be appointed as a member of the board, to provide the responsible authority with

such information as the authority reasonably requires for the purposes of provision under paragraph (a).

(5) In subsection (4)(a) “conflict of interest”, 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 board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).

(6) In this Act, a board established under this section is called a “scheme advisory board”.