



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Graham Walton  
[graham.walton@bromley.gov.uk](mailto:graham.walton@bromley.gov.uk)

DIRECT LINE: 020 8461 7743

FAX: 020 8290 0608

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## **PENSIONS INVESTMENT SUB-COMMITTEE**

**Meeting to be held on Tuesday 3 February 2015**

### **3 LOCAL PENSION BOARD (Pages 3 - 4)**

Please see the attached supplementary information.

***Copies of the documents referred to above can be obtained from***  
***<http://cde.bromley.gov.uk/>***

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## **LOCAL PENSION BOARD – SUPPLEMENTARY REPORT**

### **2.2 RECOMMENDATION(S)**

- (vii) authorise the Director of Finance to make an application to the Secretary of State for approval to establish a Combined Local Pension Board and Committee subject to any criteria or conditions that may be applied;
- (viii) agree that, should such an application be successful, the Local Pension Board be disbanded and the establishment of a Combined Board be subject to a further report setting out the proposed structure and terms of reference.

### **3. COMMENTARY**

- 3.24 As set out in the report, at the time of writing final Regulations were yet to be issued. These were laid before Parliament on 28<sup>th</sup> January 2015, and were accompanied by revised guidance from the LGPS Shadow Scheme Advisory Board. Although not dissimilar in many ways to the draft, the final Regulations do contain a number of key changes.
- 3.25 A new provision has been made for the establishment of a Joint Pensions Board, subject to Secretary of State approval. However, this is only applicable where the administration and management of the Scheme is wholly or mainly shared by two or more authorities so is not relevant to Bromley.
- 3.26 The requirement for Board Members to have relevant experience on appointment has been removed although the requirement for employer and member representatives to have the “capacity” to properly represent employers and members respectively remains.
- 3.27 The most fundamental change is that the Regulations now provide for a Local Pension Board to be combined with an existing Committee, subject to approval being granted by the Secretary of State. Approval may be given subject to such conditions as the Secretary of State thinks fit and may be withdrawn if any of the conditions are not met or if the Secretary of State determines it is no longer appropriate for the approval to continue.
- 3.28 The restriction disallowing individuals with responsibility for the discharge of any local government pension functions continues to apply but the Regulations have been amended to clarify that they may sit on a Local Pension Board of a different administering authority where they have no such responsibilities. Furthermore, this restriction does not apply to a Combined Board.

- 3.29 In establishing a Combined Board an equal number of employer and member representatives must be designated from the Members of the Committee with a minimum requirement of four (two employer and two member representatives). The Regulations contain little in the way of detail and further information about the criteria, conditions and application process is awaited. An update will be provided at the meeting should any further information become available.
- 3.30 The Secretary of State is not yet accepting applications for Combined Boards but has indicated the approval process will become active on 20<sup>th</sup> February 2015. Should an application be made and subsequently approved, the Local Pension Board will be disbanded and the proposed structure and terms of reference of a Combined Board, together with any additional information, will be subject to a further report.