

Decision Maker: COUNCIL

Date: Monday 23 February 2015

Decision Type: Non-Urgent Non-Executive Non-Key

Title: LOCAL PENSION BOARD

Contact Officer: Graham Walton, Democratic Services Manager
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Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

1.1 The Public Service Pensions Act 2013 and associated regulations require changes to the governance arrangements of Local Authority Pension Schemes. The General Purposes and Licensing Committee has recommended proposals for the establishment of a Local Pension Board as required by the new regulations following detailed consideration by Pensions Investment Sub-Committee on 3rd February 2015. The minutes from this meeting are attached, and Members will note that the Sub-Committee also agreed to write to the Secretary of State urging that local authorities with a good governance record be permitted to opt out of the need to establish a Local Pension Board.

2. **RECOMMENDATIONS**

General Purposes and Licensing Committee recommends that Council -

- (i) **approve the establishment of a Local Pension Board;**
- (ii) **approve the composition of the Local Pension Board as set out in paragraph 3.17 of the report;**
- (iii) **approve the draft terms of reference (appendix 2 to the report), subject to incorporating the following amendments –**
 - **the Board should meet once a year;**
 - **in the event of non-attendance, membership will be reviewed (amended from consistent non-attendance);**

- clarifying the process for the replacement of Board members who die in office;
- Board Members will be invited to attend meetings of the Pensions Investment Sub-Committee.

(iv) delegate authority to the Director of Finance, in consultation with the Chairman of Pensions Investment Sub-Committee and the Chairman of General Purposes and Licensing Committee to make any agreed changes to the draft terms of reference as set out in paragraph 3.18 of the report;

(v) agree the process for nominations and appointments as set out in paragraphs 3.22 and 3.23 and that:

(a) appointment of the two employer representatives be made by Council;

(b) appointment of the two member representatives be formally delegated to the General Purposes and Licensing Committee on the recommendation of an appointments panel as constituted in paragraph 3.23 and in the terms of reference;

(vi) delegate authority to the Director of Finance, in consultation with the Chairman of Pensions Investment Sub-Committee and the Chairman of General Purposes and Licensing Committee, to make any changes necessary arising from the issue of final Regulations;

(vii) on the basis that it would provide a suitable alternative arrangement, in consultation with the Chairman of Pensions Investment Sub-Committee and the Chairman of General Purposes and Licensing Committee, 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.

Corporate Policy

1. Policy Status:: The council's pension fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) regulations for the purpose of providing pension benefits for its employees.
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: Estimated Cost: There will be costs associated with the National Scheme Advisory Board and the establishment and operation of a Local Pension Board which cannot yet be quantified (see section 5 of the attached report).
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £35.8m expenditure (pensions, lump sums, etc), £41.6m income (contributions, investment income etc), £693.7m fund market value as at 31/12/14.
 5. Source of funding: Pension Fund
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Staff

1. Number of staff (current and additional): The Board will comprise 2 employer and 2 member representatives and be supported by the Pensions Manager.
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement Local Government Pension Scheme Regulations 2013 (as amended) :
 2. Call-in: Not Applicable: Full Council decisions are not subject to call-in.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 5,637 current employees, 5,007 deferred pensioners and 4,937 pensioner members (for all employers in the Fund) as at 31st December 2014. 67 Scheduled Bodies and 4 Admission Bodies in the Fund.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

Non-Applicable Sections:	See attached report
Background Documents: (Access via Contact Officer)	See attached report