

**Decision Maker:** Pensions Investment Sub Committee  
General Purposes & Licensing Committee  
Council

**Date:** 16<sup>th</sup> November 2016  
7<sup>th</sup> December 2016  
12<sup>th</sup> December 2016

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

**Title:**                      **LOCAL PENSION BOARD – ANNUAL REPORT**

**Contact Officer:** David Kellond, Pensions Manager  
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**Chief Officer:**                      Director of Finance

**Ward:**                      Borough Wide

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1. Reason for report

1.1 The Local Pension Board Terms of Reference require that an Annual Report is produced and provided to the Pensions Manager each year. In a report to the Pensions Investment Sub Committee, General Purposes and Licensing Committee and Council in February 2015, it was also confirmed that the Local Pension Board's Annual Report, would be provided to Council via the Pensions Investment Sub-Committee and the General Purposes and Licensing Committee.

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2. **RECOMMENDATION(S)**

2.1 **Members of the Pensions Investment Sub Committee, General Purposes and Licensing Committee and Council are asked to:**

- (i) **Note the contents of the report**

## Corporate Policy

1. Policy Status: Existing Policy: 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: No Cost:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Any costs associated with the reimbursement to Board Members of directly incurred expenses are chargeable to the Pension Fund
  4. Total current budget for this head: £36.4m expenditure (pensions, lump sums, etc); £42.6m income (contributions, investment income, etc); £863.3m total fund market value at 30<sup>th</sup> September 2016)
  5. Source of funding: Contributions to Pension Fund
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## Staff

1. Number of staff (current and additional): The Local Pension Board comprises of 2 Employer Representatives and two Member Representatives. The Board is 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 The Local Government Pension Scheme Regulations 2013 (as amended)
  2. Call-in: Not Applicable:
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6,238 current employees; 5,175 pensioners; 5,406 deferred pensioners as at 30<sup>th</sup> September 2016
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Council Wide

### **3. COMMENTARY**

- 3.1 The London Borough of Bromley Local Pension Board was established by Council on 23<sup>rd</sup> February 2015. The Board held an introductory meeting on 27<sup>th</sup> July 2015 and it's first formal annual meeting on 26<sup>th</sup> October 2015.
- 3.2 In accordance with the Terms of Reference the Board are required to produce a single annual report to the Pensions Manager. This report should include
- A summary of the work of the Local Pension Board and a work plan for the coming year
  - Details of areas of concern reported to or raised by the Board and recommendations made
  - Details of any conflicts of interest that have arisen in respect of individual Local Pension Board members and how these have been managed
  - Any areas of risk or concern the Board wish to raise with the Scheme Manager
  - Details of training received and identified training needs
  - Details of any expenses and costs incurred by the Local Pension Board and any anticipated expenses for the forthcoming year.
- 3.3 Members are asked to note the contents of the Local Pension Board Annual Report 2015/2016.

### **4. POLICY IMPLICATIONS**

- 4.1 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.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 Although permitted under Regulations, Local Pension Board members are not paid an allowance. As set out in the terms of reference, remuneration for Board members is limited to a refund of actual expenses incurred in attending meetings and training.
- 5.2 As the administering authority the Council is required to facilitate the operation of the Local Pension Board including providing suitable accommodation for Board meetings as well as administrative support, advice and guidance. This is currently done within existing in-house resources.
- 5.3 Any costs arising from the establishment and operation of the Local Pension Board are treated as appropriate administration costs of the scheme and, as such, are chargeable to the Pension Fund.
- 5.4 There has been no expenditure or claims for reimbursement of costs within the relevant period for the administration of the Board.

## 6. LEGAL IMPLICATIONS

- 6.1 The Public Service Pensions Act 2013 provides primary legislation for all public service schemes including the LGPS 2014. A requirement is the establishment of Local Pension Boards. Details on the prescribed membership requirements (as set out in secondary legislation) can be found at paragraph 3.3

## 7. PERSONNEL IMPLICATIONS

- 7.1 All Local Government Pension Scheme employers and members must have an equal opportunity to be nominated to become Board members through an open and transparent process.

<b>Non-Applicable Sections:</b>	Procurement Implications Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Public Service Pensions Act 2013; Local Government Pension Scheme (Amendment) (Governance) Regulations 2015; Local Government Pension Scheme Regulations 2013; Local Pension Board Report, Supplementary Report and Appendices to Pensions Investment Sub-Committee, General Purposes & Licensing Committee and Council 3rd, 10th and 23rd February 2015; Local Pension Board – Appointment of Board Members, General Purposes and Licensing Committee and Council 27 <sup>th</sup> May and 29 <sup>th</sup> June 2015. Local Pension Board – Appointment of Board Members to General Purposes & Licensing Committee 14 <sup>th</sup> September 2016