

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: Tuesday 28 November 2017

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

Title: LOCAL PENSION BOARD - APPOINTMENT OF BOARD MEMBER

Contact Officer: David Kellond, Pensions Manager
Tel: 020 8461 7503 E-mail: David.Kellond@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for report

- 1.1 This report seeks the required approval for the appointment of a new Member Representative to the Local Pension Board following the resignation of one of the previous members.
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2. **RECOMMENDATION(S)**

2.1 The General Purposes and Licensing Committee is requested to:

- (i) note that Mr Tony Conboy has resigned from the Local Pension Board;
- (ii) formally appoint Mr Geoffrey Wright as a replacement Member Representative to the Board, with immediate effect (paragraph 3.10);
- (iii) note that the annual meeting of the Local Pension Board has been rescheduled pending the appointment of a new Member Representative (paragraph 3.11);
- (iv) note that the Local Pension Board Annual Report has been delayed pending the rescheduled meeting of the Local Pension Board (paragraph 3.12)

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
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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: £38.3m expenditure (pensions, lump sums, etc); £41.9m income (contributions, investment income, etc); £987.6m total fund market value at 31st October 2017.
 5. Source of funding: Contributions to Pension Fund
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Personnel

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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Procurement

1. Summary of Procurement Implications: Not applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6,049 current employees; 5,171 pensioners; 5,391 deferred pensioners as at 31st October 2017.
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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 At its meeting on 23rd February 2015, Council approved the establishment of a Local Pension Board and agreed its composition and terms of reference.
- 3.2 At its meeting on 27th May 2015 the General Purposes and Licensing Committee formally appointed two Member Representatives to the Local Pension Board (LPB) for a period of three years from 1st July 2015. The Committee also nominated two Employer Representatives whose appointment was approved by Council on 29th June 2015.
- 3.3 One of the appointed Member Representatives subsequently left the employment of the London Borough of Bromley and resigned from the role of Member Representative on the LPB.
- 3.4 At its meeting on 14th September 2016 the General Purposes and Licensing Committee formally appointed a replacement Member Representative, Tony Conboy. Unfortunately, Mr Conboy has given his formal resignation from the LPB and, as a consequence, we are now required to appoint a new Member Representative.
- 3.5 In accordance with Regulation 107 of the Local Government Pension Scheme (LGPS) Regulations 2013, the Board must consist of an equal number of Employer and Scheme Member Representatives with a minimum number of four in total. In line with the Council's approved composition and, as set out in the Terms of Reference, Bromley's LPB is made up of two Employer and two Member representatives.
- 3.6 The process for nominations and appointments, are set out in the approved Terms of Reference. For the purpose of appointing Member Representatives to the LPB, expressions of interest are sought from the Departmental Representatives of the London Borough of Bromley and from the relevant Trade Unions (GMB, Unite and Unison). Further nominations are sought via an advert placed on the Council's website and by way of a written appeal to all scheduled and admitted bodies. Where the number of Expressions of Interest exceed the number of vacant roles on the Board, candidates are considered, shortlisted and interviewed by an appointments panel who then make recommendations to the General Purposes and Licensing Committee to formally appoint.
- 3.7 Having sought expressions of interest as set out in paragraph 3.6, the number of responses received was disappointing, albeit consistent with previous experience, with only two responses received. The expression of interest forms are included elsewhere on the agenda as a confidential appendix to this report (Appendix 1).
- 3.8 As is required by the approved appointments process, those that expressed an interest in the role were interviewed by an appointments panel consisting of the Pensions Manager, an officer from Human Resources and the Chief Accountant. During these interviews, information was provided on the role of the LPB in assisting the Administering Authority. It was emphasised that attendance at the annual meeting of the LPB is mandatory and that Board members are also invited to attend meetings of the Pensions Investment Sub-Committee as observers with a regular agenda item providing an opportunity to address the Committee.
- 3.9 Both candidates appeared to be keen on the role and, each expressed interest in public sector pensions. Both are members of the LGPS, one being a deferred member, and the other a pensioner member. Following the interviews, the panel unanimously agreed that Mr Geoffrey Wright be recommended for appointment to the Board. Mr Wright is a former employee of the Council and a retired member of the Local Government Pension Scheme. He also holds the elected role of Retired Members Secretary of the Bromley branch of Unison. As such, Mr Wright has access to a range of training courses and material that will aid him in the role of Member Representative,

- 3.10 Members of the General Purposes and Licensing Committee are therefore requested to formally appoint Mr Geoffrey Wright to the LPB to act in the capacity of Member Representative.
- 3.11 Following the resignation of Mr Conboy and, taking into account the requirement for the attendance of at least 3 Board members at its annual meeting in order for it to be quorate, it was felt that the annual meeting should be rescheduled to allow for the appointment of a new Member Representative. It is planned for this meeting to take place in January 2018, subject to the availability of Board members.
- 3.12 As a consequence of delaying its Annual Meeting the Local Pension Board will not now publish its annual report until this has been considered at the rescheduled meeting in January 2018.

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 will be 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.

6. PERSONNEL IMPLICATIONS

- 6.1 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.

7. LEGAL IMPLICATIONS

- 7.1 The Public Service Pensions Act 2013 provides primary legislation for all public service pension schemes including the Local Government Pension Scheme. A requirement is the establishment of Local Pension Board. Details on the prescribed membership requirements (as set out in secondary legislation) can be found at paragraph 3.5
- 7.2 The LGPS (Amendment) (Governance) Regulations 2015 – were laid before Parliament on 28th January 2015 and came into force on 1st April 2015.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children Procurement Implications
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 – Pensions Investment Sub-Committee, General Purposes and Licensing Committee and Council 3 rd February, 10 th February and 23 rd February 2015. Local Pension Board – Appointment of Board Members, General Purposes and Licensing Committee and Council 27 th May and 29 th June 2015. Local Pension Board – Appointment of Board Members, General Purposes and Licensing Committee 14 th September 2016.