

Decision Maker: General Purposes & Licensing Committee
Council

Date: 25th July 2018
8th October 2018

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

Title: **LOCAL PENSION BOARD – APPOINTMENT OF BOARD MEMBER**

Contact Officer: Fahar Rehman, Pensions Manager
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Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

1.1 This report seeks the required approval for the appointment of a new Employer Representative to the Local Pension Board, following the resignation of a previous member.

2. RECOMMENDATION(S)

2.1 The General Purposes and Licensing Committee is requested to:

- (i) note that Josepha Reynolds has resigned as an Employer Representative on the Local Pension Board;
- (ii) nominate the Employer Representative to be recommended to Council for appointment (paragraph 3.8);

Recommend that Council

- (i) subject to recommendation (ii) formally appoint the Employer Representative to the Local Pension Board.

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: N/A
 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: £40.7m expenditure (pensions, lump sums, etc); £52.5m income (contributions, investment income, etc); £1,018m total fund market value at 30th June 2018)
 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 two 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): 6,030 current employees; 5,220 pensioners; 5,627 deferred pensioners as at 30th June 2018.
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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 20th March 2018 the General Purposes and Licensing Committee agreed to recommend to Council the appointment of Pinny Borg and Josepha Reynolds as the two Employer Representatives to the Local Pension Board (LPB) for the remaining period of the four year term to 30th June 2019. Council subsequently approved their appointment at its meeting on 9th April 2018.
- 3.2 A meeting of the LPB was held on 10th April 2018 in which Board members noted the amended terms of reference and agreed their work plan for the coming year. Minutes of the meeting were reported to the General Purposes and Licensing Committee on 29th May 2018.
- 3.3 Unfortunately on 20th April 2018 Josepha Reynolds advised that she was leaving the council in May 2018 and was therefore resigning from the LPB. A new Employer Representative is therefore required to be appointed to the LPB.
- 3.4 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.
- 3.5 The approved LPB Terms of Reference require that the term of office for all Board members is ordinarily a period of four years. However, where members leave the LPB mid-term, replacement members are appointed to serve the balance of the remaining four year period. The current term of office is due to expire on 30th June 2019.
- 3.6 Following the resignation of the Employer Representative in April 2018, expressions of interest were sought for prospective new Board members the following month. The window during which expressions of interest could be made, remained open until 10th June 2018.
- 3.7 The response was again disappointing, but one expression of interest was received from the following individual:

Emma Downie (currently employed by LBB in the role of Head of HRIS & Reward)

The expression of interest form is included on the agenda as a confidential appendix to this report (appendix 1).

- 3.8 Although the Regulations do not specify that employer representatives be employed by a scheme employer, the applicant is currently employed by the London Borough of Bromley. No nominations were received from other scheme employers. The General Purposes and Licensing Committee is therefore requested to:
- (i) nominate Emma Downie to act in the capacity of employer representative;
 - (ii) recommend that Council formally appoint Emma Downie for the remaining term of office

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. 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.
- 6.2 The LGPS (Amendment) (Governance) Regulations 2015 – were laid before Parliament on 28th January 2015 and came into force on 1st April 2015.

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.

Non-Applicable Sections:	Procurement Impact of vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Local Pension Board – Appointment of Board Members (GP&L Committee 20 th March 2018) Local Pension Board – Agenda and draft minutes 10 th April 2018) Public Service Pension Act 2013 LGPS Regulations 2013 LGPS (Amendment)(Governance) Regulations 2015