

Decision Maker: General Purposes & Licensing Committee
Council

Date: 30th September 2020

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

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

Contact Officer: Thi Bang Hoang, 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 Pinny Borg has resigned as an Employer Representative on the Local Pension Board;
- (ii) nominate the Employer Representative to be recommended to Council for appointment (paragraph 3.6);

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: 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: £43.9m expenditure (pensions, lump sums, etc); £56.8m income (contributions, investment income, etc); £1,000.3m total fund market value at 31st March 2020
 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: Not Applicable
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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): Estimated number of users/beneficiaries (current and projected): 6,253 current employees; 5,592 pensioners; 5,945 deferred pensioners as at 31st March 2020
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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 A meeting of the LPB was held on 22nd January 2020, the attended members were:

- Emma Downie (Employer Representative and Chairman)
- Pinny Borg (Employer Representative)
- Lesley Rickards (Employee Representative)
- Vinit Shukle (Employee Representative)

Emma Downie was currently the chairman until July 2020, and it was agreed that this would be extended to November 2020 to coincide with the next annual meeting of the Board when a new chairman would be appointed.

3.2 Unfortunately, on 16th March 2020 Pinny Borg advised that she was taking retirement and 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 2023.

3.6 Following the resignation of the Employer Representative in March 2020, expressions of interest were sought for prospective new Board member in June 2020. The window during which expressions of interest could be made, remained open until 18th September 2020.

3.7 The response was again disappointing, but one expression of interest was received from the following individual:

Brayan Bernal-Gil (currently employed by LBB in the role of Graduate Finance Trainee)

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 Brayan Bernal-Gil to act in the capacity of employer representative;
- (ii) recommend that Council formally appoint Brayan Bernal-Gil 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 – Agenda and draft minutes on 22 nd January 2020 Public Service Pension Act 2013 LGPS Regulations 2013 LGPS (Amendment)(Governance) Regulations 2015