

# Croydon Council

<b>REPORT TO:</b>	<b>Local Pension Board</b> <b>1 December 2016</b>
<b>AGENDA ITEM:</b>	<b>9</b>
<b>SUBJECT:</b>	<b>Annual Review of Terms of Reference</b>
<b>LEAD OFFICER:</b>	<b>Nigel Cook Head of Pensions and Treasury</b>
<b>CABINET MEMBER</b>	<b>Councillor Simon Hall</b> <b>Cabinet Member for Finance and Treasury</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Sound Financial Management: This report is to review the Terms of Reference of the Board to ensure they still are relevant and meet the objectives of the Board.	
<b>FINANCIAL SUMMARY:</b> There are no financial considerations arising from this report.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> N/A	

## 1. RECOMMENDATIONS

- 1.1 The Board is asked to endorse the continued use of the existing Terms of Reference (the Rules of Procedure).

## 2. EXECUTIVE SUMMARY

- 2.1 The Terms of Reference of Local Pension Board were agreed and adopted at the first meeting in July 2015 (Minute A05/15 refers). They should be reviewed annually to ensure they are still relevant and are meeting the objectives of the Board.

## 3. DETAIL

- 3.1 The Croydon Local Pension Board is charged with responsibility for ensuring that the Croydon Local Government Pension Scheme is administered within the appropriate legal framework. To ensure that best practice is in evidence and to provide the Scheme Manager has assurance that the Board is functioning as it ought, a periodic review of key governance arrangements is in order. These functions are set out in the Rules of Procedure, adopted by Full Council on 20

July, 2015 and henceforth referred to as the Terms of Reference. They can be found in Appendix A to this report.

- 3.2 This report invites the Board to review the Terms of Reference set by the Board, (Minute A05/15 refers) to ensure they remain applicable and relevant and that the work of the Board delivers what is set out in those Terms of Reference. The nature of this review should be determined by the Board but considering that the Board is a fairly recent development in the governance arrangements for the Local Government Pension Scheme a formal review conducted by an external body is perhaps unnecessary. It is therefore suggested that a discussion around the issues raised in this report would be adequate to either provide the required level of assurance or indeed flag up areas of concern. Two issues relate to the knowledge and skills possessed by Board members. The Board should seek evidence that its members have been appropriately trained so that they are confident that they have the knowledge and skills to allow the Board to function as intended. Secondly, and more difficult to evidence, Board members need to have the assurance that they consider they are competent to enable them to properly comply with the Scheme regulations.
- 3.3 As a reminder of the training activities undertaken by Board members, the Board Annual Report for 2015/2016 included a training log. This is appended to this report, for information, as Appendix B.
- 3.4 The Board is additionally required to consider whether both the Employer and Member representatives are meeting sufficiently regularly to discharge their duties to their membership and to further consider whether Board Members are meeting the requirement of sufficiently preparing, attending and fully participating in Board meetings. To address this first point, the Board meets four times each year with meetings scheduled a month after each meeting of the Pensions Committee, in order that the Board can consider the Pension Committee's reports. As to the issue about preparation, attendance and participation, that again is probably best resolved by a discussion.
- 3.5 Finally the Board is required to ensure that the processes and policies in place are still current and relevant to allow the continuous improvement of the Board's performance in respect of its role in providing assistance to the Scheme Manager. Given the point made above, that the work of the Board is still in its early days and the regulatory framework still in development, it would seem apparent that the Board's performance is improving.
- 3.6 Should the Board be minded to agree that the Rules of Procedure are still applicable, relevant and suitable then this recommendation would be passed on to full Council who will be asked to approve it as part of the Council's Constitution.

#### **4. RECOMMENDATIONS**

4.1 The Board is asked to endorse the continued use of the existing Terms of Reference (the Rules of Procedure).

#### **5 FINANCIAL CONSIDERATIONS**

5.1 There are no further financial considerations flowing from this report.

## **6. OTHER CONSIDERATIONS**

6.1 Other than the considerations referred to above, there are no customer Focus, Equalities, Environment and Design, Crime and Disorder or Human Rights considerations arising from this report

## **7. COMMENTS OF THE SOLICITOR TO THE COUNCIL**

7.1 The Acting Council Solicitor comments that should the Board be minded to recommend the revision of the terms of reference it will be necessary for a report to be presented to Full Council to approve the making of consequential amendments to the Constitution.

(Approved for and on behalf of Jacqueline Harris-Baker, Acting Council Solicitor and Acting Monitoring Officer

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### **CONTACT OFFICER:**

Nigel Cook, Head of Pensions Investment and Treasury,  
Resources department, ext. 62552.

**APPENDIX A:** Pension Board Terms of Reference

**APPENDIX B:** Pension Board Training Log