

Croydon Council

REPORT TO:	PENSION COMMITTEE 9 September 2014
AGENDA ITEM:	8
SUBJECT:	Progress towards the Establishment of a Pensions Board
LEAD OFFICER:	Director of Finance and Assets (Section 151 Officer)
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Treasury
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Sound Financial Management: From April 2015 the Council will be required to operate a Pensions Board. This development will help ensure compliance with the highest standards of good governance.	
FINANCIAL SUMMARY: All costs associated with the establishment and administration of this Board will be a charge to the Pension Fund.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1. RECOMMENDATIONS

- 1.1 The Committee is asked to note progress towards the establishment of a Pensions Board.

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2. EXECUTIVE SUMMARY

- 2.1 This report details the work undertaken towards the establishment of a Pensions Board, required as consequence of the reforms made to the Local Government Pension Scheme (the Scheme / LGPS) and due to be working from April 2015.

3. DETAIL

- 3.1 As part of the reform of the Local Government Pension Scheme, that has seen the introduction of a new look, career average pension, the government is focussing attention on good governance in decision making. At a national level the government has established a National Shadow Board to provide guidance and advice to the Secretary of State and given the Secretary of State oversight

of the Scheme. At the local level legislation has been enacted to establish Pension Boards whose function is to:

- Assist the Croydon Council Administering Authority as Scheme Manager;
- To secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS;
- To secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator and in such other matters as the LGPS regulations may specify;
- Secure effective and efficient governance and administration of the LGPS for the Croydon Council Pension Fund
- Provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board, or person to be appointed to the Pension Board, does not have a conflict of interest.

3.2 A cross-discipline working group has been established to deliver this project. Set out below are the steps taken to date to establish the Board and the decisions taken. Members should note that the Board will form part of the governance structure of the Council under the Constitution and does not report in to this Committee. Although the LGPS regulations have been drafted the specific guidance that will be needed to establish the Board is still pending so that some of the decisions in principle may have to be revisited or subsequently amended.

3.3 A professional independent chair will be appointed to manage the work load of the Board. The Board will comprise 8 members, split equally between employers and employee representatives. The employers are grouped into four: the Council; Community Scheduled Bodies (together with certain admitted bodies that share a common profile); Academies; and Outsourced contract providers. Employee representatives will be drawn from the three unions plus an elected pensioner representative. The Board will meet twice a year.

3.4 Draft Terms of Reference have been prepared. Additionally, policies are needed for dealing with Conflicts of Interest, Expense Reimbursement (Remuneration and Allowances), Standards of Conduct and Reporting Breaches. Formal establishment of the Board will require a change to the Council's Constitution.

3.5 The workload for the Board will be determined by the Board itself, but might include monitoring the administration of the Scheme, ensuring that best practice is recognised and adopted and reviewing the processes by which key decisions are taken. The Board is not however, a decision making body. The Board will report annually on its work to the Secretary of State.

4. RECOMMENDATIONS

4.1 The Committee is asked to note progress towards the establishment of a Pensions Board.

5 FINANCIAL CONSIDERATIONS

- 5.1 All costs associated with the establishment and administration of this Board will be a charge to the Pension Fund.

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 Council Solicitor comments that Regulation 53(4) of the Local Government Pension Scheme Regulations 2013 (as amended) requires the administering authority to establish a Pensions Board responsible for assisting it in relation to the matters detailed in para.3.1.

(Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

CONTACT OFFICER:

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BACKGROUND DOCUMENTS: none