

REPORT TO:	Pension Board 13 October 2022
SUBJECT:	Proposed changes to the Constitution
LEAD OFFICER:	Matthew Hallett, Acting Head of Pensions and Treasury

1. RECOMMENDATION

- 1.1 The Board is asked to note and comment on the proposed amended sections of the Constitution as they relate to The Pension Committee and Pension Board which are being considered at the Pension Committee meeting on 11 October 2022 for recommendation to the Monitoring Officer.

2. EXECUTIVE SUMMARY

- 2.1 The Pension Committee and Pension Board operate within the parameters defined within the Constitution. The Constitution should be reviewed annually and updated as appropriate. This report asks the Board to note and comment on the proposed amended sections of the Constitution as they relate to The Pension Committee and Pension Board which are being considered at the Pension Committee meeting on 11 October 2022 for recommendation to the Monitoring Officer.

3. DETAIL

- 3.1 The Constitution sets out the scope and terms of reference within which the Committee and Board must operate. It is made up of various sections and these must be kept under review and updated as appropriate.
- 3.2 The governance review carried out by Aon made various recommendations concerning the constitution. In particular, they recommended that part 3 be updated to ensure the responsibilities of the Board were accurately reflected, to review the voting rights of members of the Committee and Board, to add an employer representative to the membership of the Committee, to include the London CIV structure and to provide an annual allowance to certain members of the Pension Board in recognition of the time and knowledge and skills requirements of their roles.
- 3.3 The amendments need to be made across several sections of the Constitution. These are detailed below and are shown in red on the appendices for ease of reference:
- Part 3 – Responsibility for Functions (attached as Appendix A) – 2.9 the role of the Pension Board has been added and 2.10 under the Pension Committee an Employer voting member has been added to make the representation more reflective of the Fund .

- Part 4 F – Non-Executive Committee Procedure Rules (attached as Appendix B) – 1.1 the pension board and its status has been added
- Part 4 M - Pension Board Terms of Reference (attached as Appendix C) – References to ‘LPB’ have been replaced with ‘Pension Board’, under definitions the commentary on Fund, ,Scheme, Pension Board, Pensions Regulator, Scheme Manager and Scheme Regulations have been amended and Internal Disputes Resolution Procedure has been removed; legal advice was that it was not relevant to this document, 3.1 has an update to the regulations added,4. The status of the Board has been added, 10 the commentary on the conflicts of interest has been amended, 12 has some additions to Advisors shown as more than one,13.5 the commentary on the knowledge and skills policy has been amended, 20.2 reimbursement of employer has been removed, 21 an annual allowance for Board members has been added, 23 has been removed; legal advice was that it was not relevant to this document
- Part 4 N – Pension Committee Terms of Reference (attached as Appendix D) – 1.1 amended wording regarding administering authority, 2.1 addition of 2013 to regulations quoted, 2.3g removed on legal advice; the responsibility for this rests with the Scheme Advisory Board, 4.1c staff side has been added, 4.1 d voting employer representative has been added to make the representation more reflective of the Fund, 4.3 the structure of the London CIV has been added
- Part 5 I – Members’ Code of Conduct (attached as Appendix E) Definitions – the status of the Board has been added, ‘or Board member’ has been added throughout the document
- Part 6 D – Scheme of Co-option (attached as Appendix F) – 8.1 and 8.2 have been amended to include a voting employer representative.

3.5 The Board is asked to note and comment on the proposed amended sections of the Constitution as they relate to The Pension Committee and Pension Board which are being considered at the Pension Committee meeting on 11 October 2022 for recommendation to the Monitoring Officer.

4. CONSULTATION

4.1 Officers have previously consulted with both the Pension Committee and Local Pension Board on the Aon recommendations

5. DATA PROTECTION IMPLICATIONS

5.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

Approved by: Matthew Hallett on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

CONTACT OFFICER:

Matthew Hallett, Acting Head of Pensions and Treasury

BACKGROUND DOCUMENTS:

None

APPENDICES:

Appendix A : Part 3 – Responsibility for Functions

Appendix B: Part 4 F – Non-Executive Committee Procedure Rules

Appendix C: Part 4 M - Pension Board Terms of Reference

Appendix D: Part 4 N – Pension Committee Terms of Reference

Appendix E: Part 5 I – Members' Code of Conduct

Appendix F: Part 6 D – Scheme of Co-option