

## **London Borough of Croydon Pension Fund Representation Policy**

The Scheme Advisory Board (SAB) commissioned a Good Governance Review to be carried out by Hymans Robertson. They produced 3 reports. The Phase 3 report detailed the list of recommendations which will be reflected in Legislation and /or guidance.

One of those recommendations is as follows:

*C1: Each fund must produce and publish a policy on the representation of scheme members and non-administering authority employers on its committees, explaining its approach to representation and voting rights for each party.*

The phase 3 report expands on this recommendation as follows:

*The intention behind this recommendation is simply that administering authorities prepare, maintain and publish their policy on representation and to require that they provide:*

- the rationale for their approach to representation for non-administering authority employers and local authority and non-local authority scheme members on any relevant committees; and*
- the rationale as to whether those representatives have voting rights or not.*

*The SAB's view is that it would expect scheme managers to have the involvement of employers and member representatives on any relevant committees.*

*In addition to representation on committees, administering authorities should state other ways in which they engage their wider employer and Scheme membership*

This Policy addresses these requirements.

**This Policy was agreed by Committee on XXXX. It will be reviewed annually in line with the annual review of the Constitution.**

The Policy recognises all members and employers belonging to the Fund should be appropriately represented in the running of the Fund while at the same time ensuring that the Council, as the body with ultimate responsibility for running the Fund, maintains a majority position on the key governance bodies. To this end the Fund's representation policy and the Council's constitution specify that the Council shall maintain a majority of voting members on the Pension Committee. The present Pension Committee is constituted as follows;

- 4 Voting Councillors from the Labour Group
- 4 Voting Councillors from the Conservative Group
- 1 Voting Pensioner Representative, elected by Fund Pensioners – Ex Council Employee
- 1 Non- Voting Pensioner Representative, elected by Fund Pensioners – Ex Council Employee

1 Staff Side Non-Voting Staff Side Representative, nominated by the Unions – Current Council Employee.

The make-up of the councillor members on the Committee is reflective of political balance of the Council in line with the provisions of the Local Government Act 1972.

The pensioner elections are open to all Fund pensioners to stand, including those former staff of the Fund's admitted and scheduled bodies.

Pensioners make up roughly one third of the Fund membership, as do active members. Only one pensioner member, the one that receives the most votes in the election, is given voting rights; the other non-voting member only has voting rights in the absence of the voting member. This allows pensioner voice and influence in any matter considered by the Committee.

There are currently no voting rights given to the staff side member.

There is currently no employer representative outside of the Council on the Pension Committee.

There is currently no representative for members with deferred benefits; although they make up roughly a third of scheme members it was deemed too difficult to put this into place due to problems with keeping track of members once they have left.

The Pension Board is made up as follows:

1 Non-Voting Independent Chair

3 Voting Employer Representatives, 1 of whom is a Croydon Councillor, 1 is a representative of one of Croydon's scheduled bodies and third position is currently vacant.

3 Voting Employee Representatives, 1 of whom is a current Croydon employee, 1 is an independent member with relevant pensions experience and the third is an ex Croydon Council employee, nominated by the unions.

There are currently no representatives from the Fund's admitted bodies on the Pension Board.

The Pension Board provides oversight and advice to the Pension Committee.

## **Consultation**

The Fund consults with all Fund employers on statutory policies such as the administration strategy.

Officers have consulted with Fund advisors on this policy.

**Review**

This policy will be reviewed at least annually and in line with any changes to the Council's constitution and Terms of reference of the Pension Committee and Board if earlier. The next expected review date is XXX..