

Pension Fund Committee

Date: 27 November 2014

Agenda item 8

Committee:	Pension Fund Committee
Meeting Date:	27 November 2014
Lead Councillor/s:	Cllr Peter Bellfield
Local Councillor/s:	None
Director:	Geoff Dobson, Director of Resource Management 01473 264347
Assistant Director or Head of Service:	Geoff Dobson, Director of Resource Management 01473 264347
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GOVERNANCE SCHEME

BRIEF SUMMARY OF REPORT

- 1 This report sets out the most recent consultation in regards to the creation and operation of Local Pension Boards.

FOR DECISION BY THE COMMITTEE

The Committee is asked:

To consider the contents of **Appendix 3** and recommend these as a basis for creating the Pensions Board to the Constitution Working Party, prior to presentation to the County Council on the 18th December

SOURCES OF FURTHER INFORMATION

Draft Guidance on the Creation and Operation of Local Pension Boards in England and Wales :-

<http://www.lgpsboard.org/images/Consultations/LGPS%20Board%20Guidance%20Consultation%20Final>

MAIN BODY OF REPORT

1. The Pension Fund Committee last received an update on Scheme Governance at its meeting on 16 July 2014 and considered its response to the Government's consultation that closed on 15 August 2014. A copy of Suffolk's response can be found in **Appendix 1**.

2. The Government issued its response to the summer consultation on 10 October 2014, and included a further consultation which closed on 21 November 2014.

The main points to note are:-

- The Government is going ahead with the requirement that Pensions Boards will have to be created for each Pension Fund by 1 April 2015.
- The proposal to exclude councillors from the Board has been removed.
- The timeframe to hold the first meeting of the Pensions Board has been extended to 31 July 2015 (four months from its creation date) to give administering authorities more time to appoint board members and to provide the necessary training.

3. A copy of the consultation and the draft regulations can be found in **Appendix 2**.

4. In order to assist administering authorities the Shadow Scheme Advisory Board has issued Draft Guidance on the Creation and Operation of Local Pension Boards in England and Wales. This has been issued for consultation, with responses required by 21 November 2014.

The guidance is laid out in the following chapters:

1. Introduction
2. Background
3. Legislative background and structure of governance arrangements
4. The Pensions Regulator
5. Constitution and Membership of a Local Pension Board
6. Board Knowledge and Understanding
7. Conduct of Members and Conflicts of Interest
8. Reporting
9. Resourcing
10. Other Possible Structures
11. Other Guidance

5. This Guidance will be updated and then issued later in the year, along with the guidance from the Pensions Regulator.
6. From Suffolk's perspective, by following the draft guidance issued by the Shadow Scheme Advisory Board, the constitutional changes that the County Council would need to make to establish a Pensions Board for 1 April 2015 can now be completed.
7. **Appendix 3** includes a draft of the constitutional additions that will be considered by the Constitution Working Party on 3 December, along with a draft of the Rules of Procedure. The constitutional change will be considered by the County Council at its meeting on 18 December. The Rules of Procedure will be considered at the first meeting of the new Board.
8. The basis of the creation of the Pensions Board is to use the structure of a S101 Committee, as defined within the Local Government Act 1972. These provide the basis of the rules of procedure, as the operation of a committee is well understood and will mirror the other committees of the Council. The proposal is to elect 6 members to the Board, two from the County Council, two representing Scheme Employers and two representing Scheme Members. The intention is that at least one from each category needs to be present at a meeting for it to be quorate.
9. The Committee is asked to consider the contents of **Appendix 3** and recommend these as a basis for creating the Pensions Board to the Constitution Working Party, prior to presentation to the Council.
10. Once the Board has been established, the Forward Work Programme of the Pension Fund Committee will be examined to correctly allocate any items in accordance with the agreed terms of reference.

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