



Report to:	Pension Committee	Date:	22 June 2015
Report title:	Pensions Governance		
Report from:	Gerald Almeroth, Strategic Director - Resources		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Sunita Gordon		
Author(s)/Contact Number(s):	Sue Hogg, Interim Head of Financial Strategy and Planning (020 8770 5260)		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • A Smart Council 		
Open/Exempt:	Open		
Signed:		Date:	9 June 2015

1. Summary

- 1.1. Central Government have now issued final regulations on governance changes for the local government pension scheme, which are due to be implemented by 1 April 2015. The main focus of the regulations is the introduction of Local Pension Boards.
- 1.2. This report sets out the progress to date on setting up the Local Pension Board.

2. Recommendations

- 2.1 The Committee note the progress to date on setting up the Local Pension Board.

3. Background

- 3.1 Government has recently issued the Local Government Pension Scheme (Amendment) (Governance) Regulations 2014. This report highlights the progress to date on the changes in governance required as a result of the regulations.

4. Issues

Local Pension Board

- 4.1 The terms of reference for the Local Pension Board were approved by Strategy & Resources Committee on 23 March 2015. Full Council approved the establishment of the Board at its meeting on 2 March 2015 and approved the terms of reference at the following meeting on 20 April 2015. The role of the Local Pension Board will be to ensure that the Pension Fund is complying with the Local Government Pension Scheme and other relevant legislation. The board will have an oversight role, with the decision making body remaining the Pension Committee.
- 4.2 It was agreed that the Board would comprise six members plus the Independent Chair. Employer representatives on the Board need to be office holders or senior employees of employers of the fund or have experience of representing scheme employers in a similar capacity. No officer or elected member of the Administering Authority who is responsible for the



discharge of any function of the Administering Authority under the regulations may serve on the Board.

- 4.3 The Independent Chair of the Board, all employer representatives and the Board Member representing retired employees have all now been appointed. A Board Member to represent active employees is currently being recruited alongside final agreement with the Trade Unions as to who will represent them on the Board. It is anticipated these appointments will all be made by the middle of June. The appointments made to date are detailed in the table below:

Name	Position on Board	Current/previous role
Michael Ellsmore	Independent Chair	Retired Director of Finance, London Borough of Bexley
Brendan Crossan	Employer representative	Executive Director (Resources) Sutton Housing Partnership Ltd
Ashley Thomas	Employer representative	Treasurer & Trustee, Sutton Citizens Advice Bureaux, experience as a Director of Finance & administration for a charity and as a pension scheme trustee.
Tony Kerslake	Employer representative	Vice chairman at Cheam High, previous experience as a pension's actuary dealing with company pension schemes, and as director of a pension scheme trustee company, acting as a trustee for a number of schemes.
Michael Curran	Retired Member representative	Retired LBS employee, worked in ICT & schools. Experience as staff governor & Auditor for FTSE 100 company.

Agenda

- 4.4 The draft agenda for the first meeting of the Pension Board is attached at Appendix A. It is intended that the Pension Board's work plan will include the latest performance management reports and regular training sessions for Board Members. A more detailed work plan will be discussed at the first meeting which will include reviewing the work undertaken by this Committee.

Training & Support

- 4.5 There will be an initial training session for the newly appointed Board with taster sessions designed to introduce topics which they will cover in more detail at future sessions. This will include the roles and responsibilities of the Board and how this fits with the role of the Pension Committee.



- 4.6 The Launch event will be run by Hymans Robertson at their Offices in London. Officers are currently looking into the possibility of running a joint session with another Local Authority in a similar position in order to share the cost of the event.

Next Steps

- 4.7 The next actions to be completed are as follows:
- Finalise the recruitment of Board members
 - Hold a Training launch event for Board members
 - Finalise meeting dates for the Pension Board in July 15, October 15 and February 2016
 - Set up a budget for the Local Pension Board

5. Impacts and Implications

Financial

- 5.1 Any costs associated with administering the Pension Board that cannot be met from within existing resources will be charged to the pension fund. This will include the annual allowance payable to the Independent Chair of the Board.

Legal

- 5.2 There are no legal implications arising from this report.

6. Appendices and Background Documents

Appendix Letter	Title
A	Draft agenda for Pension Board meeting
B	Draft agenda for launch event

Background Documents

The Local Government Pension Scheme (Amendment) (Governance) Regulations 2014 – Better Governance and Improved Accountability in the Local Government Pension Scheme

Audit Trail

Version	Final	Date: 10 June 2015
---------	-------	--------------------

Consultation with other officers

Officer	Comments Sought	Comments checked by
Finance	N/A	Sue Hogg
Legal	N/A	





Draft Agenda for Local Pension Board

1. Introductions
2. Pension Regulations & the Role of the Pension Board
3. Terms of Reference
4. Training Plan
5. Quarterly Investment Performance report
6. Work plan
7. A.O.B
8. Future meeting dates

Proposed Local Pension Board Launch Event Agenda

INTRODUCTION AND WELCOME

INTRODUCTION TO THE LGPS

- BENEFIT STRUCTURE
- RECENT CHANGES

ACTUARIAL AND FUNDING

- VALUATIONS-WHAT ARE THEY AND THEIR IMPORTANCE
- WHAT IS THE ROLE OF THE ACTUARY

INVESTMENTS

- THE MAIN ASSET CLASSES
- ASSET ALLOCATION - WHERE IS SUTTON'S FUND INVESTED
- PERFORMANCE
- SOCIALLY RESPONSIBLE INVESTING

THE SUTTON PENSION FUND

- VALUE OF THE FUND
- NUMBER OF MEMBERS
- ADMITTED AND SCHEDULED BODIES
- ADVISERS AND ROLES
- ROLE OF THE PENSIONS COMMITTEE AND COMPOSITION

LOCAL PENSION BOARDS

- THE BACKGROUND TO LPBS
- THE PUBLIC SERVICE PENSIONS ACT
- THE LGPS REGULATIONS

THE ROLE OF THE BOARD

- HOW IT DIFFERS FROM THE COMMITTEE
- NON DECISION MAKING
- CONDUCT AND CONFLICTS
- REPORTING OF BREACHES
- ASSIST THE SCHEME MANAGER



RESPONSIBILITIES OF THE BOARD

- TERMS OF REFERENCE
- POLICIES
- REPORTING
- KNOWLEDGE AND SKILLS

This page is intentionally left blank