

**SURREY COUNTY COUNCIL**

**SURREY PENSION FUND BOARD**

**DATE: 22 MAY 2015**

**LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE**

**SUBJECT: LOCAL PENSION BOARD**



**SUMMARY OF ISSUE:**

The report explains the implemented changes to the governance of the Local Government Pension Scheme (LGPS) as a result of the Public Service Pensions Act 2013 and Regulations issued on 28 January 2015. The key requirement is for a proposed new Local Pension Board to assist the Administering Authority in the running of the Pension Fund, and to monitor compliance with rules and standards. The Council's Constitution was amended on 17 March 2015, following a report to full Council. This report provides an update on progress achieved.

**RECOMMENDATIONS:**

It is recommended that the Surrey Pension Fund Board note the report.

**REASON FOR RECOMMENDATIONS:**

The Surrey Pension Fund Board must be aware of all governance Regulations and implementation progress for the governance of the Pension Fund.

**DETAILS:**

**Background**

- 1 The changes introduced by the Public Service Pensions Act 2013 Act are aimed at achieving a more coherent and consistent system to provide assurance that benefits are paid, contributions are received and the Pensions Regulator Code of Practice 14 is followed in accordance within the law and subject to good practice. The creation of a new Local Pension Board was achieved at a meeting of full Council on 17 March 2015.

**Implementation of the new Local Pension Board**

- 2 The terms of reference of the Local Pension Board were approved at the meeting of full Council on 17 March 2015. As part of the LGPS Regulations, it is a requirement to add this to the Fund's Governance Compliance Statement. The recommendation to include this in a revised Governance Policy Statement is contained in a separate report to the Surrey Pension Fund Board on the 22 May 2015.
- 3 The terms of reference of the Local Pension Board includes an Appointment and Termination Process, which is attached as Annex 1.

- 4 The Appointment and Termination Process refers to the make-up of the four employer, four member representatives and two independent representatives on the Local Pension Board. This is:
- 2 x Surrey County Councillors;
  - 2 x representatives to come from nominations from other employers (e.g. District, Borough and Parish Councils, Academies, Police and other scheduled, designated or admitted body employers in the Surrey Pension Fund);
  - 1 x GMB nominated representative;
  - 1 x Unison nominated representative;
  - 2 x other member representatives;
  - 2 x independent representatives.
- 5 The appointment of the Local Pension Board members will be carried out by the People, Performance and Development Committee, following recommendations from the Appointment/Termination Panel.
- 6 The Appointment/Termination Panel overseeing the process shall consist of the following representatives of the Administering Authority:
- The Chairman of the Pension Fund Board;
  - The Director of Finance (or her nominee);
  - The Strategic Finance Manager (Pension Fund and Treasury);
  - The Director of Legal & Democratic Services (or her nominee).
- 7 Communications were issued from the beginning of April 2015 in respect of the recruitment process for employer and employee representatives. The short listing of candidates is currently underway, with a view to making appointments by the end of May 2015. There will be an induction of newly appointed Local Pension Board members throughout June and July 2015, with the first Local Pension Board meeting scheduled for October 2015.
- 8 An Attendance and Knowledge and Understanding Policy is shown as Annex 2. A Code of Conduct and Conflict of Interests Policy is shown as Annex 3. These two documents have been drafted to assist the Local Pension Board in its compliance with the LGPS Regulations and the Pension Regulators Code of Conduct in respect of knowledge and understanding and conflict of interest requirements.
- 9 The Local Pension Board Terms of Reference, Knowledge and Understanding Policy and Code of Conduct and Conflict of Interests Policy have been published on the Pension Fund website, along with the Appointment and Termination Process. Further statutory information will be published when appointments to the Local Pension Board have been made. This will include the members of the Local Pension Board and whom they represent.

<b>CONSULTATION:</b>
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- 10 The Chairman of the Surrey Pension Fund Board has been consulted on the report.

**RISK MANAGEMENT AND IMPLICATIONS:**

11 There are no risk related issues.

**FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

12 The costs of running the new Local Pension Board will be borne by the administration cost centre of the Pension Fund, as prescribed by the Regulations.

**DIRECTOR OF FINANCE COMMENTARY**

13 The Director of Finance has been consulted on the report.

**LEGAL IMPLICATIONS – MONITORING OFFICER**

14 Legal implications and legislative requirements were addressed in the full Council report dated 17 March 2015.

**EQUALITIES AND DIVERSITY**

15 The establishment of this Board is a statutory requirement. There are no equality implications.

**OTHER IMPLICATIONS**

16 There are no potential implications for council priorities and policy areas.

**WHAT HAPPENS NEXT**

17 The following next steps are planned:

- The first Local Pension Board meeting will be held in October 2015.

**Contact Officer:**

Phil Triggs, Strategic Finance Manager (Pension Fund and Treasury)

**Consulted:**

Surrey Pension Fund Board Chairman

**Annexes:**

Annex 1: Appointment and Termination Process

Annex 2: Attendance and Knowledge and Understanding Policy

Annex 3: Code of Conduct and Conflict of Interests Policy

**Sources/background papers:**

None

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