

Haringey Council

Report for:	Council 24 MARCH 2014	Item number	7 (i)
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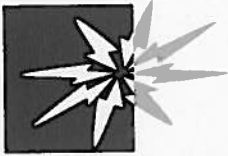
Title:	ESTABLISHMENT OF A PENSIONS COMMITTEE FROM 1 APRIL 2014
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Report authorised by :	 Chief Executive
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Lead Officer:	Clifford Hart, Democratic Services Manager Tel: 0208 489 2920
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Ward(s) affected: N/A	Report for Key/Non Key Decision: N/A
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1. Describe the issue under consideration
 - 1.1 To seek Full Council approval to the establishment of a Pensions Committee from 1 April 2014 and subsequent amendments to the Council's Constitution in respect of the current terms of reference of Corporate Committee.
2. Cabinet Member Introduction
N/A
3. Recommendations
 - 3.1 That Full Council:
 - (a) agree to the establishment of a Pensions Committee, with effect from 1 April 2014, with the terms of reference of the Committee as set out at Appendix 1 of this report;



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- (b) agree that in accordance with the rules on political proportionality, the five councillor membership of the Pensions Committee will be split at a ratio of 3:2 in favour of Labour for the remainder of the current municipal year and agree that, for the remainder of the current municipal year, the membership and Chair will be as follows:

Councillor Meehan (Chair)
Councillor Amin
Councillor Khan

Councillor Wilson
Councillor Beacham

- (c) note that the Monitoring Officer will update the Constitution accordingly to give effect to the new Pensions Committee, including amendments to the terms of reference and protocol of the existing Corporate Committee to reflect the changes agreed at (a) and (b) above.

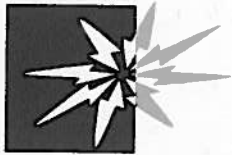
4. Alternative options considered

4.1 The benefits of the proposal to establish a pensions committee are (1) to free up Corporate Committee time for non pension issues, (2) to better manage the training and knowledge and skills requirements through a smaller focused committee, and (3) to streamline decisions by having detailed debates at the decision making Pensions Committee rather than the non decision making Pension Working Group, which will rarely be required in future.

4.2 The alternative to the planned changes is to continue with the current structure of detailed discussion at the Pensions Working Group and decisions at the Corporate Committee. Pension issues are often specialist and complex. Members of the Corporate Committee who have not attended the Pensions Working Group are at disadvantage in that they have not had an opportunity to previously debate the issues in depth and hear the opinions of the advisors. Nor have they the accumulation of pension knowledge that comes from greater exposure to the issues. The proposals reflect the common structure across LGPS where specialist committees deciding pension issues, particularly investment related, are the norm.

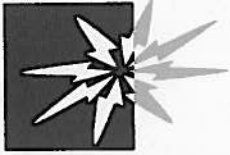
5. Background information

5.1 The Annual General Meeting (AGM) of the Full Council appoints Committees of the Council in accordance with Article 4.02 and Part 4 Section A of the Constitution. The AGM also ratifies the appointment of the Chair of each Committee. Any newly created bodies in addition to



those agreed at Annual Council can be established during the Municipal Year with ratification of Full Council to their establishment. The proposal is to revert to a stand alone Pensions Committee that will assume all pension fund duties that are currently performed by the Corporate Committee.

- 5.2 Pension fund issues currently occupy a significant proportion of the Corporate Committee's available time. Proposals to reform Local Government Pension Schemes (LGPS) will introduce additional governance requirements. In particular there will be a need to demonstrate that members taking decisions have sufficient knowledge and skills to understand the issues. This will involve both increased training and periodic assessments of the effectiveness of training. Meeting these requirements within a dedicated Pensions Committee will be more achievable than if applied to the larger Corporate Committee.
 - 5.3 An additional advantage of establishing a Pensions Committee is that the detailed monitoring currently undertaken by the Pension Working Group can be assumed by the Pensions Committee thereby streamlining decision making.
 - 5.4 During 2013 the Government consulted on the LGPS governance arrangements and is expected to require the establishment of a Pensions Board with employee and pensioner representation to scrutinise the work of the Pensions Committee. Should the Government regulate as expected this will require a second pension related entity to be established to carry out the scrutiny function, although the decision making responsibility will remain with the Pensions Committee.
 - 5.5 It is envisaged that going forward, meetings of the Pensions Committee will take place quarterly. There are no plans to hold a meeting during the remainder of the current municipal year 2013/2014 but if required, a meeting may be convened in accordance with the Committee Procedure Rules.
 - 5.6 Appendix 1 sets out the Terms of Reference of the proposed Pensions Committee. Appendix 2 provides details of the composition of the Committee including non-voting co-optees, being the employer representatives and member representatives.
6. **Comments of the Chief Finance Officer and financial implications**
- 6.1 The proposal to establish a dedicated pension committee will not only allow greater time to be devoted to pension issues but will allow the Corporate Committee to concentrate on its other roles. Pension issues



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are becoming increasingly complex and the increased commitment and training needs for Members is better suited to a smaller committee.

7. Assistant Director of Corporate Governance comments and Legal Implications

7.1 There are no specific legal implications arising out of this report.

8. Equalities and Community Cohesion Comments

8.1 The Council has a public sector equality duty under S149 of the Equality Act 2010 to have due regard to need to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who those characteristics and people who do not.

8.2 Policy and Equalities Team have been consulted in the preparation of this report and they comment that the proposals outlined in this report carry no apparent implications for the any aspect of duty outlined above.

9. Head of Procurement Comments

N/A

10. Policy Implication

N/A

11. Reason for Decision

11.1 The proposed structure will bring the Council pension decision making structure into line with anticipated government regulations and with standard practice across LGPS. It will better enable the Council to deal with changes in pension regulations being introduced in 2014.

12. Use of Appendices



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Appendix 1 – Terms of Reference of the proposed Pensions Committee
Appendix 2 – Membership of the Pensions Committee

13. **Local Government (Access to Information) Act 1985**

N/A

