



Report for:	Pensions Committee 10 th September 2015	Item number	
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Title:	Application for a Combined Pension Committee and Board
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Report authorised by :	Kevin Bartle, Assistant Director – Finance
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Lead Officer:	George Bruce Head of Finance – Treasury & Pensions George.bruce@haringey.gov.uk 020 8489 3726
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Ward(s) affected: N/A	Report for Non Key Decision
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1. Describe the issue under consideration

- 1.1 To update the Pensions Committee on progress of the application to operate a Combined Pensions Committee and Board.
- 1.2 Officials at the DCLG have informed the Council that the minister has been asked to approve the application.

2. Cabinet Member Introduction

- 2.1 Not applicable.

3. Recommendations

- 3.1 The Committee is invited to note progress of the application.

4. Other options considered

- 4.1 The Committee has previously considered three options before confirming at the July meeting that the preference was for a combined Committee and Board.
- 4.2 A stand alone Pension Board was established by Full Council on 23rd March 2015 in order to comply with the legal deadline of 1st April 2015. The Board has not met nor has its membership been appointed.



5. Background information

- 5.1 The Public Sector Pensions Act 2013 includes a requirement that local pension boards be established to assist administering authorities with the effective and efficient management and administration of the Scheme.
- 5.2 The Committee having discussed the role of the Board and fit with the functions of the Committee submitted an application in January 2015 to the Government to amend the terms of reference of the Pensions Committee to include the functions of the Board. The Committee reconfirmed this decision at the July 2015 meeting.
- 5.3 Following discussion with the DCLG a revised terms of reference for the combined Committee and Board has been prepared. Officials at the DCLG have recommended to the Minister that approval be given to combine the functions of the Board with the existing Pensions Committee in accordance with section 106(2) of the regulations. Unfortunately, the Minister will not be able to consider this recommendation until 7th September at the earliest.
- 5.4 The terms of reference of the combined Committee and Board are attached (appendix 1). These will need to be ratified by Full Council.
- 5.5 It would be possible to convene a standalone Board meeting pending the Ministers decision, but this is considered unnecessary.
- 5.6 There are concerns that Haringey is out of line with all but one other local authority in seeking a combined Committee and Board. It is recommended that a Governance Review is undertaken next summer to determine if using the combined structure has enabled Haringey to meet the requirements of regulations and best practice.

6. Comments of the Chief Financial Officer and financial Implications

- 6.1 The proposals are part of a process of tightening up oversight and governance standards in LGPS. The proposals will not alter the fundamental role of the Council in administering the Haringey fund or setting an investment strategy. While increased scrutiny of processes and controls is beneficial, there will be challenges to ensure an effective interaction between Committee, Board and Officers.

7. Assistant Director of Corporate Governance comments and Legal Implications

- 7.1 The Assistant Director of Corporate Governance has been consulted on the contents of this report and comments as follows.



- 7.2 Section 5 of the Public Service Pensions Act 2013 requires the establishment through regulations of a local pension board with responsibility of assisting the scheme manager in (a) securing compliance with the Local Government Pension Scheme Regulations 2013 (as amended) and any legislation relating to the governance and administration of the LGPS (b) securing compliance with requirements imposed by the Pensions Regulator, and (c) ensuring the effective and efficient governance and administration of the LGPS and any connected scheme.
- 7.3 The role of scheme manager is delegated to the Council's Pensions Committee and the Local Government Pension Scheme Regulations 2013 require the establishment of local pension boards by 1 April 2015. The Council complied with this requirement by establishing its Pension Board at Full Council on 23rd March 2015.
- 7.4 Where the scheme manager is a committee of the Council the Local Pension Board may be the same Committee (i.e. a joint Board) if approval in writing has been obtained from the Secretary of State. That approval may be given subject to such conditions as the Secretary of State thinks fit.
- 7.5 If the board is a free standing body and Section 101 of the Local Government Act 1972 (arrangements for discharge of functions by local authorities) and section 102 of the 1972 Act (appointment of committees) will not apply to the Board if the Council establishes a joint Board it is a Committee of the Council.
- 7.6 Whilst Secretary of State approval has been sought for a combined Pensions Committee and Board, this would present the legal and practical difficulties of the body effectively scrutinising itself. The view of the Assistant Director of Corporate Governance is that in governance terms the preferred option would be to keep the Pension Committee and Pension Board separate, as under the current arrangements. If the Secretary of state approval was to be granted, then the above mentioned difficulties would have to be addressed.

8. Comments from the Independent advisor

- 8.1 The preference of the London Borough of Haringey as an Administering Authority within the Local Government Pension Scheme is to establish a joint Pensions Committee and Board which is permitted under Regulation 106(2) of the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 subject to written approval from the Secretary of State. However as this report has



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previously indicated the DCLG has not yet responded to the Council's application for a joint arrangement.

- 8.2 As agreed with the Fund Officers the Independent Advisor will provide training for either the standalone Pension Board or, if approved and established, the Combined Pensions Committee and Board.

9. Equalities and Community Cohesion Comments

- 9.1 There are no equalities issues arising from this report.

10. Head of Procurement Comments

- 10.1 Not applicable

11. Policy Implications

- 11.1 None.

12. Use of Appendices

- 12.1 Draft revised terms of reference.

13. Local Government (Access to Information) Act 1985

- 13.1 Not applicable.