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CREATION OF LOCAL PENSIONS BOARDS

Report of the Director of Children's Services

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1. Purpose

- 1.1 This report provides an update on the establishment of a local Pension Board for the Hertfordshire Pension Fund. It also invites the School Forum to agree to nominate a member to represent the schools and employers on the Local Pension Board.
- 1.2 The regulations require all local administering authorities to establish a Local Pension Board by 1 April 2015, and the Board to be operational within four months of establishment.

2. Recommendation

The Schools Forum agrees:

1. To nominate a representative to sit on the new Local Pension Board on behalf of schools.
2. That the appointment process will be by invitation to any interested and suitably qualified governors to put themselves forward, with the final appointment being approved by the Chair and Vice Chair of Forum so as to meet the necessary timescale.

3. Local Pension Board

- 3.1 Council agreed at its meeting on the 25 November 2014, the following recommendations;
 - The creation of a Local Pension Board for the Hertfordshire Local Government Pension Scheme and agrees the draft constitution for the Board;

- To commission officers to develop detailed Terms of Reference to be incorporated in the Local Pension Board's constitution; to be approved by the next Pension Committee on 27 February 2015;
 - To delegate to the Deputy Chief Executive, in consultation with the Executive Member for Resources and Transformation, approval of final job descriptions and the appointment process for members of the Local Pension Board, to be in place by April 2015; and
 - The employer representative for Hertfordshire County Council, the Administering Authority, is an elected member of the County Council.
- 3.2 The Board will be made up of up to ten members with four employer and four member representatives, with the other two places potentially going to independents.

4. The Role of the Pension Board

- 4.1 The Pension Board will become part of the governance arrangements for the Hertfordshire Pension Fund as an oversight body. The current governance arrangements for the Hertfordshire Pension Fund fall to Hertfordshire County Council acting as the Administering Authority or Scheme Manager. Governance responsibilities are delegated to the Pensions Committee which is made up of Members of the County Council.
- 4.2 The Pension Board will be responsible for assisting the Administering Authority or Scheme Manager in securing compliance with:
- the Local Government Pension Scheme Regulations;
 - any other legislation relating to the governance and administration of the Pension Fund;
 - requirements imposed by The Pensions Regulator in relation to the Pension Fund; and
 - to ensure the effective governance and administration of the Pension Fund.
- 4.3 Appendix A provides some further detail on the role and responsibilities of the Pension Board member and the qualities required for the role. Additional support and training will be provided to Board members to ensure that they have the knowledge and skills to undertake this role effectively.

5. The Pension Board Constitution

- 5.1 In accordance with the regulations the Pension Board will be made up of equal numbers of Employer and LGPS Member representatives. Members of the Board will be voting members with each member having one vote.

5.2 Four Employer representatives will be drawn from the following groups and appointment will be by nomination:

- Schools and Academies;
- the Administering Authority;
- District and Borough Councils; and
- a representative for the small admitted bodies.

5.3 Four LGPS member representatives will be drawn from the following groups and appointment will be by application:

- Active LGPS members
- Pensioners; and
- Deferred LGPS members.

6. The appointment process – members

6.1 The appointment process for member representatives will be by an application process and subsequent interview following a short listing process. Communications will be sent to all members by the end of January. Members will be directed to the LPFA website where they will be able to find out more information about the role and complete an expression of interest form. It's proposed that interested members will be asked to submit statements on the following:

- Please tell us in no more than 500 words about your experience, knowledge and understanding of public sector pensions and the Local Government Pension Scheme.
- Please tell us in no more than 500 words why you want to be a member of the Hertfordshire Local Pension Board.

6.2 There will be an application window of two to three weeks and a short listing of applicants by the end of February.

The short listed applicants will be invited to interview in March and the panel will be made up of officers and a member, it is proposed to keep the number of interviews to four applicants.

7. Term of office

It is proposed that members of the board will serve for a term of four years and that a board member can sit on the Board for no more than three terms of office.

8. Expense Reimbursement and Remuneration

Board members will be paid reasonable expenses for their attendance at board meetings.

9. Constitution

Officers will bring back to the Pension Committee at the meeting on 27 February 2015 a final constitution to include a code of conduct and full Terms of Reference. This final constitution will then go to Council in March for final ratification.

APPENDIX – THE LOCAL PENSION BOARD MEMBER

1. Role and responsibilities of the Pensions Board member:

- 1.1 The members of the Local Pension Board will assist Hertfordshire County Council as Scheme Manager:-
- To secure compliance with the Local Government Pension Scheme (LGPS) regulations;
 - any other legislation relating to the governance and administration of the Scheme;
 - To secure compliance with requirements imposed by The Pension Regulator in relation to the Scheme; and
 - In such other matters as the LGPS regulations may specify;
 - To secure the effective and efficient governance and administration of the LGPS for the Hertfordshire Pension Fund;
 - To Provide ongoing evaluation of the governance, delivery and monitoring mechanisms of the LGPS administrator, the LPFA, and recommend improvements where required so that members and employers interests are safeguarded;
 - To ensure the scheme administrator, the LPFA, supports members with a range of tools to improve their understanding of their pension benefits;
 - To provide the scheme manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.
- 1.2 As a member of the Pension Board you will help ensure that the Hertfordshire Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

2. Qualities required for the role of a Pensions Board member

- 2.1 To be considered, you must be able to demonstrate that you have the qualities, skills and experience to meet all the essential criteria for appointment, specifically:
- You must be a member of the Hertfordshire Pension Fund or represent an active employer body;
 - You must have a good knowledge of public sector pensions and the capacity/ability to undertake additional learning specifically with regards to the Local Government Pension Scheme;
 - You must be aware of the requirements of The Pension Regulator's public service schemes Code of Practice;

- You should be able to comprehend financial reports and data;
- You must be able to act impartially in the interests of both employers and members;
- You must be able to act prudently, responsibly and honestly;
- You must be an effective communicator and team player to promote excellent working relationships within the Local pension Board and gain the confidence of its stakeholders including the Scheme manager.
- You must be able to commit to a term of membership of four years.

2.1 You must be able to attend up to four meetings each year and up to two training sessions each year.