

# WIRRAL COUNCIL

## PENSION COMMITTEE

22 June 2015

|  |   |
|--|---|
| <b>SUBJECT:</b>                          | <b>LOCAL PENSION BOARD</b>                                    |
| <b>WARD/S AFFECTED:</b>                  | <b>ALL</b>  |
| <b>REPORT OF:</b>                        | <b>STRATEGIC DIRECTOR OF<br/>TRANSFORMATION AND RESOURCES</b> |
| <b>RESPONSIBLE PORTFOLIO<br/>HOLDER:</b> |   |
| <b>KEY DECISION?</b>                     | <b>NO</b>   |

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the progress achieved in establishing Wirral Council's Pension Board, in accordance with statutory requirements prescribed within the Public Service Pension Act 2013 and the Local Government Pension Scheme (Governance) Regulations 2015.
- 1.2 The Terms of Reference and composition of the Board were approved by Council at its meeting on 16 March 2015 in compliance with the deadline to create a Local Pension Board by 1 April 2015.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Pension Committee has been apprised at its previous meeting of the changes introduced by the Public Service Pensions Act 2013 which aim to deliver a coherent governance framework.

The intent is to provide assurance that all public service pension schemes and individual LGPS Funds are managed effectively with a properly constituted, trained and competent Pension Board monitoring compliance with legislation and best practice standards.

#### **Implementation of the Wirral Pension Board**

- 2.2 The Council considered and approved the structure of Wirral Council's Pension Board on 16 March which took legal effect on 1 April 2015. The composition and overview of the member appointment process are detailed within the Terms of Reference which can be accessed via the link below

[http://mpfmembers.org.uk/pdf/lpb\\_termofref-2015-03-16.pdf](http://mpfmembers.org.uk/pdf/lpb_termofref-2015-03-16.pdf)

- 2.3 The statutory guidance on the creation of the Local Pension Board stipulates that the Board must be fully operational by the end of July 2015.
- 2.4 In order to meet the prescribed timescale, communications in respect of the recruitment process were issued from the beginning of March 2015. These communications included the role maps and person specifications for the employer/member representatives and also the Independent Chair.
- 2.5 All participating employers were notified of the vacancies, with best endeavours undertaken to raise awareness amongst the membership base - including email alerts to members signed up to the website service and direct communication with the trade unions. Employers were also asked to make staff aware of the vacancies through intranets and other local distribution channels.
- 2.6 A Selection Panel was established, comprising the following three Member representatives of the Administering Authority:

Cllr David Elderton (Chair)  
Cllr Bill Davies  
Cllr Dave Mitchell

Advisors to the panel: Fiona Blatcher, Grant Thornton  
Peter Wallach, MPF

- 2.7 The appointment of the Board members was undertaken by the Selection Panel on 15 May 2015 and those appointed represent the different types of employer groups and the different membership categories within the Fund.
- 2.8 Following an evaluation exercise of the applicants, and in view of the number and quality of applications, it was not necessary to undertake interviews for the employer/member positions
- 2.9 The successful candidates all demonstrated strategic knowledge and stewardship of both local government and private pension schemes, including representation on boards at a national level.
- 2.10 It was necessary to undertake an interview to select the Independent Chair.
- 2.11 The decision of the panel was to make the following appointments as detailed below:

**Independent Chair:** John Raisin

**Employer representatives:**

Scheduled bodies: Geoff Broadhead, Mike Hornby  
Further education: Robin Dawson  
Admission body: Kerry Beirne

## **Member representatives:**

|                    |                               |
|--------------------|-------------------------------|
| Active members:    | Donna Ridland, Philip Goodwin |
| Deferred members:  | Patrick Moloney               |
| Pensioner members: | Paul Wiggins                  |

The details of the appointments and who they represent will be published on the Fund's website.

- 2.12 Appointees were asked to attend an initial one day 'Kick Start' training event on 28 May arranged by LGPC, the details of the programme is attached as Appendix 1
- 2.13 The contracts of appointment for the Board members will now be drafted to provide a broad overview of the role, commitments, remuneration and employment status as board members.
- 2.14 The inaugural meeting of the Pension Board is scheduled to take place 14 July 2015
- 2.15 A 'Knowledge and Understanding' and 'Conflict of Interest Policy' attached as Appendices 2 and 3 have been drafted to assist the Pension Board in compliance with the LGPS Regulations and the Pension Regulators Code of Conduct.

## **3.0 RELEVANT RISKS**

- 3.1 The creation of the Board and its effective operation is intended to reduce the Fund's exposure to a range of risks associated with regulatory compliance.

The key objective is to assist the Fund in meeting its administration responsibilities as defined within the Pensions Regulator's Code of Practice for Public Service Pension Schemes, with a focus on mitigating risk.

## **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 Not relevant for this report

## **5.0 CONSULTATION**

- 5.1 Not relevant for this report

## **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

- 6.1 None associated with the subject matter.

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 7.1 There are none arising from this report

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 Any costs incurred in the establishment and running of the Pension Board are chargeable to the Pension Fund under the terms of the relevant regulations.

## **9.0 LEGAL IMPLICATIONS**

9.1 The establishment of the local Pension Board will require amendment to the Fund's Governance Policy Statement and the Council's Constitution

## **10.0 EQUALITIES IMPLICATIONS**

- Has the potential impact of your proposal(s) been reviewed with regard to equality?

No, because Department of Communities and Local Government undertake equality impact assessments with regard to the statutory reform of the LGPS.

## **11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

11.1 There are none arising from this report

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 There are none arising from this report

## **13.0 RECOMMENDATIONS**

13.1 That members note the appointment of the employer and member representatives of Wirral Pension Board as agreed by the Selection Panel on 15 May 2015 and the formal policies in respect of 'Knowledge and Understanding' and 'Conflicts of Interest'.

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 There is a requirement for Members of the Pension Committee to be kept up to date with legislative developments as part of their decision making role.

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**APPENDIX 1 Training Event for Local Pension Board Members**

**APPENDIX 2 Knowledge and Understanding Policy**

**APPENDIX 3 Conflict of Interest Policy**

## BRIEFING NOTES HISTORY

| Briefing Note | Date |
|---------------|------|
|               |      |

## SUBJECT HISTORY (last 3 years)

| Council Meeting   | Date              |
|---|-------------------|
| LGPS Update – Covered DCLG'S Previous Discussion Paper on Scheme Governance | 16 September 2013 |
| DCLG Consultation on Draft Scheme Governance Regulations                    | 15 September 2014 |
| Creation of New Pension Board   | 17 November 2014  |
| LGPS UPDATE – CREATION OF WIRRAL COUNCIL'S PENSION BOARD                    | 19 January 2015   |
| Pension Board – Revised Terms Of Reference                                  | 24 March 2015     |