

WIRRAL COUNCIL

PENSIONS COMMITTEE

4 NOVEMBER 2019

SUBJECT:	REVISED WIRRAL PENSION BOARD TERMS OF REFERENCE
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report informs members of proposed revisions to the Terms of Reference for Wirral Council's Local Pension Board and requests that these are recommended to full Council for adoption.
- 1.2 The revised Terms of Reference are attached as appendix to this report.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 In early 2015, Wirral Council's Pension Board was established in accordance with statutory requirements prescribed within the Public Service Pension Act 2013 and the Local Government Pension Scheme (Governance) Regulations 2015.

The intent was 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.

- 2.2 The Board has operated effectively since July 2015 when it was implemented and assists Wirral Council, the administering authority, in its role as the Scheme Manager of the Scheme in Merseyside.
- 2.3 The Pension Regulator has increased its oversight of the Local Government Pension Scheme and instigated a number of initiatives to assist it in engaging more widely. As a consequence of this, the role of the Local Pension Board has expanded to encapsulate these and related activities. Matters arise throughout the year and, although are considered at Board meetings, it is not infrequently the case that an immediate response is required and this falls to the Independent Chair who provides guidance to the Board in terms of comment, challenge and a response to officers. The Chair also prepares and presents a report of the Board's activities to Pensions Committee annually and participates in the Annual Employers Conference. These matters are reflected in the additional responsibilities set out in section 4.7, points j - m, of the appendix.
- 2.4 An amendment to section 6 (Quorum) is also recommended to assist in the operation of the Board.
- 2.5 When Committee last considered the operation of the Pension Board, a review of remuneration of Pension Board representatives was requested by the Chair in view of the greater number of meetings that are being undertaken. The Board's current Terms of

Reference link remuneration to allowances paid to the Chair of Pensions Committee. This has proved to be a hindrance to a review of remuneration because meetings the Council's Remuneration Panel have been repeatedly postponed over the past year or so. It is also apparent that this mechanism is not suited to the Board which is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board. It has become clear that it would be better if remuneration was aligned with comparable Pension Board roles within the LGPS and as agreed with the Scheme manager. In light of the increased workload and responsibilities, it is proposed that, with effect from 1 April 2019, the remuneration of the Independent Chair is set at £10,000 p.a. and increased annually by the Consumer Price Index (CPI). No change in the level of remuneration for the Employer and Employee representatives is proposed but it is recommended that these allowances have a similar link to CPI.

2.4 The draft Terms of Reference, attached as an appendix to this report, have been revised to reflect these changes.

3.0 RELEVANT RISKS

3.1 There are none arising from this report.

4.0 OTHER OPTIONS CONSIDERED

4.1 No other options have been considered.

5.0 CONSULTATION

5.1 None.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 N/A

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 The change to remuneration will increase costs by £7,459 p.a.

9.0 LEGAL IMPLICATIONS

9.1 There are none arising from this report

10.0 EQUALITIES IMPLICATIONS

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

(b) No because there is no relevance to equality.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising from this report.

13.0 RECOMMENDATION/S

13.1 That Committee recommends the revisions to the Pension Board's terms of reference to full Council for adoption into the Council's constitution.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 The revised terms of reference will assist in ensuring the functioning of the Board and its role in assisting the Scheme Manager at a time of considerable change in the LGPS.

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APPENDICES

Revised Pension Board Terms of Reference

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Committee	June 2015