

**MINUTE EXTRACT
PENSIONS COMMITTEE
4 NOVEMBER, 2019**

41 PENSION BOARD TERMS OF REFERENCE

A report of the Director of Pensions informed members of proposed revisions to the Terms of Reference for Wirral Council's Local Pension Board and requested that these be recommended to full Council for adoption. The revised Terms of Reference were attached as appendix to the report.

The report outlined that in early 2015, Wirral Council's Pension Board had been 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 had been to provide assurance that all public service pension schemes and individual LGPS Funds were managed effectively with a properly constituted, trained and competent Pension Board monitoring compliance with legislation and best practice standards.

The Director of Pensions reported that the Board had operated effectively since July 2015 when it was implemented and assisted Wirral Council, the administering authority, in its role as the Scheme Manager of the Scheme in Merseyside. The Pension Regulator had 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 had expanded to encapsulate these and related activities. Matters arose throughout the year and, although were considered at Board meetings, it was not infrequently the case that an immediate response was required and this fell to the Independent Chair who provided guidance to the Board in terms of comment, challenge and a response to officers. The Chair also prepared and presented a report of the Board's activities to Pensions Committee annually and participated in the Annual Employers Conference. These matters were reflected in the additional responsibilities set out in section 4.7, points j - m, of the appendix to the report. An amendment to section 6 (Quorum) was also recommended to assist in the operation of the Board.

The Director of Pensions reported that when Committee had last considered the operation of the Pension Board, a review of remuneration of Pension Board representatives had been requested by the Chair in view of the greater number of meetings that were being undertaken. The Board's current Terms of Reference linked remuneration to allowances paid to the Chair of Pensions Committee. This had proved to be a hindrance to a review of remuneration because meetings the Council's Remuneration Panel had been repeatedly postponed over the past year or so. It was also apparent that this mechanism was not suited to the Board which was 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 applied to the Board. It had 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 was 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 was proposed but it was recommended that these allowances have a similar link to CPI. The draft Terms of Reference, attached as an appendix to the report, had been revised to reflect these changes.

The Chair of the committee placed on record his acknowledgement of the work of the Chair of the Local Pensions Board and indicated that Wirral Council was fortunate to have such a Chair of this calibre.

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