

<b>Committee(s)</b>	<b>Dated:</b>
Police – For Decision	20 May 2015
<b>Subject:</b> Public Sector Pensions Reform – Establishing a Local Pensions Board: Police Pension Scheme	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Decision</b>

### Summary

The Public Services Pensions Act 2013 requires that all pension schemes establish a local Pensions Board for the purpose of scrutinising the adequacy of arrangements in place to meet the requirements of scheme regulations and the extent to which local policy and guidance is fit for purpose.

Final regulations have now been received, this report proposes composition of the Police Pensions Board, in line with the Board established for the LGPS.

### Recommendation(s)

Members are asked to:

- Establish a Police Pensions Board as a Sub-Committee of the Police Committee, comprising 3 Employer and 3 Scheme Member representatives, in accordance with the Police Pension Scheme Regulations and the draft Terms of Reference set out in Appendix 1.

### Main Report

#### Background

1. In addition to changes to the scheme benefits, the Public Services Pensions Act 2013 includes a number of amendments to the administration, financial management and governance of public service pension schemes. The requirements of the Act were effective from 1 April 2015, of particular note and the subject of this report, a local Pensions Board must be established for all pension schemes in operation.
2. It is the responsibility of the Scheme Manager to establish the Pensions Board, for the City of London Police this is the Court of Common Council. The Town Clerk and Comptroller and City Solicitor have advised that this responsibility falls within the authority delegated to the Police Committee.

## **Current Position**

3. Regulations for the Police Pensions Scheme were laid before Parliament on 5 March 2015, this report outlines proposals for the constitution of a Police Pensions Board.

## **Constitution**

4. The core requirements of the Police Pensions Board are consistent with those of the LGPS Pensions Board (established by Court of Common Council 5 March 2015), in that its role is to scrutinise the adequacy of arrangements in place to meet the requirements of scheme regulations and the extent to which local policy and guidance is fit for purpose. Similarly, it must comprise Employer and Scheme Member representatives in equal numbers.
5. It is proposed that the constitution and Terms of Reference of the Police Pensions Board reflect those of the LGPS Pensions Board. Draft Terms of Reference are attached as Appendix 1 to this report, in summary, it is recommended that:
  - i. The Police Pensions Board comprises 6 members:
    - 3 Employer Representatives, of which 2 are Common Councilmen, with the remaining member a Senior Officer
    - 3 Scheme Member Representatives
  - ii. All members of the Board are eligible to stand as Chairman and Deputy Chairman, although to allow reports on the work of the Committee to be made to the Court of Common Council, either the Chairman or Deputy Chairman must be a Member of the Court of Common Council.
  - iii. The Chairman and Deputy Chairman must not both be employer representatives
6. While it is not possible to combine the work of the Police and LGPS Pensions Boards, it is possible, and may be advantageous, for the same two Common Councilmen to serve both Boards.

## **Conclusion**

7. Final regulations for the governance of the Police Pensions Scheme have now been received. The regulations concerning scheme governance are not materially different from those in relation to the LGPS and so it is proposed that a Police Pensions Board be established within the same criteria as the LGPS Pensions Board, the creation of which was approved by the Court of Common Council at its meeting on 5 March 2015.

## **Appendices**

- Appendix 1: Police Pension Scheme Draft Terms of Reference

## **Background Papers**

- Report to Establishment and Finance Committees May 2011: Consultation on the report of the Independent Public Services Pensions Commission Final Report
- Report to Establishment and Finance Committees July 2012: Local Government Pension Scheme 2014 Employer Consultation
- Report to Establishment Committee 31st January 2013: The Local Government Pension Scheme 2014 – Draft Regulations on Membership, Contributions and Benefits
- Report to Establishment and Finance Committees July 2013 - Local Government Pension Scheme (LGPS) 2014 Implementation
- Report to Summit Group and Chief Officers Group December 2014 - Public Sector Pensions Reform – Establishing a Local Pensions Board (Local Government Pension Scheme)
- Report to Policy and Resources Committee 22 January 2015 - Public Sector Pensions Reform – Establishing a Local Pensions Board (Local Government Pension Scheme)
- Report to Policy and Resources and Police Committees February 2015 - Public Sector Pensions Reform – Establishing a Local Pensions Board Update

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