

Committee:	Date:
Police Committee	1 December 2015
Subject: Public Sector Pensions Reform – Establishing a Police Pensions Sub-Committee	Public
Report of: Town Clerk	For Decision

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.

The Police Committee, as the Police Authority for the City of London Police, is the Scheme Manager for the City of London Police Pension Scheme and is therefore required to create a Pensions Sub-Committee. This report sets out recommendations for the Committee to create a Pensions Sub-Committee, comprising of six members (three Employer representatives, three Scheme Member representatives).

Recommendations

Members are asked to:

- a) agree to the creation of the Police Pensions Sub-Committee, consisting of six members (three Employer representatives, three Scheme Member representatives)
- b) appoint a Chairman of the Police Pensions Sub-Committee;
- c) note that the Chairman of the Police Pensions Sub-Committee will appoint the remaining five members of the Sub-Committee.

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 must be met by 1 April 2015.
2. Changes to the Local Government Pension Scheme (LGPS) scheme benefits were introduced in 2014 with requirements regarding governance arrangements

subject to separate regulations. A report was submitted to this Committee in February 2015 to advise of the need to create such a Board, pending the receipt of finalised regulations for the Police Pension Scheme.

3. The Public Services Pensions Act 2013 also required the creation of a Public Sector Pensions Board for City of London Corporation staff (including civilian Police staff). This Board was established by Court of Common Council in May 2015.
4. The Corporation's Public Sector Pensions Board consists of three Employer representatives (two Common Councilmen, one senior Officer) and three Scheme Member representatives (members of the pensions scheme, to be appointed). This report will recommend that the Police Pensions Sub-Committee replicates this constitution.

Current Position

5. The Police Committee has delegated authority to act as the Police Authority for the Court of Common Council. Therefore, responsibility for the administration of the City of London Police's pensions scheme fall to the Police Committee. Therefore, this Board should be created by the Police Committee, as the Police Pensions Sub-Committee. The Public Services Pensions Act 2013 and Police Pension Regulations 2015 require this Sub-Committee to be created.

Creation of the Police Pensions Sub-Committee

6. The role of the Police Pensions Sub-Committee is set out within the legislation. This role is:
 - a) Securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that it is connected to;
 - b) Securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator; and
 - c) Other such matters as the scheme regulations may specify.
7. The regulations state that the Police Authority will appoint a Chairman of the Sub-Committee, and the Chairman will appoint the remaining members of the Sub-Committee. There is no requirement that the Chairman be a Member of the Police Committee, or even that they are a Common Councilman.
8. The regulations provide for two categories of Members for the Police Pensions Sub-Committee: Employer representatives and Scheme Member representatives. There must be an equal number of each category of representative.
9. Employer representatives are those Members who represent the Employer's interests. These can either be Common Councilmen or Officers. The Local Government Pension Scheme Board, for Corporation Staff Pensions, comprises

two elected Members (Alderman Ian Luder and James Tumbridge) and one senior Officer (Director of Port Health and Environmental Services).

10. Scheme Member representatives are those people who represent the Scheme Members' interests in the Pensions fund. If Members agree to the recommendation of three Employer representatives, it would be necessary to appoint three Scheme Member representatives. Members are recommended to agree to this.
11. The Scheme Member representatives are yet to be appointed to the Corporation's Public Sector Pensions Board. These representatives will be appointed through an application and assessment process, including an independent interview panel if the number of applications received requires it.
12. For the Police Pensions Sub-Committee, the Chairman of the Sub-Committee will have authority to determine the application process for the Scheme Member representatives. However, Officers will recommend that a similar process as set out above is followed for the appointment of the Scheme Member representatives.
13. The Public Sector Pensions Board will meet twice each year. It is proposed that the Police Pensions Sub-Committee also meets twice each year.

Conclusion

14. The Committee is recommended to create a Pensions Sub-Committee, comprising of six members (three Employer representatives, three Scheme Member representatives), and appoint a Chairman of the Sub-Committee. The Chairman of the Sub-Committee will then appoint the remaining representatives to the Sub-Committee.

Appendices

- None

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