

Committee(s):	Date(s):
Local Government Pensions Board	29 June 2018
Policy and Resources Committee	5 July 2018
Court of Common Council	18 July 2018
Subject: Local Government Pensions Board – Revision to term of appointment	Public
Report of: Town Clerk & Chief Executive	For Decision
Report author: Chris Rumbles	

Summary

At its meeting on 25 June 2015, the Court of Common Council established the Local Government Pensions Board (The Board) in order to meet the requirements of the Public Services Pension Act 2013, which specified that a Local Government Pensions Board must be established by 1 April 2015 but that it need not be operational at this point.

As well as approving the creation of a Pensions Board, the Court appointed two Members, Alderman Ian Luder and James Tumbridge, as Scheme Manager representatives for terms of four years both expiring in April 2019.

It is now considered that staggered terms of Membership would be more appropriate to allow for a continuation of Member knowledge and experience on the Board, as well as to offer a smooth transition in future years and a sensible rotation of Members to the Board going forward.

Recommendation(s)

Members are asked to endorse a proposed change in Membership term being that:

- The membership term of James Tumbridge be extended by two years to expire in April 2021. This will allow for a staggering of membership and offer sufficient overlap between elected Members on the Board when appointing these on four yearly terms going forward.

Main Report

Background and Context

1. The Local Government Pensions Board was established in June 2015 to meet the requirements of both the Public Services Pensions Act 2013 and a change in legislation relating to the overall governance of pensions schemes, in particular that a local Pensions Board be established by 1 April 2015; but that it need not be operational at this point. The first meeting of the Board was held on 20 October 2016.
2. In order to meet this requirement, the Court of Common Council agreed at its meeting on 25 June 2015 to the creation of a Pensions Board and appointed two Members, Alderman Ian Luder and James Tumbridge, as Scheme Manager

representatives for terms of four years expiring in April 2019. The final constitution of the Board also included a senior officer, by appointment of the Town Clerk, as an additional Scheme Manager representative.

3. Legislation further stipulated that the Pensions Board must also include an equal number of Scheme Member representatives. The Court of Common Council subsequently agreed at its meeting on 15 October 2015 that these representatives should be appointed by an application and appointment process, following which three Scheme Member Representatives were appointed in 2016 for four-year terms expiring in 2020.

Current Position

4. The current composition of the Board is two Common Councilmen, one Senior Officer and three Scheme Member representatives. Scheme Member representatives were appointed to the Board through an application and selection process against agreed criteria and Christina McLellan, Yvette Dunne and Martin Newnham were all appointed in 2016 for a period of four years expiring in 2020.
5. At the time of establishing the Board, the Court of Common Council agreed to a recommendation that Members be appointed for a four-year term expiring in April 2019. However, as the Board did not meet for the first time until October 2016, the appointed Members will have effectively served only a three-year term in practice.
6. Having reflected on the term of membership, it is therefore considered appropriate to introduce a staggered term for Common Councilmen to allow for a level of continuity of membership and to ensure the knowledge level is maintained, allowing for a sensible rotation of Members in future years.

Proposal

7. With the two Members on the Board having terms currently expiring in April 2019, the Board could be left in the undesirable position of retaining no continuity should both Members fail to seek or achieve re-election at that time.
8. One of the two Members on the Board must serve as Chairman or Deputy Chairman, to allow for the Board to report into the Court. There is therefore a strong case to be made for retaining an element of continuity and expertise amongst the two Common Council representatives.
9. It is therefore proposed that the current term of one of the two Common Council representatives, James Tumbridge, be extended by two years. This would result in the Member representative effectively serving a full term of five years on the Board, whilst also facilitating a staggering of terms and providing continuity of Membership going forward by allowing a two-year overlap in future years when reverting to four yearly terms.
10. This report does not address the terms of the three Scheme Member representatives on the Board. This will be subject to a separate review to allow for appropriate legal advice and consideration of best practice to be reviewed before putting forward a proposal on their terms

Corporate & Strategic Implications

11. The Board has a strategic oversight role in relation to the administration of the City Corporation Pension Fund and in securing compliance with the scheme regulations and other legislation relating to the governance of the scheme and any statutory pension scheme that is connected to it.

Financial Implications

12. There are no financial implications.

Conclusion

13. During the initial period of the Board, it has been acknowledged that staggered terms of membership would be appropriate to allow for continuity of Members and to ensure a suitable knowledge level is maintained and to allow for appropriate rotation of membership in future years. A staggered approach to membership would also be in line with the appointment process to a number of other City Corporation Committees.

Appendices

14. There are no appendices.

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