

Committee(s) Police Pensions Board	Date(s): 8 October 2019
Subject: City of London Police Pensions Board – Governance	Public
Report of: Town Clerk	For Decision
Report author: Alistair MacLellan, Town Clerk's Department	

Summary

This report outlines the headline governance principles that underpin the City of London Police Pensions Board with particular reference to Provision 14 of the Police Pensions Regulations 2015, which sets out the core elements of how a Police Pensions Board should be composed. The report goes on to provide, as an appendix, a proposed revised terms of reference for the Board for discussion and referral to the City of London Police Authority Board, as appropriate.

Recommendation:

- That Members note the report and consider any proposed amendments to Board's terms of reference for submission to the City of London Police Authority Board.

Main Report

Introduction

1. At the June 2019 meeting of the Police Pensions Board, the Town Clerk agreed to submit a report outlining the governance of the Board to its October 2019 meeting.
2. The Police Pensions Board was brought into being (as the Police Pensions Sub-Committee) in December 2015 in accordance with the Police Pensions Act 2013. The Sub-Committee met for the first time in January 2017 and resolved to adopt its current title of Police Pensions Board in line with the language of the Police Pensions Act 2013 and the subsequent Police Pensions Regulations 2015 ('the Regulations').
3. The Police Authority Board (formerly Police Committee) resolved that the Board should be composed of three Employer representatives, and three Scheme Member representatives. This composition mirrored the City of London Local Government Pension Board, although Members will note (below) that the Chair has the ability to appoint between four and twelve voting members to the Board.

Governance Principles

4. Provision 14 of the Regulations is particularly pertinent to the work of the Board and is outlined, with commentary, below.

5. **A Police Pension Board is to consist of the following voting members: (a) a chair and deputy chair appointed by the scheme manager; and at least four and no more than twelve persons appointed by the chair with scheme manager approval.**
- a. The 'scheme manager' is the Police Pension Authority. In the case of a member of the City of London Police Force, other than the Commissioner, the Police Pension Authority/Scheme Manager is the Commissioner of Police. The Police Pension Authority/Scheme Manager for the Commissioner of Police is the Court of Common Council (which has delegated its responsibility to the Police Authority Board).
 - b. To date, the Chair and Deputy Chair of the Police Pensions Board have been appointed by the Police Authority Board (formerly Police Committee) rather than the Commissioner of Police as Scheme Manager.
 - c. As per the Regulations, the Chair has appointed number of persons to serve on the Board. This has been done in consultation with the Commissioner / Police Authority Board (formerly Police Committee).
6. **The chair and deputy chair must not both be employer representatives or member representatives.**
- d. The current Chair of the City of London Police Pensions Board is Alderman Ian Luder (Employer Representative) and the current Deputy Chair is John Todd (Member Representative).
7. **If the scheme manager does not appoint an independent chair, the chair and deputy chair must alternate their roles at intervals agreed by the Board.**
- e. To date, the Scheme Manager has not appointed an independent chair.
 - f. As per City of London Police Authority Standing Order 30, the Deputy Chair has, in the absence of the Chair, the same powers, duties and rights as the Chair.
 - g. It is recommended that, to harmonise the role of Deputy Chair with both Standing Orders and the Police Pensions Regulations 2015, that the Board agree what an appropriate interval would be for the Chair and Deputy Chair to alternate their roles (e.g. taking it in turns to chair every other meeting, or alternate the Chairmanship, with Scheme Manager approval, on an annual basis).
8. **Equal numbers of employer representatives and member representatives must be appointed to the Board.**
- h. As per the Regulations, the Chair must appoint at least four and no more than twelve voting members. Of the voting members appointed, there

must be an equal number of employer representatives and member representatives.

9. The Chair may, with scheme manager approval, appoint to the Board up to four independent members who are not entitled to vote in the Board's proceedings.

- i. To date, the Chair has not exercised their ability to appoint up to four independent, non-voting members of the Board. It is recommended that this ability be written into the Board's terms of reference to ensure that this option is made explicit.

10. A member of the Police Pension Board is to hold and vacate office in accordance with the terms of that member's appointment.

- j. A Member of the Board is appointed to a four-year term.

11. In this regulation, 'independent' means neither an employer representative nor a member representative.

- k. This element of the Regulations is self-explanatory.

Conclusion

12. In light of the above, Members are invited to consider a revised terms of reference set out at appendix one.

Appendices

Appendix 1 – City of London Police Pensions Board Proposed Composition and Terms of Reference

Background Papers

Public Sector Pensions Reform – Establishing a Police Pensions Sub-Committee – Report of the Town Clerk to the Police Committee – 1 December 2015

Alistair MacLellan

Town Clerk's Department

E: alistair.maclellan@cityoflondon.gov.uk

CITY OF LONDON POLICE PENSIONS BOARD

Composition

- ~~• Three Scheme Manager Representatives~~
- ~~• Three Scheme Member Representatives~~
- A Chairman appointed by the Scheme Manager¹
- A Deputy Chairman appointed by the Scheme Manager
- The Chairman and Deputy Chairman shall not both be Employer representatives² or Member representatives³
- At least four, and no more than twelve, voting Members appointed by the Chairman with Scheme Manager approval
- An equal number of Employer representatives and Member representatives shall be appointed to the Board
- The Chairman may appoint, with Scheme Manager approval, up to four independent⁴, non-voting Members to the Board

Chairmanship

- Where the Scheme Manager does not appoint an independent chairman, the Chairman and Deputy Chairman shall alternate their roles at intervals agreed by the Board.
- ~~1. The Chairman of the Pensions Board is appointed by the Police Authority Board. The Chairman of the Police Pensions Board then appoints the Board.~~

¹ The Scheme Manager for the City of London Police Force (except the Commissioner) is the Commissioner of the City of London Police (Regulation 7 of Police Pension Regulations). The Scheme Manager for the Commissioner of Police is the Court of Common Council. The functions in relation to both have been delegated to the Police Authority Board (Regulation 11(2) of the Police Pension Regulations).

² An Employer representative is a person appointed to the Board for the purpose of representing employer for the scheme.

³ A Scheme Member representative is a person appointed to the Board for the purpose of representing members of the scheme.

⁴ An Independent Member is a person who is neither an employer representative nor a member representative.

Terms of Reference

In line with the requirements of the Public Services Pensions Act 2013 and the Police Pensions Regulations 2015 for the management of the City of London Police's Pension Scheme, to be responsible for assisting the Scheme Manager (~~the City of London Police~~) in the following matters:

- 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 with it; and
- b) Securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator in relation to the Scheme, or any statutory pension scheme that is connected with it; and
- b)c) The performance of the scheme manager's functions under the Police Pensions Regulations 2015
- e)d) Other such matters as the scheme regulations may specify.

Frequency of Meetings

- Three times per year

Terms

- Board Members are appointed for four-year terms.
- The Chairman and Deputy Chairman are appointed to that role by the Scheme Manager for a one-year term, renewable each year.