

CYNGOR SIR POWYS COUNTY COUNCIL.

POWYS COUNTY COUNCIL

Date 24th September 2020

**REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance**

**REPORT TITLE: Amendment to the Terms of Reference of the Powys
Local Pension Board**

REPORT FOR: Decision

1. Purpose

To seek agreement on the amendment of the existing terms of reference for the local Pension Board for the Powys Pension Fund, as required by the Public Service Pensions Act 2013.

2. Background

- 2.1 The Powys Pension Fund is administered by Powys County Council as the administering authority which was set out in statute following Local Government Reorganisation in 1996. The County Council has previously Delegated responsibility for the management of pension issues to the Pensions & Investment Committee with day to day operational matters delegated to the Section 151 Officer.
- 2.2 The Public Service Pensions Act (PSPA) 2013 introduced a number of changes to public service pension schemes, including a number of key changes impacting on the governance of public service pension schemes. One of these key changes is the requirement for each Administering Authority in the Local Government Pension Scheme (LGPS) to create a local Pension Board. The local Powys Pension Board was established in 2015.
- 2.3 The role of the Pension Board is to assist the Administering Authority to secure compliance with regulations and requirements imposed by the Pensions Regulator; and, to assist in ensuring effective and efficient governance, management and administration of the LGPS and the Powys Pension Fund. This is accepted to mean that the Pension Board has an oversight role but not a decision-making role.
- 2.4 Current Membership
- a) There must be equal numbers of scheme member representatives and Fund employer representatives.

- b) Members of the Board cannot be either Elected Members of Powys County Council serving on Pensions & Investment Committee or Officers involved with the management of the Powys Pension Fund.
- c) There must be at least two of each of these representatives (so a Pension Board must comprise of at least four individuals).
- d) However, these representatives must have "relevant experience and capacity" as well as meeting an ongoing legal requirement in relation to knowledge of pension matters.
- e) Other members can be appointed to the Pension Board in addition to the representatives, but the number of these other members must be less than the total number of representatives.

2.5 Proposed Membership

The proposed amendments seek to introduce some additional flexibility for retention and appointment of Board members by:

- a) Increasing the membership of scheme member and employer representatives from two, to three.
- b) Introducing some flexibilities in order to stagger Board membership commencement and cessation dates.

The revised Terms of Reference are attached at Appendix 1.

3. **Advice**

- 3.1 It should be noted that local authority legislation, and thus the Council's Constitution, does not automatically apply to local Pension Boards as they are being established under the Public Service Pensions Act 2013.

4. **Resource Implications**

- 4.1 The costs for increasing membership are borne by the Powys Pension Fund and there is scope within the budget for these to be met. The budget is reviewed each year and approved by the Pensions and Investment Committee.
- 4.2 The Head of Finance (Section 151 Officer) can support the recommendation.

5. **Legal implications**

- 5.1 Legal Services: The recommendation can be supported from a legal point of view and legal services will continue to assist with the establishment and maintenance of the Pension Board in line with the Protocol.
- 5.2 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

6. Data Protection

- 6.1 Not Applicable

7. Comment from local member(s)

- 7.1 The Terms of reference have been approved by the Pensions and Investment Committee

8. Integrated Impact Assessment

- 8.1 Not Applicable

9. Recommendation

- 9.1 That the revised local Pension Board Terms of Reference set out in Appendix 1 are accepted, approved and take immediate effect.

Contact Officer: Chris Hurst
Tel: 01597 827640
Email: chris.hurst@powys.gov.uk

Head of Service: Jane Thomas

Corporate Director: Ness Young