

Advisory Board

Agenda item 6 - Paper E – Local Pension Boards Terms of Reference

Background

Local Pension Boards needed to be established by the 1 April 2015 under the provisions of section 5 of the Public Service Pensions Act 2013 and regulation 106 of the LGPS Regulations 2013 (as amended).

To assist in the establishment of these Boards the Scheme Advisory Board (SAB) developed guidance on the creation and operation of Local Pension Boards for Administering Authorities. Established means the Administering Authority must have approved the establishment of the Local Pension Board, its composition, and also the Terms of Reference, in accordance with its constitution. It does not necessarily mean that the Local Pension Board has to be fully operational by this date. However, it is anticipated that a Local Pension Board should be operational within a reasonably practicable period after 1 April 2015 (being no longer than four months, August 2015).

Request for updates on Local Board progress

The SSAB secretariat emailed Administering Authorities in April asking for:

- Confirmation that the Board had been established and members appointed;
- If members have not been appointed, the expected date when they will be;
- Copies of the Terms of Reference.

Summary of initial analysis of responses

- A total of 50 Administering Authorities have responded to date and have sent copies of their Terms of Reference.
- Six funds have set the date of the first meeting, ranging from 28th May 2015 to 2nd July 2015.
- Most administering authorities hope to have appointed members by the end of May/early June. However, some authorities have expressed concern that no employee member candidates have come forward.
- Initial analysis of the Terms of Reference would appear to suggest that the regulation requiring equal membership has been followed in all cases and that 9 funds have included independent non-voting chairs. More detailed examination will be needed to determine whether all Terms of Reference comply with the regulations and if they follow Board Guidance.

Next steps

The secretariat will continue to collect TORs and request dates of first meetings. For the July Board we would hope to be able to report on those funds which

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- Have met the regulatory requirements
- Have set meetings within 4 months

A report of those funds who have not complied with the above will also be sent to DCLG and TPR

An analysis of the ToRs against the Board's guidance will be commenced and instances where they differ markedly will be reported to future Board meetings for consideration.

SAB Secretariat
12th May 2015