

PENSIONS COMMITTEE – 15 DECEMBER 2023

Report of the Deputy Chief Executive and Director of Corporate Services

STAFFORDSHIRE LOCAL PENSIONS BOARD CONSTITUTION

Recommendation

1. That the Pensions Committee approves the proposed amendments to the make-up of the Local Pensions Board Membership and agrees to reduce the number of members that sit on the Board from six to four – two representing Scheme Employers and two representing Scheme Employees.
2. That the Pensions Committee approves the amendments to the Local Pensions Board Constitution reflecting the proposed changes to the make-up of the Local Pensions Board Membership.
3. That the Pensions Committee approves the changes to the Local Pensions Board Member Appointment Process.

Background

4. In April 2015 Staffordshire County Council set up a Local Pensions Board (“the Board”) to ensure that, as the Scheme Manager for the Local Government Pension Scheme (LGPS), it executes its duties and responsibilities. The main purpose and role of the Board is to assist the Administering Authority, as Scheme Manager, to secure compliance with the LGPS Regulations and any other legislation relating to governance and administration of the LGPS.
5. When the Board was set up the membership consisted of a maximum of six members made up of three Scheme Employer Representatives and three Scheme Member Representatives.
6. The Board Constitution states that one of the Scheme Employer representatives must be an Elected Local Authority Member and one Scheme Employee representative must be a Trade Union representative.

Amendment to the Local Pension Board Make-up, Constitution and Appointment process.

7. The Committee will be aware of the difficulties experienced throughout 2022 and 2023, in finding suitable nominees to appoint as Board Member Representatives. For some time now, the Scheme

Manager has attempted to appoint both an Elected Member and a Trade Union representative to the Board, without success.

8. Following discussions at the September Board meeting, it was proposed that the Scheme Manager consider reducing the number of members on the Board from six to four, and in doing so remove the specific stipulation from the Board Constitution that the Board membership must specifically include an Elected Local Authority Member and a Trade Union representative.
9. This proposal remains consistent with Local Government Pensions Scheme Regulations 2013, which state that 'an administering authority shall determine the membership of the Board, the way in which they are appointed and the terms of the appointment'. It also states that 'the administering authority must appoint to the local pension board an equal number, which is no less than four in total, of employer representatives and member representatives'.
10. To be clear this does not mean that Elected Local Authority Members or Trade Union representatives cannot become members of the Board, it simply removes the stipulation that there must be two such representatives. This will allow for more flexibility in recruiting new members moving forward.
11. Trade Unions were informed of the proposal on Wednesday 18 October 2023 and asked for any comments by Thursday 30 November 2023. One response, from Unison, stated an appreciation of the issue and given they had no suitable candidate to put forward, confirmed that as a result, there was no objection to the proposal. This, together with the lack of a response from the other Unions, further strengthens the argument that amendments to the make-up of the Board are needed.
12. Whilst this process was carried out the opportunity was also taken to make some amendments to the "Member Appointment Process" included within the Board Constitution, to ensure it remains consistent with current appointment practices.
13. The appointment process included in the current constitution focusses on the selection process undertaken when the Pensions Board was originally established. Whilst it also includes additional steps that concentrate on the recruitment of replacement Board members, the process no longer needs to consider the appointment of an original Board, and the proposed amendments means the process focusses on the appointment of replacement Board members only.

14. The current appointment process also includes the involvement of the Pensions Forum as a nominating body. The Pensions Forum no longer exists in its original guise and is therefore no longer able to carry out this function.
15. The proposed appointment process (found on page 19 of the amended Constitution) is tried and tested as it follows the same appointment process that is used to recruit co-opted members to the Pensions Committee.
16. An opportunity was also taken to bring the document in line with current Fund logo and brand guidelines, and the Pensions Committee is asked to note these amendments.
17. An updated copy of the Constitution can be found at Appendix 1 to this report.

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Equalities implications: There are no direct equality implications arising from this report.

Legal implications: The legal are covered in the body of this report.

Resource and Value for money implications: There are no direct resource and value for money implications arising from this report.

Risk implications: There are no risk implications arising from the report.

Climate Change implications: There are no direct climate change implications arising from this report.

Health Impact Assessment screening – There are no health impact assessment implications arising from this report.