

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel
Decision:	7 November 2014
Title:	Implementation of the Pension Board - update
Reference:	6223
Report From:	Director of Corporate Resources – Corporate Services

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1. Executive Summary

- 1.1. This report provides an update for the Pension Fund Panel on the latest developments for scheme governance, in particular Local Pension Boards. Since the Panel's last meeting the Department for Communities and Local Government (DCLG) has issued further consultation on amendments to the draft Governance Regulations and the Shadow Scheme Advisory Board has also issued consultation on guidance it has produced on Scheme Governance. It is anticipated that these draft regulations and guidance will have to be the basis that Administering Authorities use in work to create Local Pension Boards by the statutory deadline of 1 April 2015.

2. Further Consultation

- 2.1. The Government published initial draft regulations and consultation on Scheme Governance (including the creation of Local Pension Boards) in June 2014, to which Hampshire County Council responded. In addition to querying the purpose of Pension Boards for the LGPS, Hampshire's consultation response noted fundamental issues with the draft regulations, such as the role of elected members on Pension Boards and the implications if the Pension Board was a committee created under section 101 of the Local Government Act 1972 as opposed to being created using local powers.
- 2.2. In response to the consultation the Government has revised the draft regulations and issued further consultation, which is contained in Annex 1. The consultation on updated draft regulations for Pension Boards are part of a wider consultation on the amended regulations, which include provisions for the Scheme Advisory Board, the Scheme Actuary and pension cost controls. In addition the Shadow Scheme Advisory Board has also issued consultation on guidance it has produced on Scheme

Governance. The guidance is a lengthy document but the covering report is attached in Annex 2. Both consultation responses are due on 21 November 2014. Following the format of previous consultation responses it is proposed that the Director of Corporate Resources' staff will draft the consultation responses, which will be agreed with the Chairman of the Panel prior to being submitted.

2.3. The most significant changes or updates to the regulations concerning Pension Boards are as follows:

- Elected members are now allowed to serve on the Pension Board as employer or scheme member representatives, this was previously prohibited by the original draft regulations. Elected members serving on the Pensions Fund Panel would still be excluded from being part of the Pension Board.
- The Local Authority is free to determine matters such as the terms of appointment and membership of the Pension Board, the possibility that this may be governed by section 101 of the Local Government Act 1972 in the original draft regulations has been removed.
- The guidance states that all employers and scheme members should have an equal opportunity to be nominated as employer or scheme member representatives on the Pension Board.

3. Next Steps

- 3.1. It is expected that the final regulations will not be published by the Government for some time, therefore the latest draft regulations and guidance will have to be the basis on which the County Council creates its Local Pension Board. As previously reported to the Panel a report will go to the County Council meeting on 23 February 2015 recommending the creation of Hampshire's Local Pension Board.

4. Recommendation

- 4.1. The Panel agree that the Director of Corporate Resources' staff draft the consultation responses to DCLG and the Shadow Scheme Advisory Board, which are to be agreed with the Chairman of the Panel prior to being submitted.
- 4.2. That the remainder of the report is noted.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

None

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 – background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

1.3. At this stage in the creation of the Hampshire Pension Board there are not considered to be any Equality Impacts. Equality considerations will need to be taken into account at the point that the County Council considers how to find representatives to be members of the Pension Board.

2. Impact on Crime and Disorder:

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.