

**Report To:** **GMPF LOCAL PENSIONS BOARD**

**Date:** 9 August 2018

**Reporting Officer:** Sandra Stewart, Director of Pensions  
Euan Miller, Assistant Director of Pensions (Funding and Business Development)

**Subject:** **LOCAL BOARD TERMS OF OFFICE**

**Report Summary**

The Terms of Reference for the Local Board require periodic review by the Administering Authority. One of the areas that the Terms of Reference suggests should be reviewed is the appropriate number of Board members, which should be conducted in liaison with the Board.

It was agreed at the previous meeting of the Board that a report be submitted to a future meeting of the Local Board for members' consideration, setting out proposals for Board composition and terms of office going forward.

The current Terms of Reference are attached as **Appendix 1** to this report for information.

**Recommendations:** To provide comment on the proposals set out in Section 3 of the report.

**Policy implications:** None.

**Financial Implications:** None.

**(Authorised by the Section 151 Officer)**

**Legal Implications:** The responsibilities of local boards in the LGPS are set out in the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015.

**(Authorised by the Solicitor to the Fund)** The 2015 Governance Regulations require employer and member representatives to have the "capacity" to represent employers and members respectively. Board members are also required to acquire appropriate "knowledge and understanding" of pension matters, under the Pensions Act 2004.

**Risk Management:** The purpose of the Local Board is to oversee compliance type activities and to support effective and efficient governance of the Fund. Thus its role is likely to focus on mitigating risks.

**ACCESS TO INFORMATION:** **NON-CONFIDENTIAL**

**This report does not contain information which warrants its consideration in the absence of the Press or members of the public.**

**Background Papers:**

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## **1. INTRODUCTION**

- 1.1 The Terms of Reference for the Local Board were initially adopted in February 2015 and last revised in July 2015. The current Terms of Reference are attached as **Appendix 1** to this report.
- 1.2 The Terms of Reference for the Local Board require periodic review by the Administering Authority. One of the areas that the Terms of Reference suggests should be reviewed is the appropriate number of Board members, which should be conducted in liaison with the Board.
- 1.3 It was agreed at the previous meeting of the Board that a report be submitted to a future meeting of the Local Board for members' consideration, setting out proposals for Board composition and terms of office going forward.

## **2. BACKGROUND**

- 2.1 To allow it to be established expediently, the GMPF Local Board was initially comprised of 2 employer representatives and 2 employee representatives ('2+2' - there is a requirement for equal numbers of each).
- 2.2 This was increased soon after establishment to '4+4' and then to '5+5' with the addition of the pensioner representative and the representative of non-local authority employers.
- 2.3 The current process for allocating seats on the Board is set out in paragraphs 5 to 13 of the Terms of Reference.
- 2.4 The only change to the Board membership since the expansion to 10 members is the retirement of the original Board Chair (one of the employer representatives) and the appointment of Councillor Fairfoull as his replacement.
- 2.5 The Terms of Reference set the terms of office for the initial board members to run until September 2016 but give the Administering Authority the power to extend these (paragraphs 18 to 20). However the Terms of Reference are silent on the terms of office of the members who have subsequently joined.
- 2.6 At the previous meeting, Board members agreed that 4 year terms of office would be an appropriate term in order to maintain an appropriate range of skills and experience.

## **3. PROPOSAL**

- 3.1 It is proposed that the Board remains at 10 members, with the same composition and method of appointment as at present, and that individual terms of office are set at 4 years, with Board members serving no more than 2 consecutive terms of office.
- 3.2 Board members will be expected to complete appropriate training, such as the Pensions Regulator's Public Service Toolkit and to attend relevant training events.
- 3.3 In order to best maintain the knowledge and experience of the Board it is proposed that the conclusion of the existing terms of office are staggered over a 4 year period, with either 2 or 3 Board members' terms of office concluding each year.
- 3.4 A proposed schedule for the expiry of the existing terms of office is set out in the table below.

| Date     | Board members with concluding term of office      |                                                                           |                                 |
|----------|---------------------------------------------------|---------------------------------------------------------------------------|---------------------------------|
| May 2019 | Pensioner representative<br>(automatically renew) | Representative of non-local government employers<br>(automatically renew) | Representative of GM Treasurers |
| May 2020 | Tameside MBC representative                       | Employee representative                                                   |                                 |
| May 2021 | Representative of GM Monitoring Officers          | Employee representative                                                   | Employee representative         |
| May 2022 | Tameside MBC representative                       | Employee representative                                                   |                                 |

3.5 Due to the complexity of running a process to select the Pensioner and Non-Local Authority representatives, it is proposed that the current appointments automatically renew in 2019. The representative of GM Treasurers has also volunteered for his term of office to expire in 2019.

3.6 Tameside MBC will write to the North West TUC to ask it to determine the expiry of the term of office for each of the employee representatives in accordance with the table above. Tameside MBC AS Administering Authority will decide which of its representatives' term of office concludes in 2020 and which concludes in 2022.

#### 4. RECOMMENDATIONS

4.1 To provide comment on the proposals set out in Section 3 of the report.