



LOCAL PENSION COMMITTEE – 27 NOVEMBER 2020

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

TERMS OF REFERENCE

Purpose of the Report

1. The purpose of this report is to seek the Committee's approval of the revised Terms of Reference for the Local Pension Committee.

Background

2. Leicestershire County Council is the administering body for the Local Government Pension Scheme (LGPS) within Leicestershire and Rutland. Leicestershire County Council has a statutory obligation, as defined under the Public Service Pensions Act 2013, to administer a Pension Fund for eligible employees of all Local Authorities within the County boundary and also the employees of certain other scheduled and admitted bodies. In accordance with Section 101 of the Local Government Act 1972 the County Council has delegated the responsibility for decisions relating to investment of the Fund's assets to the Local Pension Committee. The Committee's principal aim is to consider pensions matters with a view to safeguarding the interests of all pension fund members.
3. A high-level governance review of the Leicestershire County Council Pension Fund was undertaken by the Fund's Independent Adviser Clare Scott to consider the Fund's performance in relation to regulatory requirements in respect of the LGPS, the expectations of the Pensions Regulator and the emerging themes from the Scheme Advisory Board's Good Governance Review. One of those recommendations was that the Committee Terms of Reference should be updated.

Terms of Reference Review

4. The Local Pension Committee's existing terms of reference have remained the same since a governance review took place in 2010. Following the Local Pension Board's revised Terms of Reference, agreed 16 September 2019 it was considered timely to review the Committee's Terms of Reference to ensure both meetings aligned.
5. The review was undertaken having regard to Government legislation, advice provided in the Good Governance Project Local Government Pension Scheme report, other relevant guidance and terms of reference of other Committees as well as the recommendations from the Governance Review undertaken by the Fund's Independent Advisor, discussed in more detail on an earlier agenda item.

6. While the main features of the original Terms of Reference have been retained, such as the number of times the Committee will meet each year and the number of members on the Committee, the revised version, attached as an appendix, offers far more detail and clarity about the role and function of the Committee, and the role of its members. The Committee's attention is specifically drawn to the following key changes: -
- Activity of the Committee, has been expanded to embed what is currently reported to the Committee to cover pooling, LGPS Central matters, Responsible Investment and the strategies, statements and reports that the Committee has oversight and approval of as highlighted as part of the independent governance review
 - That the Leicestershire Pension Fund is represented by the Committee Chairman at the Local Government Pension Scheme Central Joint Committee and Shareholders Forum.
 - That the Committee will have regard to the advice of the Local Pension Board in its role in assisting the Administering Authority ensuring the effective and efficient governance and administration of the Local Government Pension Scheme including, securing compliance with LGPS Regulations, other legislation and the requirements of the Pensions Regulator.
7. In the Board's role in assisting the Administering Authority in ensuring the effective and efficient governance and administration, it was considered appropriate to seek the Board's views on the matter. The Board fully supported the revised Terms of Reference.
8. If agreed the Terms of Reference will be reviewed at least every three years or following any significant change to relevant regulations.

Recommendation

9. That the Committee approve the revised Terms of Reference.

Equality and Human Rights Implications

None.

Appendix

Draft Terms of Reference

Background Papers

Good Governance in the LGPS – Phase II report from Working Groups to the Scheme Advisory Board

https://www.hymans.co.uk/media/uploads/Hymans_Robertson_Good_governance_in_the_LGPS_Phase_II.pdf

Pension Fund Management Board – Proposed Changes to Governance Arrangements 19 May 2010 County Council

<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=134&MID=2562#AI25260>

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