Subject	Local Pension Board Membership	Status	For Publication
Report to	Authority	Date	9ᵗʰ June 2022
Report of	Corporate Manager - Governance		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Garrison	Phone	01226 666418
E Mail	jgarrison@sypa.org.uk		

1   Purpose of the Report

1.1   To secure a decision from the Authority with regard to the filling of vacancies on the Local Pension Board and approval of the relevant amendments to the Board's Constitution.

2   Recommendations

2.1   Members are recommended to:

a. **Endorse the views of the Local Pension Board in relation to the need to achieve greater consistency of membership.**

b. **Direct the Authority's Director to request that the District Councils make their appointments to the Board for a period of 3 years.**

c. **Approve the consequent amendments to the Board's constitution.**

3   Link to Corporate Objectives

3.1   This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

4   Implications for the Corporate Risk Register

The actions outlined in this report directly address the identified risks around the effective operation of the Local Pension Board.

5   Background and Options

5.1   At its last meeting in April the Local Pension Board considered, as is good practice, its annual effectiveness review. This raised some specific issues around membership which fall to the Authority to determine.

5.2 The Board determined two key principles in relation to its membership which underpin the thinking for its requests to the Authority

     a. That the Constitution should be written flexibly enough in relation to membership that it does not require frequent changes.
     b. That the terms of office of all members of the Board should not be less than 3 years to allow members to develop the knowledge and skills necessary to fulfil the relevant regulatory requirements.

5.3 The Board currently has 2 employer side vacancies, one for a councillor member and one for a seat currently designated as a local authority senior manager. Given that there are two councillor seats, albeit one has been vacant for some time, and that the District Councils through their appointments to the Authority effectively control the work of the Authority two seats out of five allocated to the District Councils on what is not a decision-making body seems adequate in terms of the representation of the different interests.

5.4 The Councillor members should be appointed by a rota between the District Councils in a similar way to the arrangements for Chairing the Authority, ideally with changes happening in different years. Currently Councillors are limited to a two-year term which is inconsistent with the other members and also means that just as they are beginning to become effective there is a change. It is recommended by the Board that this is extended to three years in line with other members. The Authority is being recommended to agree to this and to instruct the Director to write to the District Councils to this effect. In practical terms this will mean that Barnsley who will be appointing to the vacancy will be asked to do so for 3 years and that Sheffield will be asked to confirm their appointment for an additional year, with Doncaster making an appointment the following year.

5.5 In terms of the non-councillor employer representatives the feeling of the Board was that the current arrangements are too prescriptive and that a more generic approach should be taken with the Authority's officers being asked to have regard to the balance of different employer groups as a criterion when considering competing applications for appointment. The relevant changes to the Board's constitution are highlighted below:

5.1.1 Employer representatives will consist of:
- *Local Authority Councillors (rotated every ~~2~~ 3 years) in line with a pattern agreed with the Constituent Authorities*
- *3 other employers (appointed for 3 years) chosen with regard to the balance of different employer groups.*
- ~~*1 'Other Large Employer' (appointed for 3 years)*~~
- ~~*1 Academy (appointed for 3 years)*~~
- ~~*1 Local Authority Senior Manager (appointed for 3 years)*~~

5.1.2 Employee representatives will consist of:
- *3 Trades Unions who must be LGPS Scheme members (appointed for 3 years)*
- *2 members selected from active, pensioner and deferred members (appointed for 3 years)*

5.1.3 Appointment of employer and Trades Union representatives will be by nomination, Scheme member representatives will be appointed by an application process.

5.1.4 A non-Councillor member (employer or scheme member) may serve a maximum of three terms of office.

5.6   These changes should allow the Board to build on its increasingly stable and knowledgeable membership while maintaining appropriate representation of different interests among employers.

5.7   The Authority needs to develop during this year a formal policy on representation as part of the work flowing from the Good Governance Review and this will need to set out how the discretion implicit in the proposed position will be exercised.

6   Implications

6.1   The proposals outlined in this report have the following implications:

Financial	None
Human Resources	None
ICT	None
Legal	The Public Sector Pensions Act 2013 and the relevant LGPS regulations require the Authority, as scheme manager, to constitute a Local Pension Board and to ensure that its membership is broadly representative of the various different interests represented within the Fund's membership and employer base. The proposals set out in this report specifically address there requirements.
Procurement	None

Jo Garrison

Corporate Manager - Governance

Background Papers	
Document	**Place of Inspection**
Local Pension Board Constitution	Governance (sypensions.org.uk)