

# General Purposes Committee Supplementary Agenda



4. **Proposed Changes to the Constitution Relating to Pension Matters** (Pages 3 - 20)

Appendices 1B, 2B and 3B contain proposed changes to the Constitution relating to pensions matters with tracked changes.

Katherine Kerswell  
Chief Executive  
London Borough of Croydon  
Bernard Weatherill House  
8 Mint Walk, Croydon CR0 1EA

Marianna Ritchie  
020 8726 6000  
[marianna.ritchie@croydon.gov.uk](mailto:marianna.ritchie@croydon.gov.uk)  
[www.croydon.gov.uk/meetings](http://www.croydon.gov.uk/meetings)

This page is intentionally left blank

## Appendix 1

### Various proposed changes to the Constitution relating to Pensions matters

#### Part 2, Article 8 Non-Executive Committees

The PB is erroneously listed as a non-executive committee of the council. It is proposed that the reference to the PB be deleted.

It is also proposed to make the following change to the reference to the membership of the PC.

Pension Committee	8 Members + <u>13</u> voting co-optee and <u>12</u> non-voting co-optees
-------------------	--------------------------------------------------------------------------

Formatted: Underline

Formatted Table

#### Part 2, Article 11 Joint Committees – Schedule 1

The reference to the London CIV needs to be updated as follows:

##### **The Pensions Collective Investment Vehicle (CIV) – London CIV Sectoral Joint Committee**

~~Hosted by London Councils, the joint committee is established under section 102 of the Local Government Act 1972 with a view to pooling pension investments and with functions necessary for the proper functioning of the Authorised Contractual Scheme (ACS) Operator (which is the company that would manage the ACS), including the effective oversight of the ACS Operator.~~

The Pension Fund makes some investments through the London LGPS CIV Limited (London CIV) which is authorised and regulated by the Financial Conduct Authority (FCA). The London CIV manages London Local Government Pension Scheme (LGPS) assets. It is one of a number of UK LGPS asset pooling companies. The London Boroughs and City of London are the shareholders. The governance structure includes Shareholder General Meetings and a Shareholder Committee, comprising Leaders and Treasurers of twelve of the London Boroughs, and a Board made up of executive and non-executive directors all of whom must meet FCA fitness to serve requirements.

Formatted: Underline

#### Part 3, Responsibility for Functions

Once again, at 2.9 the PB is erroneously listed as a non-executive committee of the council. It is proposed that the reference to the PB be deleted.

At 2.10, it is proposed that the reference to the membership of the PC is updated and that the additional information be deleted to avoid unnecessary duplication.

**2.10 Pension Committee** (Membership 8, plus 1 Staff ~~s~~Side ~~non~~-voting co-opted member nominated by the unions, 1 Non-Council Employer side voting co-opted member nominated by the other Pension Fund employers and 2 Pensioner ~~s~~Side co-opted ~~m~~Members (1 voting co-opted member and one non- voting co-opted member) appointed following an election by ballot of Pension Fund pensioners. The Staff side Pensioners' side co-opted member is are appointed on an annual basis

Formatted: Underline

Formatted: Font: 11 pt

Formatted: Font: 11 pt

Formatted: Font: 11 pt

Formatted: Font: 11 pt

~~following consultation with the Staff side and Pensioners of the Pension Fund. The non-Council Employer side co-opted member is appointed normally for a term of four years. The Pensioners' side co-opted members are appointed in keeping with the outcome of an election by ballot of Pensioners of the Fund, normally for a term of four years. Terms of Reference are set out at Part 4N. Functions of the Pensions Committee are:-~~

~~2.10.1 To ensure that the Fund is properly operated in accordance with the Local Government Pensions Scheme Regulations ("the Regulations") all other relevant legislation and best practice as advised by the Pensions Regulator, including financial, governance and administrative matters.-~~

~~2.10.2 To adopt Fund specific policies concerning the administration of the Fund, investing of Fund monies and the management of the Fund's solvency level. In addition, the Committee is responsible for compliance with all financial and regulatory requirements of the Fund.-~~

~~2.10.3 To discharge its fiduciary responsibility in the best interest of the Fund, in particular:-~~

- ~~a. To set the investment policy and review the performance of the Fund's investment managers, pooling operators, scheme administration, and external advisors;-~~
- ~~b. To make arrangements for the triennial actuarial valuation;-~~
- ~~c. To determine the Pension Administration Strategy;-~~
- ~~d. To approve and monitor compliance of statutory statements and policies required under the Regulations;-~~
- ~~e. To approve the Fund's Statements of Accounts and annual report;-~~
- ~~f. To ensure that the Council discharges its obligation, as administrating authority for the local government pension scheme, to other scheme employers;-~~
- ~~g. To make representations to government as appropriate concerning any proposed changes to the Local Government Pension Scheme; and-~~
- ~~h. To keep these terms of reference under review.-~~

### **Part 6D – Scheme of Co-option**

The Council's Scheme of Co-option states that it applies to "all Co-opted Members" and that "The scheme covers the co-option of voting and non-voting co-opted Members onto current Committees as detailed in sections 2-10 below". At section 7 reference is made to "the Pensions Board Members".

Once again, this appears to represent the PB as a committee of the council and PB members as co-optees. Part 4M of the Constitution (as per **Appendix 2**) regulates the conduct of members of the PB by, among other things, applying the Members' Conduct of Conduct save for the provisions relating to interests, gifts and hospitality and complaints handling.

There are other aspects of the Scheme of Co-option which clash or overlap with Part 4M and it is proposed that section 7 relating to the PB be deleted.

The Scheme of Co-option also has a section on the PC. It is proposed that paragraphs 8.2 and 8.3 be updated to reflect the proposed change in the membership of the PC as follows:

Formatted: Font: 11 pt

Formatted: Font: 11 pt

Formatted: Font: 11 pt

Formatted: Font: 11 pt

Formatted: Indent: Left: 0 cm, Hanging: 1.43 cm, Right: 0.4 cm

Formatted: Indent: Left: 0 cm, Hanging: 1.43 cm

Formatted: Indent: Left: 0 cm, Hanging: 1.43 cm, Right: 0.4 cm

Formatted: Indent: Left: 0 cm, Hanging: 1.43 cm

Formatted: Indent: Left: 0 cm, Hanging: 1.43 cm, Right: 0.4 cm

8.1 The Pensions committee includes 1 Staff ~~s~~Side ~~non~~-voting co-opted member ~~nominated by the unions, 1 Non-Council Employer side voting co-opted member nominated by the other Pension Fund employers~~ -and 2 Pensioner ~~s~~Side co-opted ~~m~~Members (~~one~~<sup>4</sup> of whom is a voting co-opted member and one of whom is a non-voting co-opted member) ~~appointed following an election by ballot of Pension Fund pensioners.~~

8.2 ~~The Staff side co-opted and Pensioners' side member is~~ ~~are~~ appointed on an annual basis. ~~The non-Council Employer side co-opted member is appointed normally for a term of four years, following consultation with the Staff side and Pensioners of the Pension Fund.~~

~~The Pensioner side co-opted members are appointed normally for a term of four years.~~

Formatted: Indent: Left: 0 cm, Hanging: 1.27 cm

This page is intentionally left blank

## Appendix 2

# CONSTITUTION OF THE LONDON BOROUGH OF CROYDON

### PART 4.M – Local Pension Board Procedure Rules

#### 1. Definitions

“Advisers” means those provided for in paragraph 11 of these Terms of Reference;

“Administering Authority” means the Council which is a body listed in Part 1 of Schedule 3 of the Scheme Regulations who maintains a fund within the LGPS;

“Board” means the members of the Local Pension Board as appointed by the Pension Committee;

“Chair” means the suitably qualified individual who is selected and appointed by the Scheme Manager who has responsibility of ensuring the Board acts appropriately in accordance with these Terms of Reference;

“Employer Representative” means persons appointed to the Board for the purpose of representing employers of the Scheme and any connected Scheme;

“Fund” means the Croydon Council Pension Fund that is run by Croydon Council and is part of the National Local Government Pension Scheme for England and Wales;

“Internal Dispute Resolution Procedure” means the Local Pension Board’s internal dispute resolution procedure as set out in a separate document titled “Internal Dispute Resolution Procedure”;

“LGPS” means the Local Government Pension Scheme;

“Local Pension Board” (LBS) means the board Local Pension Board (LPB) for Croydon Council as administering authority for the Fund as required established under section 5 of the Public Service Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended). The LBS is not constituted as a committee or sub-committee of the council but is a statutory non-decision making body;

“Member Representative” means persons appointed to the Board for the purpose of representing members of the Scheme and any connected Scheme;

“Members” means the Employer and Member Representatives collectively;

Formatted: Font: (Default) +Body (Calibri)

“Pensions Regulator” means the UK regulator of work-based pensions whose powers derive from the Pensions Act 2004 ~~(as amended)~~ and its powers inherited from the Occupational Pensions Regulatory Authority (OPRA) from 6 April 2005;

“Scheme” means the Local Government Pension Scheme in England and Wales;

“Scheme Manager” means the ~~Croydon Council~~ acting in its capacity as Administering Authority of the Fund ~~exercised through the Corporate Director of Resources and section 151 Officer~~ \_\_\_\_\_;

“Scheme Regulations” means the ~~Local Government Pension Scheme as constituted by the~~ Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 and other relevant and any subsequent legislation made in relation to the LGPS;

## 2. Introduction

- a. The purpose of this document is to set out the terms of reference for the Local Pension Board (“LPB”) of the Fund, and to set out the rules of ~~the Pp~~ procedure of the LPB Board.

## 3. Role of the Local Pension Board

~~3.1~~ —The role and responsibilities of the LPB, as defined by section 5(1) and (2) of the Public Services Pensions Act 2013 and regulations 106 and 108 of the Local Government Pension Scheme Regulations 2013, is to:—

~~a.3.1~~ Assist the Administering Authority (~~Croydon Council~~) in its role as a Scheme Manager of the Scheme in relation to the following matters:-

- ~~b.a.~~ To securing compliance with the Scheme Regulations and any other legislation relating to the governance and administration of the LGPS;
- ~~e.b.~~ sTo securing compliance with requirements imposed in relation to the LGPS by the Pensions Regulator;
- ~~e.c.~~ In such other matters as the Scheme LGPS regulations may specify; and
- ~~e.d.~~ Secureensuring the effective and efficient governance and administration of the LGPS ~~for the Fund~~; and
- ~~f.e.~~ providing the Scheme Manager with such information as is required to ensure any member of the LBP or person to be appointed to the LPB does not have a conflict of interest.

3.2 The LPB will ensure it effectively and efficiently complies with any code of practice on the governance and administration of public service schemes issued by the Pension Regulator.

3.3 The LPB shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

**Formatted:** Heading 1, Indent: Left: 0 cm, Hanging: 1 cm, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.63 cm + Indent at: 1.27 cm



#### 4. Establishment

4.1 The LPB ~~was~~ established on 1 April 2015 subsequent to recommendation by the ~~Croydon Council~~ Pension Committee to the General Purposes and Audit Committee on 24 ~~March/03/2015~~ of the recommendation to establish the LPB [report reference ~~GPAC20150325AR0~~].

#### 5. Appointment of members of the Local Pension Board

5.1 The process for the selection and appointment of members of the LPB is set out below, with all appointments being made by the Scheme Manager.

5.2 The LPB shall consist of 6 voting members constituted as follows:

- a. 3 Employer Representatives;
- b. 3 Member Representatives;

~~5.3~~ The LPB Board shall be an equal number of voting Employer representatives and voting Member Representatives. No person shall be a representative on both the ~~London Borough of Croydon~~ Pension Committee and ~~Croydon Council's~~ LPB.

##### ~~5.3~~ Employer Representatives

5.4 Employer Representatives shall be office holders or senior employees of employers of the Fund or have experience of representing scheme employers in a similar capacity. No officer or elected member of ~~Croydon~~ Council who is responsible for the discharge of any function of ~~the Croydon~~ Council under the Scheme Regulations may serve as a member of the LPB.

5.5 Employer Representatives should be able to demonstrate their capacity to represent the employers. This will be in relation to attending and completing the necessary preparation for meetings and participating in training as and when required.

5.6 Substitutes for Employer Representatives shall be appointed by the same process as Member and Employer Representatives. This will be limited to one (1) substitute per Employer Representative. Where appointed, substitutes should be named and must undertake the same training as full members.

5.7 Each Employer Representative shall serve for a fixed 2 year term which may be extended by the Scheme Manager for further periods subject to their renomination.

Formatted: Indent: Left: 2 cm, No bullets or numbering

Formatted: Font: Italic, Underline

Such appointments will be determined following an expression of interest and then a shortlist and interview process.

5.8 Employer Representatives shall endeavour to attend all Board meetings during each year.

5.8 *Member Representatives*

5.9 Member Representatives shall either be Scheme members or have capacity to represent Scheme members of the Fund.

5.10 Member Representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as and when required.

5.11 Substitutes shall be appointed by the same process as Member and Employer Representatives. This will be limited to one (1) substitute per Member Representative. Where appointed substitutes should be named and must undertake the same training as full members

5.12 Each Member Representative shall serve for a fixed 2 year term which may be extended by the Scheme Manager for further periods subject to their renomination.

5.13 Member Representatives shall endeavour to attend all Board meetings during each year.

**6. Suspension/Termination/Removal of Employer Representatives, Member Representatives and Substitutes (referred to as Representative(s) and the Chair)**

6.1 A Representative's (including substitute's) or Chair's term of office may be suspended or come to an end prior to the end of the term of office in any of the following circumstances:

- ~~a. Expiry of a fixed term of office without any extension being granted/authorised by the Scheme Manager;~~
- ~~b. A Representative's death;~~
- ~~e. b. Incapacity Unable to act appropriately in his/her role because of illness or injury;~~
- ~~e. c. In the absence of reasonable excuse (to be decided by the Scheme Manager), failure to attend two consecutive meetings (this would be to the Scheme Manager's discretion);~~

Formatted: Indent: Left: 2 cm, No bullets or numbering

Formatted: Font: Italic, Underline

Formatted: Indent: Left: 1 cm, First line: 1 cm, No bullets or numbering

Formatted: Heading 1, Indent: Left: 1 cm, First line: 1 cm

Formatted: Indent: Left: 1 cm, First line: 1 cm, No bullets or numbering

- ~~e.d.~~ ~~Representative wishes to r~~Resignation – a notice period of 4 weeks is required to be given to the Scheme Manager;
- ~~f.e.~~ ~~A~~ Representative ceases to represent their constituency, for example if an employer representative leaves the employment of their employer and therefore ceases to have the capacity to represent the Fund's employers;
- ~~g.f.~~ ~~Representative has a~~A conflict of interest which cannot be managed in accordance with the LPB's conflicts of interest policy current at the time;
- ~~h.g.~~ ~~Conduct in Representative has~~breached of the Council's Members' Code of ~~C~~Conduct.

6.2 The Scheme Manager may suspend ~~the Chair and a Member~~ Representative whilst investigations into (but not limited to) the above are conducted. Upon the conclusion of any investigation the Scheme Manager may either approve their ~~Member to~~ return to his/her role or can terminate their appointment and secure a replacement.

## 7. The Chair

7.1 The Chair of the LPB will be a suitably qualified person who is selected and appointed by the Scheme Manager for a fixed term of office to be determined by the Scheme Manager. It will be the role of the Chair to ensure that all Members ~~of the Board~~ show due respect for process, that all views are fully heard and considered and to determine when consensus has been met.

7.2 The Chair shall:

- a. Ensure the LPB delivers its purpose as set out in these Terms of Reference;
- b. Ensure that meetings are productive and effective and that opportunity is provided for the views of all ~~M~~members to be expressed and considered; and
- c. Seek to reach consensus and ensure that decisions are properly put to a vote when it cannot be reached. Instances of a failure to reach a consensus position will be recorded and published;
- d. Be non-voting.

## 8. Quorum

8.1 The ~~LPB Board~~ shall have a quorum of three (3) Members (which does not include ~~ing~~ the Chair). If a meeting is inquorate it will be re-scheduled for as soon as is reasonably practicable.

8.2 Advisers do not count towards the quorum.

## 9. Conflicts of Interest

- 9.1 ~~Conflicts of interest will be managed in accordance with a policy and, if applicable, other procedures applied by the Administering Authority policy applicable to Members and for identifying conflicts of interest is set out in a separate policy document titled "Local Pension Board Conflicts of Interest Policy".~~

## 10. Board Review Process

- 10.1 The Board will undertake a formal review process during June of each year to assess how well it and the voting and non-voting members are performing with a view to seeking continuous improvement in the Board's performance.

## 11. Advisers to the Board

- 11.1 The Board may be supported in its role and responsibilities by Council officers and by External Advisers appointed by the Pension Committee, ~~to support the London Borough of Croydon Pension Committee.~~ Subject to any applicable regulation and legislation from time to time in force, the ~~LPB~~ Board may consult with Advisers including but not limited to:

- a. Governance Adviser
- b. The Fund's Actuary;
- c. The Fund's Legal Adviser
- d. The Fund's Investment Managers(s)
- e. The Fund's Investment Advisers
- f. The Fund's Employer Covenant Adviser
- g. The Scheme Manager.

- 11.2 The ~~LPB~~ Board shall ensure that the performance of all Advisers who are appointed are reviewed on a regular basis as part of the Board Review Process.

## 12. Knowledge and Skills

- 12.1 ~~The Chair and the~~ Employer and Member Representatives (including substitutes) of the LPB must be conversant with –

- a. The legislation, Scheme Regulations and associated guidance of the LGPS;
- b. Any document recording policy about the administration of the LGPS (which is for the time being adopted by the Fund).

- 12.2 All members of the LPB must have a working knowledge and understanding of –

- a. The law relating to pensions, and
  - b. Any other matters which are prescribed in Scheme Regulations.
- 12.3 It is for the Scheme Manager to be satisfied that those seeking to be appointed have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the LPB.
- 12.4 In line with the duties under their role, the ~~Chair and LPB m~~Members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date on anything that would fall within the remit of their role. ~~The Chair and LPB m~~Members are therefore required to maintain a written record of all relevant training and development (whether internal or external) they have undertaken. In the event that ~~the Chair and M~~LPB members wish to attend an external course/training event prior approval must be sought from the Scheme Manager. All information in relation to training and development of ~~the Chair and all LPB m~~Members shall be made available to the ~~LPB Board~~ as part of the ~~LPB Board R~~review p~~r~~ocess. In addition, the Scheme Manager may, at any time request to inspect such records upon providing the ~~Chair and relevant m~~Member with a written request which must be adhered to within 7 days of receipt of such a request.
- 12.5 ~~The Chair and All LPB m~~Members will undertake an annual personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses as well as mandatory training that the ~~LPB Board~~ or Scheme Manager considers is required to ensure the ~~LPB Board~~ operates as effectively as possible. ~~The Chair and M~~LPB members will comply with the Scheme Manager's training policy ~~current at the time, details of which are found in the separate document titled "Local Pension Board Training Policy"~~.

### 13 Board Meetings – Notice, Agendas, Minutes, Timings and Location

- 13.1 The Scheme Manager shall give 5 days' written notice, by email, to the Chair and to all Employer and Member Representatives of every meeting of the LPB. The Scheme Manager shall ensure that formal minutes of all LPB meetings are maintained. Following the approval of the minutes by the Chair they shall be circulated by email to all members within 14 days of the meeting date and then published in accordance with paragraph 17.
- 13.2 There will be a minimum of 4 LPB meetings each year. The dates of such meetings are to be agreed in June of each year by the ~~LPB Board~~, taking into account the dates of scheduled Pensions Committee ~~meetings~~ which will then provide the ~~LPB Board~~ with the opportunity to effectively review the work of the Pensions Committee.
- 13.3 All LPB meetings will be held in the Croydon Town Hall, Katharine Street, Croydon, CRO 1NX at 2pm, unless stated otherwise in the notice for the meetings.

## 14 Remit of the Board

- 14.1 The role of the LPB will be determined by the relevant Scheme Regulations. The LPB will assist the Scheme Manager with such other matters as any relevant Scheme Regulations may specify.

## 15 Standards of Conduct of Members

- 15.1 The role of LPB members requires the highest standards of conduct and therefore the “seven principles of public life” embodied in the Council’s Members’ Code of Conduct will be applied to the Chair and the all LPB mMembers. These are –

- a. Selflessness
- b. Integrity
- c. Objectivity
- d. Accountability
- e. Openness
- f. Honesty
- g. Leadership

15.2 The Chair and LPB mMembers are will be required to sign-up to -the Council’s Members’ Code of Conduct (current at the time) as soon as reasonably practicable on being appointed, but in any case before attending their first meeting of the LPB. In any event, tThe Council’s Members’ Code of Conduct for Members which will, subject to paragraph 15.3 below, -apply to the Chair and Members immediately on exercising their role and responsibilities in relation to -of the LPB.

Formatted: Normal, No bullets or numbering

15.3 Paragraphs 9 (Interests) and 10 (Gifts and hospitality) of -the is set out in a separate document- Council’s Members’ Code of Conduct will not apply to the Chair and Members. In addition, complaints or allegations of breach of the Council’s Members’ Code of Conduct will be dealt with by the Administering Authority in accordance with its own arrangements.

Formatted: Normal, No bullets or numbering

15.2

## 16 Decision making

- 16.1 All Employer Representatives and Member Representatives of the LPB will have an individual voting right but it is expected the LPB’s decisions (in so far as is possible) will be reached by consensus.

## 17 Publication of Local Pension Board Information

- 17.1 Scheme members and other interested parties will want to know that the Croydon Council Pension Fund is being efficiently and effectively managed. They will also want to

be confident that the LPB is properly constituted, trained and competent in order to comply with Scheme Regulations, the governance and administration of the Scheme and requirements of the Pension Regulator.

17.2 To this end information will be posted on the Fund website showing:

- a. The names and biographies about the LPB members
- b. How the Scheme and employer members are represented on the LPB
- c. The responsibilities of the LPB as a whole
- d. The full terms of reference and policies of the LPB and how they operate
- e. The LPB appointment process
- f. Who each individual LPB members represents
- g. Any specific roles and responsibilities of individual LPB members.

17.3 LPB ~~papers,~~ agendas and minutes of meetings will be published on the Council's website. These may be published in redacted form at the discretion of the ~~Council Monitoring Officer in consultation with the~~ Scheme Manager ~~and having consideration to s100A Local Government Act 1972 or to exclude~~ exempt information as specified in Part 1 Schedule 12A of the Local Government Act 1972 ~~or for some other legal reason, which provides that information should not be disclosed due to its confidential nature.~~ The Scheme Manager will also consider requests for additional information to be published or made available to individual ~~S~~ scheme members to encourage ~~S~~ scheme member engagement and promote a culture of openness and transparency. However, the final decision as regards the release of ~~exempt~~ information rests with the ~~Council Monitoring Officer~~ Scheme Manager.

## 18 Accountability

18.1 The LPB will be collectively and individually accountable to the Scheme Manager and must also report annually to the Secretary of State, as provided in the Scheme Regulations.

## 19 ~~Allowance~~ Expense Reimbursement

~~19.1 At the discretion of the~~ Administering Authority, ~~shall~~ the Chair and certain Members of the LPB may receive an allowance in recognition of the time commitment their role demands as well as the experience, knowledge and skills requirements.

~~19.1 meet the expenses of Member Representatives for Out of Borough travel in line with the relevant travel allowances/rates, as agreed from time to time by (Croydon Council) Members' Allowances Scheme.~~

19.2 ~~The Administering Authority shall reimburse the Employer of the relevant Employer Representative in respect of any time off work that has been taken that is both necessary and reasonable in the opinion of the Scheme Manager to fulfil their role as a member of the LPB.~~

Formatted: Indent: Left: 1 cm, Hanging: 1 cm

Formatted: Font: (Default) +Body (Calibri)

Formatted: Font: (Default) +Body (Calibri)

Formatted: Indent: Left: 1 cm, Hanging: 1 cm, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 1.27 cm + Indent at: 1.95 cm

## 20 Reporting Breaches

20.1 Any reported breach in connection with the administration of the LGPS, whether potential, or actual, brought to the attention of the LPB shall be dealt with in accordance with the procedure set out in a separate policy document titled "Local Pension Board Reporting Breaches Policy". For the purposes of this policy a breach is considered to include any statutory responsibilities/obligations that have not been performed as and when required.

## 21 Internal Dispute Resolution Procedure

21.1 The LPB's Internal Dispute Resolution is set out in a separate policy document titled "Internal Dispute Resolution Procedure (IDRP) System Employees' Guide."

## 22 Complaints

22.1 Any complaint received in relation to the LPB will be dealt with in accordance with the Complaints Policy, which is set out in a separate document titled "Local Pension Board Complaints Procedure".

## 23 Budget

23.1 The LPB must seek approval from the Administering Authority's s151 Officer or Deputy s151 Officer for any expenditure it wishes to incur in line with its responsibilities. Until a written decision has been communicated to the LPB by the relevant officer, the LPB is not authorised to make any financial commitment to a third party and any expenditure must be in accordance with the requirements, conditions and limitations set out in the decision  
[23.123.2](#).

## 24 Review of Terms of Reference

24.1 These Terms of Reference shall be reviewed:-  
a. on the making of any material change to those part of the Scheme Regulations; and  
b. annually.

## 25 Interpretation

25.1 Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be determined resolved by reference to the Scheme Manager.



## Appendix 3

# CONSTITUTION OF THE LONDON BOROUGH OF CROYDON

## PART 4.N – Pension Committee Terms of Reference

### 1. Introduction

1.1 Without prejudice to the Non-Executive Committee Procedure Rules, Part 4.F of the Constitution, the purpose of this document is to set out the terms of reference for the Pension Committee (“the Committee”), to discharge the responsibilities for Croydon Council in its role as ~~lead authority for the administration~~ lead authority of the Croydon Pension Fund (“the Fund”) /Local Government Pension Scheme (“the Scheme”).

### 2. Role of the Committee

2.1 ~~To exercise the Council’s pensions functions including but not limited to the functions set out in 2.2 to 2.4 below.~~

2.2 ~~To ensure that the Fund is properly operated in accordance with the Local Government Pensions Scheme Regulations (“the Regulations”) and all other relevant legislation, codes, guidance and best practice as advised by the Pensions Regulator, including financial, governance and administrative matters.~~

2.3 ~~To adopt Fund specific policies concerning the administration of the Fund, investing of Fund monies and the management of the Fund’s solvency level. In addition, the Committee is responsible for compliance with all financial and regulatory requirements of the Fund.~~

2.4 ~~To discharge its fiduciary responsibility in the best interest of the Fund, in particular:~~

- a) To set the investment policy and review the performance of the Fund’s investment managers, pooling arrangements, ~~S~~ scheme administration, and external advisors;
- b) To make arrangements for the triennial actuarial valuation;
- c) To determine the Pension Administration Strategy;
- d) To approve and monitor compliance of statutory statements and policies required under the Regulations;
- e) To approve the Fund’s Statements of Accounts and annual report;
- f) To ensure that the Council discharges its obligation, as administering authority for the ~~local government pension s~~ Scheme, to other scheme employers;
- g) To make representations to government as appropriate concerning any proposed changes to the ~~Local Government Pension~~ Scheme; and
- h) To keep these terms of reference under review.

Formatted: Indent: Left: 2 cm, No bullets or numbering

### 3. Delegations

3.1 Unless otherwise reserved for this Committee or Full Council by law or the Constitution, this Committee hereby delegates all Fund matters to the Corporate Director of Resources and Section 151 Officer. As appropriate the Corporate Director of Resources and Section 151 Officer ~~may will~~ delegate aspects of the role to other officers of the Council including the Head of Pensions and Treasury, and ~~may appoint to~~ professional advisors within the scope of the Regulations.

### 4. Structure

4.1 In accordance with those recommendations made by Chartered Institute of Public Finance and Accountancy (CIPFA) and the Myners Principles and notwithstanding resignations etc. the Committee will comprise the following members:

- a) 8 elected voting Members (plus ~~86~~ substitutes) ~~at a ratio of 5 majority Members to three minority Members;~~
- b) Two representatives of Pensioners of the Fund elected by ballot of Pensioners of the Fund, one of whom shall be a voting ~~co-opted~~ member and one of whom shall be a non-voting ~~co-opted~~ member. The representative with the most votes following the ballot of Pensioners of the Fund shall be the voting member. The other representative of the Pensioners of the Fund shall be non-voting ~~howeverbut~~ is permitted to exercise a vote ~~only~~ in the absence of, and on behalf of, the voting representative;
- ~~b)c)~~ One non-Council Employer representative nominated by the other Fund employers who shall be a voting ~~co-opted~~ member; and
- ~~c)d)~~ One ~~non-voting Trade Union Staff r~~ Representative nominated by the ~~three~~ Trade Unions who shall be a voting ~~co-opted~~ member.

4.2 There will be a minimum of three meetings ~~in public~~ a year of the Committee. ~~Informal meetings will be arranged as required. The outcomes of informal meetings will be reported at formal Committee meetings.~~

### 5. Quorum

5.1 Three ~~elected~~ voting ~~M~~members (i.e. excluding ~~co-opted~~ members).

### 6. Local Pensions Board

6.1 As part of good governance of the ~~S~~scheme, the Committee will work with, receive and consider reports from the Local Pensions Board. The Board is not a decision making body and it will be for the Committee to ensure that the appropriate actions are undertaken as required.

### 7. Knowledge and Understanding

7.1 Members ~~and co-opted members~~ of the Committee are expected to continually demonstrate their own personal commitment to training and to ensure that governance objectives are met. To assist in achieving these objectives training sessions will be organised to ensure Committee ~~Members and co-opted~~ members are familiar with the rules of the Fund ~~and~~ with relevant legislation.

### 8. Review of Terms of Reference Policy

8.1 The Terms of Reference will be reviewed annually and updated as required.

This page is intentionally left blank