



<b>Meeting:</b>	Pension Committee
<b>Date:</b>	27/06/2022
<b>Title:</b>	Representation Policy
<b>Purpose:</b>	To approve the new policy
<b>Author:</b>	Meirion Jones, Pensions Manager
<b>Recommendation:</b>	Approve the new policy

## Introduction

1. In response to the Good Governance Review the fund has been reviewing its governance arrangements, with reference to the recommendations laid out in the review.
2. With regards to representation, the recommendation from the Good Governance report was that:  
"Each fund must produce and publish a policy on the representation of scheme members and non-administering authority employers on its Committees, explaining its approach to voting rights for each party."

## Background

3. The Local Government Act 1972 allows local authorities wide discretion over Committee appointments and delegations and so the issue of representation on the Pensions Committee remains one for local democracy.
4. Many Pension Committees now have employer and scheme member representatives. However, practice varies whether these members have voting rights.
5. While administering authorities should retain a majority vote on decision making committees in order to reflect their statutory duties, best practice would suggest that some form of wider employer and scheme member representation on the Pension Committee is desirable.

6. This new policy confirms the Fund's decision in respect of the Committee appointments and delegation as well as the constitution of the Pension Board.

### **Gwynedd's Policy**

7. A copy of Gwynedd Pension Fund's proposed Strategy can be seen in **appendix A**.
8. This policy was presented to the Pension Board at their meeting on 4/4/2022 and it was highlighted that the policy confirmed the Fund's position in relation to the Committee's appointments and delegation rights, as well as the composition of the Pension Board. A few changes to the policy were suggested, and these changes are reflected in the policy shown below.
9. We would appreciate the Committee's approval to adopt this policy.

## **Appendix A**



# **Representation Policy**

## **Background**

In accordance with best practice the Fund has established a policy on representation of scheme members and non-administering authority employers on its Governing Bodies (Pensions Committee and the Local Pensions Board) detailing its approach to representation and voting rights for each party.

## **Pensions Committee**

### **Role of the Pensions Committee**

Gwynedd Council's Pensions Committee have delegated responsibility to undertake the role of the Scheme Manager in accordance with Section 4 of the Public Service Pensions Act 2013.

The Committee is responsible for:

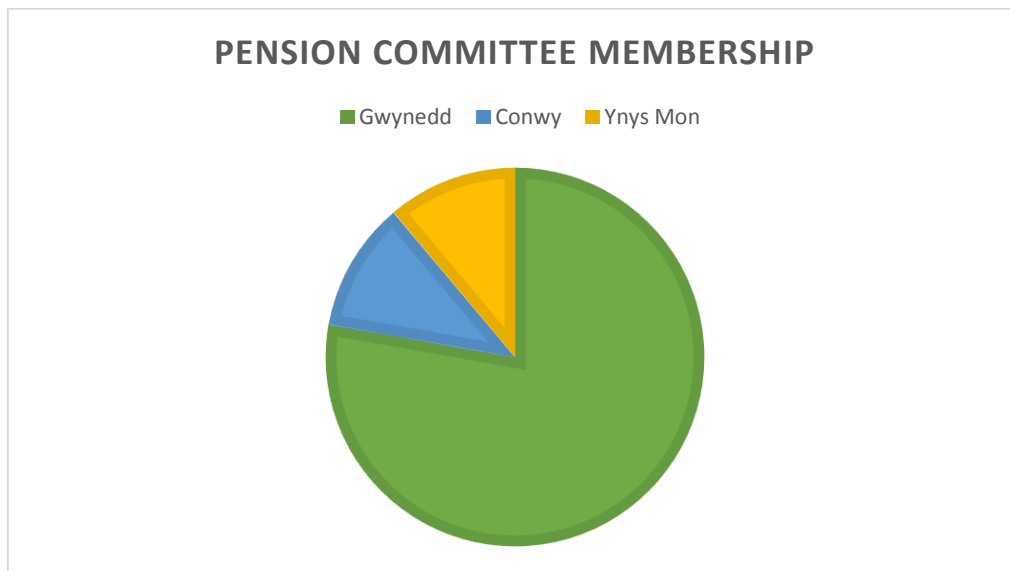
- exercising all of the functions that are required as an Administering Authority for the Local Government Pension Scheme under the Public Service Pensions Act 2013.
- adhering to the principles required by Statutory Guidance.
- adhering to The Pensions Regulators (tPR) Code of Practice.
- performing the duties set out in the Terms of Reference for the Pensions Committee as detailed in the Administering Authority's Constitution.

Members of the Pensions Committee are accountable for all the Fund's activities and are responsible for ensuring that the Fund is managed in the best interest of all its employer's, member's and beneficiaries.

### **Membership of the Committee**

The membership of the Pensions Committee consists of:

- Seven Gwynedd Council elected members who are allocated on the basis of political balance between the various groups of elected members on the Full Council;
- One elected members from each of the other two unitary authorities within the Fund (Anglesey County Council and Conwy County Borough Council).



Elected members sit as full members of the Committee with debating and voting rights on all matters presented.

Currently there is no representation from admitted bodies or scheme members in order to retain a relatively small committee which can review the fund's performance in an effective manner. As the pension promise is defined by legislation for scheme members, the actions of the Committee have not hitherto been considered to impinge upon their interests and thus no representation has been afforded. All employers are afforded the opportunity to influence decisions through a series of informal employer meetings.

The Chair of the Pension Committee sits on the Wales Pension Partnership's Joint Governance Committee (JGC). The Wales Pension Partnership Joint Governance Committee oversees the pooling of the investments of the eight Local Government Pension Scheme funds in Wales. The JGC meets a minimum of 4 times a year and comprises of one elected member from each Constituent Authority.

#### **Quorum**

The quorum for the Pensions Committee requests that at least one third of the number of voting members of the committee are present. This is to ensure that the committee remains politically balanced with best endeavours to ensure that sufficient members are present at each meeting to ensure appropriate representation.

# Pensions Board

## Role of the Local Pension Board

The role of the local Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to:

- Assist Gwynedd Administering Authority as Scheme Manager -
  - to secure compliance with the Local Government Pension Scheme (“LGPS”) regulations and any other legislation relating to the governance and administration of the LGPS.
  - to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator.
  - in such other matters as the LGPS regulations may specify.
- Secure the effective and efficient governance and administration of the LGPS for the Gwynedd Pension Fund.

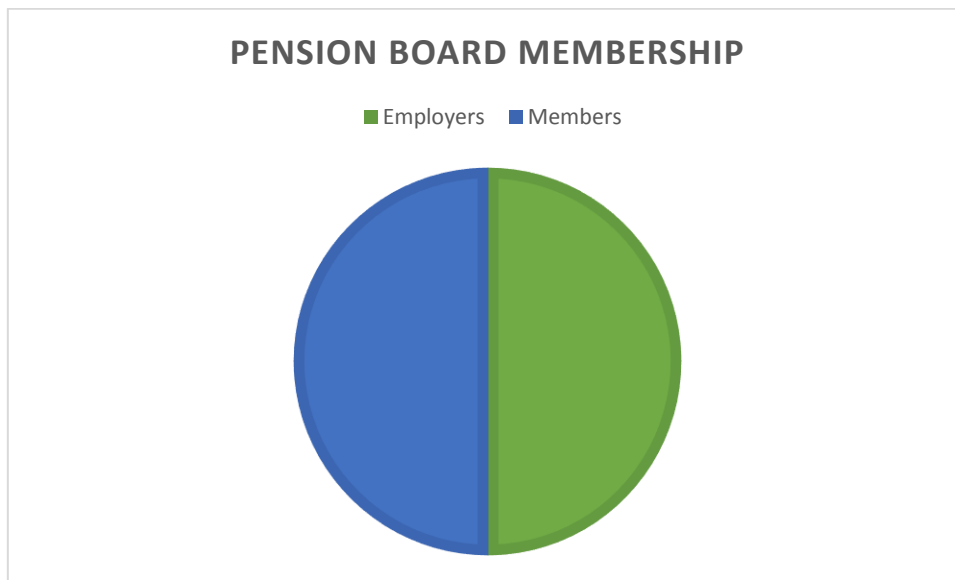
The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator. The Pension Board will also help ensure that the Gwynedd Pension Fund is Managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator. The Scheme Regulations and the Scheme Manager will determine the remit of the Board.

The Board is constituted under the Public Service Pension Act 2013 and the Local Government Pension Scheme( Amendment ) ( Governance ) Regulations 2014 and is therefore not subject to the requirements of Section 101 of the Local Government Act 1972. The Board has no remit as a decisions making body, but may make suitable recommendations.

## Membership of the Board

Equal representation between scheme employers and scheme members is required. Subject to Regulation 107(5) of the Local Government Pension Scheme Regulations 2013 the Pension Board consist of 6 members and is constituted as follows:

- 3 employer representatives ( one of whom represents the Administering Authority);
- 3 scheme member representatives.



Members are appointed with the aim so far as reasonably practical of securing that the Board is representative of employer and member groups within the fund.

Employers and employees will be asked to nominate representatives for the Pension Board. The Administering Authority will convene a panel to select the members of the Pension Board. The Appointment Panel will consist of the Section 151 Officer, Monitoring Officer and Cabinet Member for Finance. The selection of individual Board members within each category will depend on the overall balance of experience and skills within the group.

Appointment to the board is usually for a period of four years and there will be no limit on the number of times a member of the Board can be re-appointed.

The Administering Authority will appoint the Chair and the Vice Chair of the Pension Board from amongst the members of the Board. The roles will be split with one being an employer representative and one being a member representative and this will be alternated on a two year cycle.

It is 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.

Each Board member should endeavour to attend all Board meetings during the year. No substitutes is permitted.

In the event of persistent non-attendance by any Board member at Board meetings or training, then the tenure of that membership will be reviewed by the other Board members in liaison with the Scheme Manager, and the Scheme Manager can decide to terminate the membership. The Scheme Manager has discretion to terminate the membership of any Board member in the event that it considers it necessary or appropriate to do so.

As a non-decision making body the Board has no authority to establish working parties or sub-groups.

## **Quorum**

A meeting of the Board will be quorate if 3 Board Members are present, including the Chair or Vice Chair and the quorum must include at least, one employer representative and one member representative.

Each member shall have one vote, but if required the Chair will have the casting vote.