

Introduction of Local Pension Board for Local Government Pension Scheme (LGPS)

Background

- 1.0 The Public Service Pensions Act (the Act) 2013 requires that, in the case of a pension scheme established under section 1 of that Act, regulations must provide for the establishment of a pension board with responsibility for assisting the scheme manager (which is the administering authority for funds in LGPS) in relation to specified matters.
- 1.1 LGPS regulations have now been amended (under consultation) to meet the requirements of the Act. Regulation 106(1) of the LGPS Regulations specifies that each Administering Authority shall establish its own Local Pension Board with responsibility for assisting the Administering Authority. The Environment Agency Board is the Administering Authority responsible for managing the Environment Agency Pension Funds (EAPF).
- 1.2 Local Pension Boards must be established no later than 1 April 2015. Established in this context means that the Administering Authority must have approved the establishment of the Local Pension Board and its composition and also the terms of reference, in accordance with its constitution.
- 1.3 The Administering Authority may set up a separate Pension Board or choose to use an existing committee as long as it complies with the requirement in regulation 107 of the LGPS Regulations. That is, it must have equal numbers of employer and member representatives; and officers or members who have responsibilities for functions under the Regulations cannot be appointed to the Pension Board.
- 1.4 The Environment Agency Board as Administering Authority in October 2014 agreed the approach to use the existing Pensions Committee, taking into account amended LGPS regulations, as the Pension Board.

Environment Agency's current Pensions Committee

- 1.5 The Environment Agency's Pensions Committee's current membership is shown in table 1. To comply with the Pension Board requirement of the equal representation for employers and members the (Deputy Director) Head of Pension Fund Management will no longer be a member of the Pensions Committee, but continuing as main advising officer. This will leave 7 employer representatives and 7 member representatives.
- 1.6 The 5 active membership posts are all current union representatives.
- 1.7 Invitations to become a member of the Pensions Committee and Pension Board will be sent out February 2015 to all existing deferred and pensioner members to fill the vacant deferred member position and the upcoming pensioner position, as tenure is set at a maximum of 10 years.
- 1.8 The Pensions Committee currently has two sub-groups: Benefits Sub Group (BSG) and Investments Sub Group (ISG). It is likely with the introduction of the Pension Board that the BSG will not continue as much of its purpose can be taken up by the Board. The Investment Sub Group is likely to become an Investment Sub Committee.

1.9 Table 1

Data as at 01 February 2015	Date of appointment	Length of service	End of current appointment	Residual period of current appointment	Eligible for re-appointment
Board member nominees					
John Varley Chair of PC	01/11/2009	5 yr 3 mth	30/09/2015	0 yr 8 mth	Yes
Robert Light Chair of BSG	07/07/2009	5 yr 7 mth	30/06/2015	0 yr 5 mth	Yes
Emma Howard Boyd Chair of ARC	18/10/2012	2 yr 4 mth	30/06/2015	0 yr 5 mth	Yes
Clive Elphick (Chair of ISG)	01/09/2012	2 yr 5 mth	31/07/2017	2 yr 6 mth	Yes
Administering Authority Executive manager nominees					
Mark McLaughlin ED of Finance	01/11/2009	5 yr 3 mth	n/a	n/a	n/a
Jonathan Robinson ED of Resources and Legal Services	01/04/2012	2 yr 10 mth	n/a	n/a	n/a
Dawn Turner Head of Pension Fund Management	01/04/2013	1 yr 10 mth	n/a	n/a	n/a
Non-Environment Agency Executive Employer Representative					
Kevin Ingram ED of Corporate Services NRW	07/07/2009	5 yr 7 mth	06/07/2015	0 yr 6 mth	Yes

Data as at 01 February 2015	Date of appointment	Length of service	End of current appointment	Residual period of current appointment	Eligible for re-appointment
Active member nominees					
Jackie Hamer Unison nominated	01/04/2008	6 yr 10 mth	31/03/2017	2 yr 2 mth	Yes
Simon Peate Unison nominated	07/07/2011	3 yr 7 mth	06/07/2017	2 yr 6 mth	Yes
Ian Brindley Unison nominated	01/11/2014	0 yr 3 mth	31/10/2017	2 yr 9 mth	Yes
Stuart Martin Unison nominated	17/11/2009	5 yr 3 mth	31/12/2014	0 yr 2 mth	Resigned 31/12/2014
Dorothy Holden Unison nominated	01/01/2015	0 yr 1 mth	31/12/2017	2 yr 11 mth	Yes
Colin Chiverton Union nominated (Prospect)	01/04/2013	1 yr 10 mth	31/03/2016	1 yr 2 mth	Yes
Pensioner and Deferred members					
Brian Engel Pensioner	22/05/2005	9 yr 9 mth	22/05/2015	0 yr 4 mth	No
John Kerr Deferred became pensioner	09/02/2010	4 yr 12 mth	08/02/2016	1 yr 1 mth	Resigned 16/06/2014

Appointments to the Pensions Committee

- 1.10 Appointments to the Pensions Committee are currently made as follows:
- a. Non-executive Environment Agency Board members of the Committee, including the Chair, will be appointed by the Environment Agency Board.
 - b. Non-Environment Agency Employer Representative member – proposed by Natural Resources Wales or such other process as agreed by the PC and appointed by the Environment Agency Board
 - c. Active Member Representatives – proposed by the trade unions relating to the Environment Agency or such other process as agreed by the PC and appointed by the Environment Agency Board.
 - d. Pensioner and/or Deferred Member Representatives – process agreed by the PC and appointed by the Environment Agency Board
- 1.11 Future appointments to the Pension Board will allow employers and members within a Fund equal opportunity to be nominated through an open and transparent process.
- 1.12 All deferred and pensioner members of the EAPF funds will be invited for the arising vacancies.