

London Borough of Tower Hamlets

Policy on Representation and Voting at Pension Fund Committee

Background

In Accordance with best practice the London Borough of Tower Hamlets Pension Fund (“LBTHPF”) has established a policy on representation of scheme members and non-administering authority employers on its Governing Bodies (Pension Fund Committee “PFC”) and the Local Pensions Board (“LPB”)) detailing its approach to representation and voting rights for each party.

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.

The Fund is required under the regulations to publish a Governance Compliance Statement which demonstrates the extent to which the Fund complies with best practice in person fund governance, including representation.

The terms of reference and composition of the Pensions Committee is also set out within the Tower Hamlets constitution.

Representation

The Fund aims to provide the opportunity for all stakeholders to be represented within the committee and Local Pension Board structures.

Pension Fund Committee

The PFC has delegated responsibility to undertake the role of the Scheme Manager in accordance with Section 4 of the Public Service Pensions Act 2013.

PFC is responsible for: exercising all of the functions that are required as an Administering Authority for a Local Government Pension Scheme under the Public Service Pensions Act 2013, adhering to the principles required by Statutory Guidance, The Pensions Regulators (TPR) Code of Practice and performing the duties set out in the Terms of Reference for the PFC as detailed in the London Borough of Tower Hamlets (“LBTH”) Constitution available, on its website.

Members of the PFC 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.

The membership of the PFC consists of Seven elected members, 1 representative of the Admitted Bodies and 1 Trade Union representative.

The Councillors are nominated by Full Council at the Annual Council Meeting. The Chair and Vice Chair of the PFC are appointed annually from these members by Full

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

The Admitted Body (“AB”) and Trade Union (“TU”) representative will be non-voting members of the Committee.

The AB and TU are invited to sit on the PFC as observers and may participate in debate and have the same access to papers, meetings and training opportunities but hold no voting rights. Representatives participate in meetings and training events in order to assist in informing debate.

Local Pensions Board

In accordance with Section 5 of the Public Service Pensions Act 2013 and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended), LBTH has a Local Pension Board.

The role of the LPB Board is not a decision making Body but an Advisory Body to assist the Administering Authority (Tower Hamlets Council) in its role as a scheme manager of the scheme, to ensure compliance with Regulations and the requirements of the Regulator and the effective governance and administration of LBTHPF.

The London Borough of Tower Hamlets Council’s constitution details the Local Pensions Board appointments process, available here which details its approach to appointing members of the Board, brief details are outlined.

The Pensions Board has six members comprising three Member Representatives and 3 Employer Representatives. There shall be equal number of Member and Employer Representatives. There shall also be 1 other representative who is not entitled to vote (to be appointed as Chair)

Appointments are made for a four year period but can be renewed to retain knowledge and experience.

Wider Engagement with Employers and Scheme Members

The PFC has approved a Communication Policy that sets out the ways that the scheme engages with employers and members via meetings, publications and the Scheme web site. PFC and LPB are open to the public who are able to ask questions and comment.

Officers will meet with employers and scheme members at their request. At least one employer forum is held each year to which all employers are invited to discuss issues affecting the administration of the Fund.

Online presentations are held for scheme members to help them understand their pensions savings statement and annual benefit statement.

