

Croydon Council

REPORT TO:	Pension Committee 19 September 2023
SUBJECT:	Representation Policy
LEAD OFFICER:	Matthew Hallett – Acting Head of Pensions and Treasury

1. RECOMMENDATION

The Committee are:

- asked to agree the Representation Policy and comment as appropriate.

2. EXECUTIVE SUMMARY

- 2.1 This report asks the Committee to agree the Representation Policy (attached as Appendix A) and to comment as appropriate.

3. DETAIL

- 3.1 The Scheme Advisory Board (SAB) commissioned a Good Governance Review to be carried out by Hymans Robertson. They produced 3 reports. The Phase 3 report detailed the list of recommendations which will be reflected in legislation and /or guidance. Officers have been working to ensure compliance with these recommendations in anticipation of their enactment.

- 3.2 One of the recommendations being taken forward is C1:

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 representation and voting rights for each party.

- 3.3 The phase 3 report expands on this recommendation as follows:

The intention behind this recommendation is simply that administering authorities prepare, maintain and publish their policy on representation and to require that they provide:

- *the rationale for their approach to representation for non-administering authority employers and local authority and non-local authority scheme members on any relevant committees; and*

- *the rationale as to whether those representatives have voting rights or not.*

The SAB's view is that it would expect scheme managers to have the involvement of employers and member representatives on any relevant committees.

In addition to representation on committees, administering authorities should state other ways in which they engage their wider employer and Scheme membership

- 3.4 On 28 March 2023 the Pensions Regulator (TPR) published guidance on Equality, Diversity and Inclusion (EDI). It is expected that this will form part of the new General Code when it is published.

Pension scheme governing bodies have legal duties to scheme members, and good decision-making is key to ensuring those duties are met. EDI supports robust discussion and effective decision-making and is an important consideration for schemes (including their sub-committees).

This guidance provides practical ways and examples to help governing bodies and those with the power to appoint trustees improve EDI.

Part of the action required around this initiative is to produce an EDI policy which includes representation. This policy will assist with this process.

- 3.5 Officers have prepared a draft policy document on current representation which the Committee is asked to agree and comment on. It includes details of the rationale behind the make up and voting rights for Pension Committee and Board members.

4. CONSULTATION

- 4.1 The policy was considered by the Board at their meeting of 27 July 2023.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 There are no significant direct financial implications arising from this report.
Approved by: Allister Bannin on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

6. LEGAL CONSIDERATIONS

- 6.1. Burges Salmon LLP (a legal advisor appointed to the Pension Fund) comments that there are no direct legal implications arising from the recommendations

within this report although the SAB and TPR guidance should be carefully considered when considering the recommendation.

7. HUMAN RESOURCES IMPACT

- 7.1 There are no direct workforce implications arising from the recommendations within this report. If any should arise these will be managed under the Council's policies and procedures.

Approved by: Gillian Bevan, Head of HR, Resources and Assistant Chief Executives directorates on behalf of the Chief People Officer Date: 5.9.23

8. EQUALITIES IMPACT

- 8.1 The Council has a statutory duty to comply with the provisions set out in the Equality Act 2010. In summary, the Council must in the exercise of all its functions, "have due regard to" the need to comply with the three aims of the general equality duty. These are to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- Foster good relations between people who share a protected characteristic and people who do not share it.

- 8.2 Having due regard means to consider the three aims of the Equality Duty as part of the process of decision-making. This means that decision makers must be able to evidence that they have taken into account any impact of the proposals under consideration on people who share the protected characteristics before decisions are taken.

Approved by: Naseer Ahmad for Equality Programme Manager. (08/09/2023)

9. DATA PROTECTION IMPLICATIONS

- 9.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

Approved by: Matthew Hallett, on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

CONTACT OFFICER:

Matthew Hallett – Acting Head of Pensions and Treasury.

BACKGROUND DOCUMENTS:

None.

APPENDIX:

Appendix A: Representation Policy