

LONDON BOROUGH OF CROYDON

REPORT:	Pension Board	
DATE OF DECISION	17 October 2024	
REPORT TITLE:	Review of Representation Policy	
CORPORATE DIRECTOR / DIRECTOR:	Jane West, Corporate Director of Resources (Section 151 Officer)	
LEAD OFFICER:	Matthew Hallett – Head of Pensions and Treasury	
CONTAINS EXEMPT INFORMATION?	NO	[Public]

1. SUMMARY OF REPORT

- 1.1 This report asks the Board to note the Representation Policy (attached as Appendix A) and to comment as appropriate.

2. RECOMMENDATIONS

The Board is recommended:

- 2.1 To note the revised Representation Policy.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the current policy reflects the changes to the Constitution.

4. BACKGROUND AND DETAILS

- 4.1 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.

- 4.2 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.

- 4.3 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

4.4 On 28 March 2023 The Pensions Regulator (TPR) published guidance on Equality, Diversity and Inclusion (EDI):

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.

4.5 The current details of the make-up of the Committee and Board have been updated in the new policy. The terms of office of the staff side member and pensioner member positions on the Committee have overrun and officers will be reviewing this shortly, along with seeking to appoint to the newly created position of non-council employer representative.

4.6 There is currently no representative for members with deferred benefits; although they make up roughly a third of scheme members it was deemed too difficult to put this into place due to problems with keeping track of members once they have left. This is something officers will consider how to address in the future.

4.7 There is currently a vacancy on the Board for an employer representative. There are currently no representatives from the Fund's admitted bodies and officers will look to address this when making this appointment.

- 4.8** In line with the TPR's EDI Guidance, officers are seeking advice on capturing data concerning protected characteristics of the Board and Committee in an attempt to promote greater diversity of membership of these bodies. This in turn will allow more comprehensive inclusion of underrepresented groups of individuals and facilitate better decision-making concerning pension matters. Officers will also look to record information on such matters as whether candidates are from managerial or non-managerial positions and whether all classes of employers and members are represented on the Board and Committee.
- 4.9** The Committee agreed the initial Representation Policy in their meeting of 9 September 2023. Officers have updated that policy to reflect current representation which the Committee agreed in their meeting of 17 September 2024. It includes details of the rationale behind the make-up and voting rights for Pension Committee and Board members. The Board is asked to note the amended policy.

5. CONSULTATION

- 5.1** The original policy was considered by the Board at their meeting of 27 July 2023 and agreed by the Committee at their September 2023 meeting. The revised policy was agreed by the Committee at their meeting of 17 September 2024.

6. IMPLICATIONS

The implications were considered when this report was presented to Pension Committee

6.1 FINANCIAL IMPLICATIONS

- 6.1.1.** There are no significant direct financial implications arising from this report.
- 6.1.2.** Comments approved by James Huggett, Head of Strategic Finance for Resources, ACE and MTFs on behalf of Allister Bannin, the Director of Finance. (06/09/24)

6.2 LEGAL IMPLICATIONS

- 6.2.1.** 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 regard to the SAB and TPR guidance should be given when considering the recommendation. Additionally, the Committee should continue to be updated in relation to possible future amendments to mandatory guidance.
- 6.2.2.** Comments approved by the Burgess Salmon LLP. (Date 05/09/2024)

6.3 EQUALITIES IMPLICATIONS

- 6.3.1.** The Council has a statutory duty to comply with the provisions set out in Sec 149 of 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 discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.3.2. 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.

6.3.3. Comments approved by Ken Orlukwu, Senior Equalities Officer, on behalf of Helen Reeves, Head of Strategy & Policy (Date: 04/09/2024)

6.4 HUMAN RESOURCES IMPLICATIONS

6.4.1. 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.

6.4.2. Approved by: Dean Shoesmith, Chief People Officer. (Date 3/9/2024)

7. APPENDICES

7.1 Appendix A: Representation Policy.

8. BACKGROUND DOCUMENTS

8.1 None