

Report of: Head of Democratic Services and Governance

Meeting of: Audit Committee

Date: 23rd May 2023

Ward(s): None

Subject: AUDIT COMMITTEE APPOINTMENTS TO PENSIONS SUB- COMMITTEE AND PERSONNEL SUB- COMMITTEE 2023/24

Synopsis

- 1.1 In accordance with its terms of reference, the Audit Committee is responsible for The appointment of a Pensions Sub-Committee and a Personnel Sub-Committee, including approval of their terms of reference and membership.
- 1.2 Although the Pensions Board is constituted under separate Pensions regulations, its terms of reference of state that "All members of the Board shall be appointed by full Council or its Audit Committee which shall also appoint a chair from among the members of the Board." The Pensions Team are responsible for seeking nominations for vacant positions on the Board as they arise and for then submitting those nominations to the Council or Audit Committee for appointment.

1. Recommendations

2.1 Pensions Sub-Committee

- (a) To confirm the size of the Sub-Committee and its terms of reference in Appendix A
- (b) To appoint the members named in Appendix A for the municipal year 2023/24, or until successors are appointed.
- (c) To appoint Councillor Paul Convery as the Chair and Councillor Diarmaid Ward as the Vice-Chair of the Sub-Committee for the municipal year 2023/24, or until successors are appointed.

2.2 Personnel Sub-Committee

- (a) To confirm the size of the Sub-Committee and its terms of reference in Appendix A
- (b) To appoint the members named in Appendix A for the municipal year 2023/24, or until successors are appointed.
- (c) To appoint Councillor Anjna Khurana as the Chair of the Committee for the municipal year 2023/24, or until a successor is appointed.

2.3 Pensions Board

- (a) To note the membership and terms of reference of the Pensions Board, set out in the Appendix.

2. Background

3.1 The terms of reference for the Pensions Sub-Committee, Pensions Board and the Personnel Sub-Committee are set out in Appendix A.

3.2 The proposed membership for each of the Sub-Committees of the Audit Committee and the Pensions Board and the meeting dates agreed for the year are also set out at Appendix A.

3.3 The Pension Board membership consists of:

- 3 Islington Council Pension Fund employer representatives
- 3 Islington Council Pension Fund member representatives
- 1 independent member (non-voting)

The Audit Committee has responsibility to ensure continuation of membership in equal numbers for the employer and member representatives on the Board to achieve rolling reappointment to maintain knowledge and experience on the Board.

3. Implications

3.1. Financial Implications

None.

3.2. Legal Implications

None.

3.3. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

There are no environmental implications arising directly from this report.

3.4. Equalities Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

- 3.4.1. An Equalities Impact Assessment is not required in relation to this report, since the contents of this report relate to a purely administrative function and will not impact on residents.

4. Conclusion and reasons for recommendation

Approval to the recommendations is needed to ensure that the Sub-Committees are properly constituted.

Background papers: None

Final report clearance:

Authorised by:

Head of Democratic Services and Governance

Date: 15 May 2023

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Appendix A

1. PENSIONS SUB-COMMITTEE

1.1. Committee Membership 2023/24

<i>Councillors</i>	<i>Substitute Members</i>
Paul Convery (Chair)	Dave Poyser
Diarmaid Ward (Vice-Chair)	Jenny Kay
Satnam Gill OBE	
Michael O'Sullivan	

Terms of Reference

1. To consider policy matters in relation to the pension scheme, including the policy in relation to early retirements.
2. To administer all matters concerning the Council's pension investments in accordance with the law and Council policy.
3. To establish a strategy for disposition of the pension investment portfolio.
4. To determine the delegation of powers of management of the fund and to set boundaries for the managers' discretion.
5. To review the investments made by the investment managers and from time to time consider the desirability of continuing or terminating the appointment of the investment managers. (Note: The allocation of resources to the Pension Fund is a function of the Executive).
6. To consider the overall solvency of the Pension Fund, including assets and liabilities and to make appropriate recommendations to the Executive regarding the allocation of resources to the Pension Fund.

7. The Chair of the Pensions Sub-Committee will represent Islington Council at shareholder meetings of the London Collective Investment Vehicle (London LGPS CIV Limited). In the absence of the Chair, a deputy may attend.
8. Members of the Pensions Board shall be invited to attend meetings of the Sub-Committee as observers.

1.2 Quorum

The quorum for the Pensions Sub-Committee is 2 elected members.

1.3 Future Meeting Dates

Listed below are the dates of the meetings for 2023/24:

3 July 2023

26 September 2023

21 November 2023

11 March 2024

The date for the Pensions AGM is to be confirmed.

2. **PERSONNEL SUB-COMMITTEE**

2.1 Committee Membership 2023/24

Composition

The Audit Committee will appoint members and substitutes to the Personnel Sub-Committee and appoint the Chair. Members of the committee will be the Leader of the Council, the Executive Member with responsibility for Human Resources, and three ordinary member positions. One of the ordinary committee members will be the appointed Chair. All other Executive Members will be appointed to act as substitutes for the Committee, with the relevant Executive Member joining the Committee depending on the appointment being made. There will also be 5 ordinary member substitutes, one of whom will be the Chair of Audit Committee.

If a member of the committee cannot attend a meeting, they will arrange for a substitute to attend. Substitutes should be selected bearing in mind that the committee should be broadly representative of the Council.

When an appointment is to a post employed jointly by the Council and another organisation, such as the National Health Service, membership of the committee may be increased to include a relevant representative of that organisation as a co-opted non-voting member subject to the agreement of the Personnel Sub-Committee Chair.

<i>Councillors</i>	<i>Substitute Members</i>
Anjna Khurana (Chair)	All other Executive members
Kaya Comer-Schwartz	Dave Poyser
Diarmaid Ward	Jason Jackson
Satnam Gill OBE	Jenny Kay
Janet Burgess	Jilani Chowdhury

Quorum

The quorum shall be three members.

Terms of Reference

1. Responsibility for and monitoring of, the Council's health and safety policies as employer, including reports on health and safety within Council departments.
 2. To approve the early retirement of the Chief Executive and to agree the award of any discretionary payments in connection with such retirement or redundancy.
 3. To approve any payment to an officer on termination of employment in respect of redundancy entitlement, any payment under the Local Government (Early Termination of Employment) Discretionary Compensation Regulations and notice pay in respect of termination in the interests of the efficient exercise of the Authority's functions, which exceeds £100,000 in total.
 4. To be responsible for the recruitment and appointment of Corporate Directors and Service Directors in accordance with Part 4, Rule 101.
 5. To agree the starting salary for any post where the overall remuneration package on new appointment (excluding pension contributions in accordance with the Local Government Pension Scheme regulations) is to exceed £100k
 6. To hear representations in respect of the termination of a Corporate Director's employment in accordance with the JNC terms and conditions of employment.
 7. To appoint Independent Persons to carry out the functions in Section 28 of the Localism Act and other functions assigned to the Independent Persons
 8. To receive submissions from trades unions' representatives on agenda items concerning staff terms and conditions.
 9. To make recommendations to Council on the appointment of the Chief Executive.
 10. To make recommendations to Council on the appointment of independent persons to serve on the Standards Committee and Audit Committee.
 11. To receive notification when any member of staff performing a role appointed by Personnel Sub Committee leaves their position or gives notice that they are leaving and to agree a timeline for recruitment, if applicable.
- 2.4 Meeting arrangements

The quorum for the Personnel Sub-Committee is 3 elected members. Meetings for the municipal year 2023/24 will be arranged as required.

3. Pensions Board

3.1 Terms of Reference

1. To assist the London Borough of Islington as scheme manager in securing compliance with:

- a. the Local Government Pension Scheme Regulations 2013;
- b. any other legislation relating to the governance and administration of the Local Government Pension Fund Scheme (LGPS);
- c. requirements imposed by the Pensions Regulator in respect of the LGPS;
- d. such other matters as the LGPS regulations may specify

2. To assist the London Borough of Islington in securing the effective and efficient governance and administration of the scheme;

3. To consider cases that have been referred to the Pension Regulator and/or the Pension Ombudsman; recommending changes to processes, training and/or guidance where necessary;

4. To produce an annual report outlining the work of the Board throughout the financial year.

5. To make recommendations to the Pension Sub-Committee.

Composition

The membership of the Board shall consist of:

- 3 Islington Council Pension Fund employer representatives
- 3 Islington Council Pension Fund member representatives
- 1 independent member (non-voting)

No substitutes are permitted, with the exception of the member of the Board who is appointed to represent pensioner members of the LGPS

All members of the Board shall be appointed by full Council or its Audit Committee which shall also appoint a chair from among the members of the Board.

Any person who is applying for or appointed as a member of the Pension Board must provide the Scheme Manager with such information as and when the Scheme Manager requires to ensure that any member of the Board or person to be appointed to the Board does not have a conflict of interest.

No officer or elected member of the Council who is responsible for the discharge of any function in relation to the LGPS.

Pensions Board Membership:

Employer Representatives:

Councillor Dave Poyser (Chair)

Maggie Elliott (Vice-Chair)

Employee Representatives:

Mike Calvert

George Sharkey

Valerie Easmon-George

Independent Member:

Alan Begg