

# Pensions CIV Sectoral Joint Committee

## Constitutional Matters

Item no: 6

**Report by:** Christiane Jenkins

Director of Corporate Governance

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**Contact Officer:** Christiane Jenkins

**Telephone:** 020 7934 9540

**Email** [Christiane.jenkins@londoncouncils.gov.uk](mailto:Christiane.jenkins@londoncouncils.gov.uk)

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### Summary

All 33 London local authorities have now adopted a similar form of resolution to facilitate their participation in the London LGPS CIV Limited (09136445) and the London Councils Pension CIV Sectoral Joint Committee (PSJC). In delegating the exercise of sections 1 and 4 of the Localism Act 2011 for those purposes, the authorities agreed that, should all 33 London local authorities resolve to participate in the arrangements Leaders Committee should exercise those functions, instead of the sectoral joint committee which is restricted to having a maximum of 32 members under the London Councils (Leaders') Committee Governing Agreement, and the Governing Agreement should be varied accordingly. Therefore, with the decision of the 33<sup>rd</sup> local authority, the Governing Agreement will be formally varied with the exact mechanism for achieving this being subject to further legal advice. The Pensions CIV Sectoral Joint Committee will be dissolved upon the variation being completed by all 33 participating local authorities.

### Recommendations

The Pensions CIV Sectoral Joint Committee:

1. Is asked to note that following a decision of the 33<sup>rd</sup> London local authority to delegate the exercise of sections 1 and 4 of the Localism Act 2011 for the purpose of participating in the London Councils Pension CIV Sectoral Joint Committee (PSJC), a formal agreement varying the London Councils Governing Agreement will be prepared and sent to each London local authority to incorporate into that Agreement the functions which Leaders' Committee will instead jointly exercise on behalf of all 33 authorities.
2. Is asked to note that the Pensions CIV Sectoral Joint Committee will be dissolved upon the formal variation being entered into by all 33 participating local authorities.
3. Is asked to note that until such time as all the participating authorities have returned the signed variation, that the Pensions CIV Sectoral Joint Committee will continue to exist and meet.



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## Background

1. "London Councils" is a term that is used to refer collectively, and for convenience, to three separately constituted, but inter-related, statutory joint committees appointed by the 33 London local authorities for the joint discharge of their functions i.e.:
  - a) London Councils Leaders' Committee ("Leaders' Committee");
  - b) London Councils Transport and Environment Committee ("LCTEC"); and
  - c) Grants Committee.
2. Leaders' Committee has been established with the authorities' agreement under sections 101 and 102 of the Local Government Act 1972 and section 9EB of the Local Government Act 2000 (and the relevant Regulations). LCTEC is similarly constituted. The Grants Committee has been established in accordance with the London Grants Scheme made under section 48 of the Local Government Act 1985 and which forms part of the Leaders' Committee Governing Agreement. The Leaders' Committee Governing Agreement dated 13 December 2001 has been formally amended (varied) once in 2004<sup>1</sup> to give effect to a new Grants Scheme.
3. London Councils must operate within the delegations which have been made to the joint committees (Leaders', Grants, the Pensions CIV, and LCTEC) by the London local authorities (and as relevant for LCTEC, TfL) as set out in the Governing Agreements.
4. On 11 March 2014, as permitted under the Leaders' Committee Governing Agreement, Leaders Committee first approved the terms of reference of a new sectoral joint committee which was to be established under the London Councils governance arrangements (subject to amendment). This Pensions CIV Sectoral Joint Committee was constituted on 15 July 2014 with 30 members each having agreed to formally delegate the exercise of their relevant functions under sections 1 and 4 of the Localism Act 2011 to that joint committee to act collectively as a representative body for those local authorities who had resolved to participate in the London LGPS CIV Limited (09136445) arrangements, and to become shareholders of the company. Those arrangements, in

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<sup>1</sup> Variation to Agreement dated 13 December 2001 to make a New Scheme for Grants to Voluntary Organisations, dated 1 February 2004. The Grants Scheme is made pursuant to section 48 Local Government Act 1985.

accordance with usual practice for such companies, are underpinned by a shareholder agreement which all the shareholding London local authorities have entered into.

5. The Governing Agreement provides that a maximum of 32 authorities may be members of a sectoral joint committee. On 4 July 2016 the 33<sup>rd</sup> authority resolved to participate in the arrangements. In delegating the exercise of sections 1 and 4 of the Localism Act 2011 for those purposes, the authorities each agreed that, should all 33 London local authorities resolve to participate in the arrangements, London Councils' Leaders Committee should instead exercise those functions and the Governing Agreement should be varied accordingly.

### **Next Steps**

6. The Pensions CIV Sectoral Joint Committee is asked to note that with the decision of the 33<sup>rd</sup> local authority to participate in the London LGPS CIV Ltd arrangements, the Leaders' Committee Governing Agreement will be formally varied with the exact mechanism for achieving this being subject to further legal advice. The Pensions CIV Sectoral Joint Committee will be dissolved upon the variation being completed by all 33 participating local authorities.

### **Recommendations**

7. The Pensions CIV Sectoral Joint Committee:
  - a) Is asked to note that following a decision of the 33<sup>rd</sup> London local authority to delegate the exercise of sections 1 and 4 of the Localism Act 2011 for the purpose of participating in the London Councils Pension CIV Sectoral Joint Committee (PSJC), a formal agreement varying the London Councils Governing Agreement will be prepared and sent to each London local authority to incorporate into that Agreement the functions which Leaders' Committee will instead jointly exercise on behalf of all 33 authorities.
  - b) Is asked to note that the Pensions CIV Sectoral Joint Committee will be dissolved upon the formal variation being entered into by all 33 participating local authorities.

- c) Is asked to note that until such time as all the participating authorities have returned the signed variation, that the Pensions CIV Sectoral Joint Committee will continue to exist and meet.

### **Financial Implications for London Councils**

- 8. There are no specific financial implications arising from this report at this time.

### **Legal Implications for London Councils**

- 9. London Councils' Leaders' Committee may exercise the functions which are delegated to the joint committee in accordance with the terms of its Governing Agreement, which the participating authorities have agreed. Where those authorities have each resolved that additional functions shall be delegated to the joint committee to exercise jointly on their behalf, the Governing Agreement must be formally varied to include reference to those functions.
- 10. The authorities have all resolved that, where all 33 of the London authorities have resolved to participate in the arrangements, the functions currently delegated to the Pensions CIV Joint Committee will instead be exercised by Leaders' Committee. This requires a formal written variation to the Governing Agreement to provide for the joint exercise of those functions by Leaders' Committee under London Councils governance arrangements.

### **Equalities Implications for London Councils**

- 11. There are no specific equalities implications for London Councils arising from this report.