

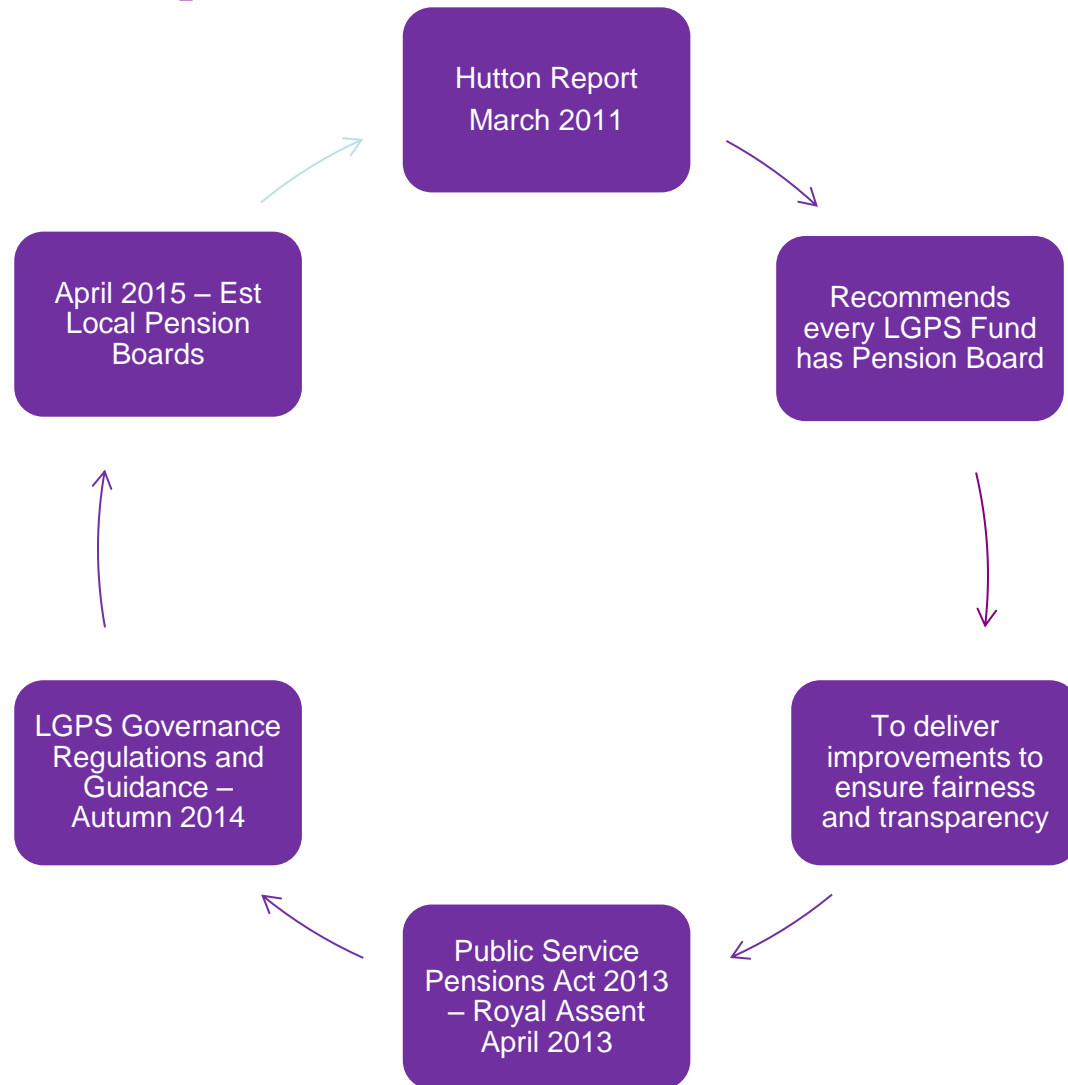
Local Pension Board Guidance

Mary Lambe – LGA

Today's presentation includes ...

- Where we are now? – Recap
- Guidance – How?
 - Methodology and process for development
- Guidance – Detail?
 - Role of a Local Pension Board (LPB)
 - Establishment versus Operational
 - Terms of Reference
 - Membership
 - Knowledge and Understanding
 - Some other considerations
- Guidance – What's next?
 - Consultation and Publication
- Actions points in the run up to April 2015

Quick Recap ... where we are now?



Guidance – Methodology and Process

- Who?
 - Governance and Standards sub-ctte - Governance Working Group - Eversheds
- Methodology?
 - Framework – spirit of regulations = local determination
 - No exhaustive lists or prescriptive details instead includes options and examples
- Process?
 - Developed framework then review draft guidance
 - Next consultation and publication

Guidance – Role of a LPB

- Firstly, reiterate the role of the Administering Authority (AA)
 - Delegated pension function
 - Various delegated structures (this remains the same)
- Scheme regulations and the Public Service Pensions Act 2013 provide for creation of LPBs who
 - “Assist” the AA in “securing compliance”
 - Local determination - doing work requested by the AA
 - What could that “work” be?

Guidance – Establishment/Operational

- Regulations require an AA to establish a local pension board by 1 April 2015
- What does establish mean?
 - Approved by AA including composition
 - Also terms of reference
- Does not necessarily mean operational by 1 April
 - i.e. selection of members and holding its first meeting
- Operational when?
 - ASAP after 1/04/2015, suggestion no later than 31/07/2015

Guidance – Terms of Reference

- Regulation 106(5) – AA determine procedures for their LPB
- Terms of Reference for a stand alone body
 - How is it constituted?
 - How does it operate from day 1?
- Terms of Reference
 - Including: Function/Membership/Code of Conduct/Meetings
- What about existing structures?

Guidance - Membership

- “Experience”
 - LGPS member, member/trustee of private sector DB scheme,
- “Capacity”
 - To represent relevant constituents with time to undertake duties
- Not permitted?
- Role of “other representatives”
- Appointing membership
 - Direct appointment process
 - Two Stage nomination process
 - Term of Office/Termination
- Making appointments
 - Written confirmation of commitment

Guidance – Knowledge & Understanding

- Guidance reflects principles laid out in tPR Code of Practice no. 14 (as per section 248A Pensions Act 2004)
- Individual requirement
- K&U Policy and Framework (acquire/ review/ update/demonstrate)
- Sufficient K&U to challenge AA has complied with LGPS regulations & other pensions legislation
- Includes:
 - examples of documents recording policy about admin of fund
 - examples of K&U of the law relating to pensions
 - action points to be considered

Guidance – Other considerations

- Conflict of Interest
 - Including officers of the pension fund?
- Reporting (internal/external)
- Resourcing and funding of local pension boards
- What type of legal entity is a local pension board?
 - Freedom of information/data protection
- Combined Pension Boards/Pension Committee
 - High bar, separate information included in guidance
 - Guidance in the main is designed to reflect separate local pension board for each administering authority
- Joint Pension Boards
 - No provision in draft regulations therefore not currently included

Guidance – Consultation

- DCLG's preference for consultation to be carried out by Shadow Board
- Consultation to commence early October
- To run concurrently with DCLG consultation on draft regulations
- Depending on content of final regulations, guidance may need to be further amended
- Consultation documentation available from www.lgpsboard.org
- Responses to Board Secretariat via email

Guidance – Publication

- Following review post consultation
- Following laid and made regulations on governance
- Either issued as:
 - Board guidance as delegated by DCLG, or as
 - Full statutory guidance from DCLG
- Also to include:
 - Questions and Answers section covering frequent queries regarding creation and operation of Local Pension Boards

Action points up to April 2015

- Already considering options/ developing terms of reference
- Awaiting laid regulations (Autumn ?)
- Awaiting guidance (Autumn ?)
- AA to finalise terms of reference
- Achieve full council approval (where relevant)
- Run appointments process
- Provide induction training
- Hold first meeting (no later than 30 July 2015)

Further information

Shadow Board website: www.lgpsboard.org

Thank you for listening, any questions?

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Disclaimer

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