

**LOCAL PENSION BOARD – 19 JUNE 2015**

**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

**THE ROLE OF THE LOCAL PENSION BOARD**

**Purpose of the Report**

1. The purpose of this report is to provide members with information concerning the formation of the Local Pension Board, its purpose and structure.

**Background**

2. In June 2013 a discussion paper was issued by the Department for Communities and Local Government (DCLG) concerning potential new governance arrangements for the Local Government Pension Scheme (LGPS). In June 2014 draft regulations were issued that laid out initial requirements in respect of a proposed Local Pension Board and in January 2015 The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 were laid that introduced the requirement for the Board to be established by April 1 2015.

**Role**

The role of the Board is to assist the scheme manager (known as the administering authority) in securing compliance with the LGPS regulations, other legislation and the requirements of the Pensions Regulator. The focus of the Board is administration not investments. It is important to note that the Local Pension Board is not a decision-making Board. Attached as Appendix A are the Terms of Reference for the Local Pensions Board. Appendix B is a Statement of Operational Principles for the Local Pension Board, which sets out further detail of the way in which the Board will operate. Both documents were approved by the Pension Fund Management Board (now known as the Local Pensions Committee), the Constitution Committee and the County Council

The Local Pension Board for the Leicestershire Pension Fund comprises of six representatives; three employer representatives all elected members (two from Leicestershire County Council and one from Leicester City Council) and three employee representatives (all scheme members).

A training event took place on 13 April for representatives of the Local Pension Board and Local Pensions Committee provided by Local Government Association, Investec and Officers.

### **Meetings**

3. It is currently anticipated that meetings of the Local Pension Board will be held quarterly and these meetings will be held about a month after the normal quarterly meetings of the Local Pensions Committee.
4. It is anticipated that the remit of the Local Pension Board will develop over time and expand as the skills of the individuals grow. Some of the issues that are expected to be considered by the Board are;
  - Quarterly administration report
  - Ensuring compliance with Legislation and the requirements of the Pensions Regulator
  - Updates on potential changes to LGPS Regulations
  - Reports relating to internal and external audit work
  - Consideration of the Communication Policy Statement
  - Scrutiny that decision-making of the Local Pension Committee and Investment Subcommittee has been carried out effectively.

This list is not intended to be definitive and there will no doubt be other matters that are relevant for consideration by the Local Pension Board.

The presentation (attached as Appendix C) is intended to provide an introduction to the LGPS since the start of the career average revalued earnings (CARE) scheme in April 2014. It also details the national pension changes that are impacting on pension administration.

### **Recommendation**

5. The Board is asked to note the report.

### **Equality and Human Rights Implications**

None specific

### **Background Papers**

Report to the Council – 25 March 2015 - Establishment of the Local Pension Board

[http://politics.leics.gov.uk/Published/C00000134/M00004177/AI00043380/\\$ReportoftheConstitutionCommitteeB.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000134/M00004177/AI00043380/$ReportoftheConstitutionCommitteeB.docA.ps.pdf)

Report to the Pension Fund Management Board – 14 November 2014 – Establishing a new Local Pension Board.

[http://politics.leics.gov.uk/Published/C00000740/M00004095/AI00039883/\\$LocalPensionsBoard.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000740/M00004095/AI00039883/$LocalPensionsBoard.docA.ps.pdf)

## Report to the Constitution Committee – 10 March 2014 – Establishment of a Local Pension Board

[http://politics.leics.gov.uk/Published/C00000150/M00004388/AI00043302/\\$EstablishmentofLocalPensionBoard.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000150/M00004388/AI00043302/$EstablishmentofLocalPensionBoard.docA.ps.pdf)

### **Appendices**

Appendix A – Terms of Reference

Appendix B – Statement of Operational Principles

Appendix C – Presentation – An Introduction to Local Government Pensions

### **Officers to Contact**

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