



## **LOCAL PENSION BOARD**

**17 JUNE 2019**

### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

#### **PENSION FUND GOVERNANCE AND ADMINISTRATION**

##### **Purpose of the Report**

1. To inform the Board about governance and administration of the Local Government Pension Scheme.

##### **Background**

2. The Public Services Pensions Act 2013 introduced a framework for the regulatory oversight of governance and administration of public service pension schemes by The Pensions Regulator (TPR).
3. In April 2015 TPR published its code of practise on governance and administration of public service pension scheme. This introduced a number of areas pension administrators need to record and Pension Board members should be aware of. A copy of the Code of Conduct is included as Appendix A.
4. To monitor Leicestershire Pension Funds compliance against the code the Fund's Actuary developed a governance scorecard. TPR appreciates there may not be full compliance in all areas but the scorecard highlights improvement areas and records where changes have been made. The Fund's scorecard results as at April 2019 are included as Appendix B.
5. The Chartered Institute of Public Finance and Accountancy has supported the governance and administration of Local Government Pension Schemes by recommending each Fund should develop a business plan. The Leicestershire Pension Section's business plan is included as Appendix C.

## **Specific Governance Areas**

### 6. Risk Register

The Pension Fund has a risk register that is presented to the Pension Committee and Local Pension Board at each meeting. The latest version of which is attached as Appendix D.

### 7. Documents for Local Board Members

In the code Pension Board Members must have knowledge and understanding of scheme rules, documents recording scheme administration policies and pension law. Much of this knowledge and understanding comes from The Pension Regulators e-learning programme supported by the Pension Section.

A history of scheme Regulations are available online and the link is provided below;

<http://lgpsregs.org/>

Administration documents or processes Board Members need to be aware of are listed as follows;

### 8. Conflicts of interest

Conflicts of interest are a standing item on the Local Pension Board agenda and any interests are recorded accordingly.

### 9. Record keeping

The Pension Section has a number of office notes and processes that colleagues follow. This is supported by the Altair administration system that has a number of workflows that record notes to ensure all records are accurately maintained, allowing for the accurate and timely production of annual benefit statements and valuation data.

The Pensions Manager will provide details of the workflows to a future Local Pension Board meeting.

There are certain data fields that defined benefit schemes have to hold under Record-keeping Regulations. These are known as common and conditional data fields. These fields are scored annually and reported to The Pensions Regulator.

### 10. Internal dispute resolution procedure (IDRP)

Should a scheme member have an issue or complaint that cannot be resolved informally there is an appeal process the member can follow, called the internal dispute resolution procedure.

The Pensions Manager has provided training to Local Pension Board members on IDRPs and Stage 2 numbers are reported to the Board each quarter.

#### 11. Reporting breaches

The Pension Section maintains the Fund procedure for reporting breaches of the law to The Pensions Regulator and the breaches. Significant breaches are reported to the Local Pension Board for discussion. Breaches have been reported to The Pensions Regulator and actions taken by the Chair to resolve certain employer issues. The procedure and log are attached as Appendix E.

#### 12. Maintaining contributions

The Fund's employers pay pension contributions each month and these are recorded. At year-end the contributions are reconciled to the employer year-end return and the members individual contributions are uploaded to their Altair pension record.

If a Fund employer deliberately or continually delays making payment to the Pension Fund the Local Pension Board are informed.

#### 13. Training Programme

There is a requirement for members of the Local Pension Board to have knowledge and understanding of scheme rules, documents recording scheme administration policies and pension law. Whilst much of this knowledge and understanding can be developed using the Pension Regulators e-learning programme, members are also invited to attend training sessions throughout the year. The Pensions Manager maintains the Local Pension Board training programme which details key areas which members have explored and areas which are still outstanding. A copy of the programme is attached as Appendix F.

#### **Recommendation**

14. The Board is asked to note this report.

#### **Equal Opportunities Implications**

None specific

### **Appendix**

Appendix A – The Pension Regulator Governance and administration of public service pension schemes

Appendix B – Code of practise compliance score card

Appendix C – Leicestershire Pension Section Business Plan

Appendix D – Risk register

Appendix E – Procedure for Recording Breaches of the Law to the Pensions Regulator and the breaches log

Appendix F – Local Pension Board training programme

### **Officers to Contact**

Ian Howe  
Pensions Manager  
Telephone: (0116) 305 6945  
Email: [Ian.Howe@leics.gov.uk](mailto:Ian.Howe@leics.gov.uk)

Declan Keegan  
Assistant Director of Strategic Finance and Property  
Telephone: (0116) 305 6199  
Email: [Declan.Keegan@leics.gov.uk](mailto:Declan.Keegan@leics.gov.uk)