



City of Westminster

Pension Board

Date:	6 July 2017
Classification:	General Release
Title:	SCHEME ADVISORY BOARD SURVEY OF LGPS LOCAL PENSION BOARDS
Report of:	Steven Mair <i>City Treasurer</i>
Wards Involved:	All
Policy Context:	Effective control over Council Activities
Financial Summary:	There are no financial implications arising from this report

1 Executive Summary

- 1.1 After two years of operation, the Scheme Advisory Board is conducting a survey of Local Government Pension Schemes to elicit their views on the implementation of Local Pension Boards.
- 1.2 This questionnaire, which is to be returned by mid July, sets out a series of pre-defined questions around Compliance and Administration, and Operation and Working Relationships for completion.
- 1.3 The Pension Board are asked for their views on the Survey to aid completion within the deadlines.

2 Recommendation

- 2.1 That the Board review the document (and the proposed responses) before return to the Scheme Advisory Body.

3 Background

The Legislation

- 3.1 Local Pension Boards were established under the 2013 Pensions Act. Each pension administering authority is required to establish a Board to assist with the effective and efficient governance and administration of the scheme. The Board is also tasked with ensuring compliance with the various legislative requirements and those of the pension's regulator, and this adds to the already well developed governance structure which underpins the Westminster pension scheme.
- 3.2 The Westminster Pension Board held its first meeting on 27th July 2015.
- 3.3 The Local Government Scheme Advisory Board has now issued a survey, which requires a response by mid July around views on the implementation of Local Pension Boards, their Compliance and Administration, and their Operation and Working Relationship.
- 3.4 The Local Government Pension Scheme Advisory Board is a body set up under Section 7 of the Public Service Pensions Act 2013 and The Local Government Pension Scheme Regulations 110-113.
- 3.5 The purpose of the Board is to both reactive and proactive. It will seek to encourage best practice, increase transparency and coordinate technical and standards issues
- 3.6 It will consider items passed to it from the Department of Communities and Local Government ("DCLG"), the Board's sub-committees and other stakeholders as well as items formulated within the Board. Recommendations may be passed to the DCLG or other bodies. It is also likely that it will have a liaison role with the Pensions Regulator. Guidance and standards may be formulated for local scheme managers and pension boards
- 3.7 Regulation 106 of the Local Government Pension Scheme Regulations 2013 required LGPS administering authorities to establish local pension boards by 1st April 2015 to assist them in the effective administration and governance of the Scheme.
- 3.8 Given the passage of time since the establishment of local pension boards, the Scheme Advisory Board considers that it would be appropriate and timely to test the effectiveness and operational efficiency of the new governance arrangements with particular emphasis on the role and function of local pension boards and interaction with their administering authority
- 3.9 The Survey consists of 40 Questions:

- 22 of the questions require Yes/No/Don't Know responses
- 4 of the questions have a wider set of alternatives
- The remainder of the questions require a "Fund Specific" response.

3.10 The draft response in Appendix 1 has been prepared by the Chair of the Westminster Pension Board, and is offered to the Board for discussion and Agreement, prior to being shared with the Chair of the Pension Fund Committee.

4. IMPLICATIONS FOR THE PENSION BOARD

4.1 The Board are requested to review and agree the draft response set out in Appendix 1 to the questionnaire in order for a consolidated version to be shared with the Chair of the Pension Fund Committee.

If you have any questions about this report, or wish to inspect one of the background papers, please contact the report author:

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BACKGROUND PAPERS:

Scheme Advisory Board Questionnaire

Appendix 1 - SCHEME ADVISORY BOARD SURVEY OF LGPS LOCAL PENSION BOARDS

	Question	Alternatives	Response
1	When did the Board first meet?	(insert date DD/MM/Year)*	27 July 2015
2	How often a year is the Board required to meet?*		At Least twice a year, but has met 4 times a year since inception, mirroring the same frequency as the Pension Fund Committee.
3	How many meetings have been held to date?*		8
4	What is the number of employer representatives on the Board?*		3
5	What is the number of employee representatives on the Board?*		3
6	How was the Chair of the Board Appointed?	<ul style="list-style-type: none"> • Selected by the Scheme Manager • Selected by Board members • Recruited after competition • Other 	Appointed by the Board
7	Is the Chair of the Board remunerated?	<ul style="list-style-type: none"> • Yes • No • Don't 	No
8	Are any other members of the Board remunerated?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	No
9	Are expenses paid to Board members?	<ul style="list-style-type: none"> • Yes No Don't know • No • Don't Know 	Yes
10	Is facility time given by the scheme manager to employee representatives of the Board?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	No
11	Is there a written constitution for the Board?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	No
12	Does the Board have a terms of reference?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
13	Does the Board have a conflict of interest register?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	NO register as such but question asked and minuted at each meeting
14	Do you keep a register of breaches of the Law?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	
15	Is there a risk register?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
16	Is there a programme for Board members to acquire knowledge and understanding?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
17	Where "YES" has been given as the answer to Questions 11 to 16, on a scale of 1 (very poor) to 10 (very good), how would you evaluate: i) the constitution ii) the terms of reference iii) the conflict of interest		1 7 10

	<p>register</p> <p>iv) the register of breaches</p> <p>v) the risk register</p> <p>vi) the knowledge and understanding programme</p>		5 8 8
18	Is personal liability or indemnity insurance available to Board members?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
19	Is the Board compliant with guidance issued by the Scheme Advisory Board?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
20	If the answer to Question 19 is "No", give reasons below :-		N/a
21	Give up to three examples where you think the Board is working well:-		
22	Give up to three examples where you think the Board could improve what it does:-		
23	<p>On a scale of 1 (very poor) to 10 (very good), how would you evaluate :-</p> <p>i) the relationship between the administering authority and the board?</p> <p>ii) the relationship between the pensions' committee and the board?</p> <p>iii) the board's ability to identify non-compliance with legal requirements?</p> <p>iv) the board's ability to make recommendations to the administering authority when non compliance has been identified?</p> <p>v) the administering authority's response to any such recommendations?</p> <p>vi) the effectiveness of communication between the administering authority, pensions' committee and the board?</p> <p>vii) the knowledge and understanding programme available to the board?</p>		10 7 6 10 n/a 8 9
24	Has the administering authority in any capacity attended any local pension board meetings?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
25	In the last 12 months, have any breaches of the law been identified by the local pension board?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	No
26	Who is responsible for agreeing the agenda for local pension board meetings?		The Tri-Borough Director of Treasury and Pensions in liaison with the Chairman
27	Have any local pension board meetings not been quorate?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	No
28	Is voting a regular feature of local pension board meetings?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	No
29	Does the local pension board have a webpage on the administering authority's web site?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes

30	Does the local pension board have a workplan?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
31	Has the local pension board agreed any success measures/KPIs for its work?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
32	Has the local pension board produced an Annual Report?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
33	Are the local pension board's papers agenda, papers, etc, available on the board's webpage?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
34	Does the local pension board have control of a budget?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	No
35	If it has a budget, can it be used to access independent external advice?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	N/a
36	Does the local pension board have access to internal and external audit reports?	<ul style="list-style-type: none"> • Yes • No • Don't Know 	Yes
37	Describe below any ways in which you think the working relationship between the administering authority, pensions' committee and the board could be improved.		
38	Use the space below to comment on any other aspect of the new governance arrangements that you consider to be relevant.		
39	Please confirm the capacity in which you are completing this Survey?	<ul style="list-style-type: none"> • Local pension board employee representative • Local pension board employer representative • Local pension board chair Pension committee chair (Section 101) • Trade union member • other (please specify) 	
40	Please confirm the name of the organisation/pension board you represent		Westminster City Council Pension Fund Pension Board