

	<h2>Local pension Board</h2> <h3>29th November 2017</h3>
<p style="text-align: center;">Title</p>	<p>Interaction with the Pensions Regulator</p>
<p style="text-align: center;">Report of</p>	<p>Assistant Chief Executive</p>
<p style="text-align: center;">Wards</p>	<p>n/a</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Urgent</p>	<p>No</p>
<p style="text-align: center;">Key</p>	<p>No</p>
<p style="text-align: center;">Enclosures</p>	<p>Appendix A - letter from Pensions Regulator Appendix B - Response to Pensions Regulator – (To Follow)</p>
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<h2>Summary</h2>
<p>Part of the role of the Local Pension Board is to review the Fund’s performance in complying with the requirements of the Pensions Regulator (TPR). This note updates the Board on submission of the 2017 annual return and a letter received from TPR seeking additional information.</p>

<h2>Recommendations</h2>
<p>The Local Pension Board is invited to:</p> <ul style="list-style-type: none"> (a) Note the submission of the annual return. (b) Note TPR’s request for information in connection with the training of Board members. (c) Agreed to refresh the individual training self-assessments and training plans. (d) Require all Board members to complete the TPR training toolkit.

1. WHY THIS REPORT IS NEEDED

- 1.1 Part of the role of the Local Pension Board is to “review the Pension Fund’s performance in complying with the requirements of the Pensions Regulator”.
- 1.2 At the last Board meeting the Committee were informed of the causes of the delay in submission of the 2016 Scheme Annual Return to TPR. The 2017 return was due to be submitted on 22nd November 2017. The return was submitted early on 10th November 2017. The annual return is mainly a listing of participating employers, appointed service providers and scheme membership.
- 1.3 TPR has been in dialogue with management concerning the standard of scheme recording keeping and the improvement plan that is being monitored by the Pension Board. A copy of a letter dated 31st October 2017 from TPR is attached. The letter seeks further information on the governance arrangements in place both before and after the development of the implementation plan. A response is due by 21st November and will be circulated to the Board.
- 1.4 The Board will note that much of TPR’s letter is concerned with the governance of the administration function, in particular that evidence is retained of oversight from management e.g. the recording of decisions, action plans etc.
- 1.5 The final section of the letter “Pension Board Knowledge and Understanding” is of particular relevance to the Board indicating the regulators requirement that the Board maintain a training plan. Training was last discussed by the Board at its 7th November 2016 meeting at which they agreed:
 - a) To adopt the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills and the CIPFA Pensions Knowledge and Skills Framework.
 - b) Members of the Board will undertake a self-assessment review to indicate areas in which additional training is required based on the above framework.
 - c) Collective and individual training to be completed to address gaps identified in the self-assessment.
 - d) Pension Board members were asked to complete the Pensions Regulator online learning programme called the Public Service toolkit.
- 1.6 Additional training based on the CIPFA framework has been organised for Q1, 2018. Both Board and Committee members will be invited. Dates will be circulated. Following this training, it is recommended that the self-assessment of training needs is repeated with individual plans developed to address any gaps.

- 1.7 All Board members will be asked to provide evidence that they have completed TPR Toolkit. Those who have not done so, should undertake the training ASAP. TPR's letter has requested confirmation of the actions being taken to ensure that this training has been completed.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Pensions Board's terms of reference include monitoring compliance with the requirements of TPR.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The paper is informative and will enable the Board to take into account the areas of interest of TPR when setting its own work programme.

4. POST DECISION IMPLEMENTATION

- 4.1 Recommendations and comments will be forwarded to the Pensions Committee.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Good management of the Pension Fund will minimise the cost of providing benefits thus enabling funds to be directed to Council priorities.

5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 There are no direct resources issues for the council however changes in the financial performance of the pension fund affects the pension fund deficit reflected in the Authority's accounts and those of the other employers.

5.3 Social Value

- 5.3.1 The Public Services (Social Value) Act came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.

- 5.3.2 Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

- 5.3.3 The Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems.

5.3.4 There are no specific social value issues arising out of this report, however membership of the Pension Fund ensures the long term financial health of contributing employees on retirement.

5.4 Legal and Constitutional References

5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is LB Barnet. The Local Government Pension Scheme Regulations 2015 requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice.

5.4.2 This paper considers compliance with the requirements of the Pension Regulator.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met.

5.5.2 Good governance is essential to managing the risks of the pension fund.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equalities Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

5.7 Consultation and Engagement

5.7.1 Where relevant, consultation and engagement is discussed in the paper.

5.8 Insight

5.8.1 Not applicable

6. BACKGROUND PAPERS

6.1 The Pension Regulators Code of Practice

<http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-public-service-pension-schemes.aspx>

6.2 CIPFA - Local Pension Boards: A Technical Knowledge and Skills Framework

<http://www.cipfa.org/policy-and-guidance/publications//local-pension-boards-a-technical-knowledge-and-skills-framework-pdf>

6.3 Link to Pension Regulators training toolkit

<http://www.thepensionsregulator.gov.uk/public-service-schemes/learn-about-managing-public-service-schemes.aspx>