



Briefing note

The Local Government Pension Scheme – Governance Guidance Consultation Document

Provisions	Comments
<p>General Local Pensions Boards must be created by 1 April 2015, that is established in the constitution and brought into effect within a reasonably practicable period (within 4 months)</p>	<p>This works well with the concerns of the working party in having a term run inconsistently with the municipal year. We will now be able to have it come into force from the first meeting of the year.</p>
<p>The remit of the pension board should be interpreted as covering all aspects of governance and administration of the LGPS, including funding and investments.</p>	<p>This is within the legislative requirement of assisting. The guidance does not give or suggest authority's give decision-making powers to pensions boards.</p>
<p>Pension Regulator Increased powers to protect, promote and improve pension schemes and maximise compliance with the duties and safeguards through the issuance of codes of practice</p>	
<p>They will have the power to appoint a person to a local pension board if the Regulator considers it desirable.</p>	<p>We need to understand what defines "desirable" I would suggest we respond to the consultation proposing this wording is changed to "necessary".</p>
<p>Power to issue an improvement notice or third party notice to prevent or remedy a recurrence of a breach of law.</p>	
<p>Power to inspect premises, apply for an injunction, impose civil penalties for breaches. Reporting on breaches by individual members of local pension boards.</p>	<p>We will need to understand the process for this intervention, suggest we respond asking for clarity.</p>
<p>Membership of local Pensions Board Employer and member representatives in equal proportion and truly representative and all must have equal opportunity to be nominated for the role.</p>	<p>We will need to consider the recruitment process, the 'job role' and how we seek nominations. The guidance does state that forums etc are an acceptable means of seeking nominations. We will need to address the working party on how to approach this.</p> <p>We also need to consider how the representatives will feedback to their group ensuring all views are sought and information relayed.</p>
<p>They need to have knowledge and capacity.</p>	<p>We will need to devise a training strategy and determine what additional training is required separate from Trustees.</p>
<p>Question regarding remuneration for members.</p>	<p>Some pension board members will already be remunerated through their other duties.</p>

Provisions	Comments
<p>Managing Conflicts Pensions board members will need to declare any conflicts of interests.</p>	Suggest a method similar to that of reporting Councillors. We will need to draft a policy and process for reporting together with all associated documentation (forms etc.) and a register of interests should be created and maintained.
Guidance suggests only actual conflicts need to be notified.	Issue regarding matters as they arise. What happens when a pension board member needs to declare an interest at the meeting?
Conflicts policy to be drafted.	Will the Scheme Board be drafting or providing any guidance?
<p>Knowledge and Understanding Requirements Must be conversant with the rules of LGPS with a knowledge and understanding of the law relating to pensions and such other matters as may be prescribed.</p>	<p>We will need a knowledge and understanding policy to include a personal training needs analysis.</p> <p>Additional training separate to pension committee will be required due to assisting role.</p>
Code of conduct	Need to draft guidance
<p>Internal/External Reporting What are the internal reporting mechanisms? Report in the first instance to Pensions Committee Second instance to Full Council Third instance to Pensions Regulator</p>	Need to draft a policy
Reporting to employers and members on an annual basis.	Guidance suggests this is good practice; do we want to do this?
<p>Resourcing the Board Costs from the administration of the Fund must be given adequate resources</p>	Need to allocate budget.

Policies To Be Drafted

The guidance refers to a number of policy documents and papers that local authorities need to consider drafting to support the terms of references and suggested processes, ***will the Scheme Board or Pensions Regulator be providing template policies?***

The list to include:

- Recruitment policy
- Training and capacity policy
- Remuneration policy
- Managing conflicts policy and guidance
- Code of conduct guidance
- Internal/External reporting policy
- Dispute resolution policy

It is proposed that work on these begin straight away with the Working Party to ensure that when Full Council approve the constitution amendments in January, we are ready to commence recruitment for pension board members and have all supporting documentation to initiate their training immediately on appointment.