

Bath & North East Somerset Council

MEETING:	Local Pension Board – Avon Pension Fund	
MEETING DATE:	30 th July 2015	AGENDA ITEM NUMBER
TITLE:	Role and Purpose of the Local Pension Board	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
None		

1 THE ISSUE

- 1.1 The purpose of the report is to outline the role and purpose of the Local Pensions Board (LPB).

2 RECOMMENDATION

- 2.1 The Local Pension Board is asked to note the report.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications from this report.

4 THE REPORT

Background

- 4.1 Lord Hutton conducted a wide ranging review of public service pensions and published his report in March 2011 recommending significant change to the governance of Pension Funds, '*to make...schemes...more transparent*'.
- 4.2 Subsequently legislation was introduced in the form of the Public Sector Pension Act 2013 along with the Local Government Pension Scheme (Governance) Regulations 2015. These require each Local Government Pension Scheme (LGPS) administering authority to establish a new body known as a Local Pensions Board (LPB) to assist the Council (Administering Authority) in running the Avon Pension Fund.
- 4.3 One of the key aims of the reform was to raise the standard of management and administration of public service pension schemes and to achieve more effective representation of employer and employee interests in that process.

- 4.4 Therefore the LPB is separate to the Avon Pension Fund Committee (Section 101 committee) to which as administering authority (the Council) it has delegated its functions in relation to the administration of the LGPS.
- 4.5 The LPB has no general duties or responsibilities other than those outlined in the Terms of Reference (shown elsewhere on this agenda)

Specific Role and Purpose

- 4.6 The PPSA 2013, set out the requirement for the establishment of a Board with the responsibility for assisting the scheme manager in relation to the following matters:
- a) Securing compliance with the regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and:
 - b) To ensure the effective and efficient governance and administration of the Scheme.
- 4.7 The LPB will assist the 'Scheme Manager' by ensuring compliance with the pension scheme regulations, along with all other legislation and the requirements imposed by the Pensions Regulator to ensure the effective and efficient governance and administration of the Scheme.
- 4.8 The LPB therefore sits alongside the Avon Pension Fund Committee to scrutinise its decision making process and ensure the Fund's compliance with its legislative requirements and is not a decision making body.

Pension Regulator

- 4.9 From April 2015, the Pension Regulator has responsibility for the LGPS. Therefore a focus for the LPB is in ensuring compliance with the Regulator's code of practice. This is split into a number of areas which covers Governance, Risk Management and Resolving Issues.
- 4.10 The LPB as part of their work plan will need to consider these areas, to ensure the Fund is compliant and if not to make recommendations to the Pension Fund Committee on ways to address these requirements.
- 4.11 The LPB will also need to consider how it would deal with any breaches of the regulations, should recommendations not be acted upon to address concerns to a satisfactory level through the establishment of a breaches policy or similar.

5 RISK MANAGEMENT

- 5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 5.2 An understanding of the role and remit of the LPB mitigates the risks that the Board is unable to fulfil its terms of reference or is unable to act effectively.

6. EQUALITIES

6.1 A proportionate equalities impact assessment has been undertaken and there are no significant issues to report.

7. CONSULTATION

7.1 The report was distributed to the S151 Officer for consultation.

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Background papers	<i>Council Report – Establishment of Avon Pension Fund Board – 15th January 2015</i>
Please contact the report author if you need to access this report in an alternative format	