

Assessing the impact of the Local Pension Board

Purpose of the Report

1. The purpose of this report is to present for initial discussion how the Local Pension Board (LPB) might annually self assess and measure its own performance and impact, for potential inclusion in the LPB statutory annual report.

Background

2. Some 89 LPBs were established by DCLG in mid 2015 with the aim of assisting the 89 Administering Authorities of the 89 Local Government Pension Scheme (LGPS) funds.
3. The role of each LPB is to ensure their fund is compliant with the LGPS regulations and the requirements of the Pension Regulator, and to ensure their funds governance and administration are effective and efficient.

Key Considerations for the Board

4. Attached at Annex 1 is some first draft proposals for discussion by the Wiltshire Fund LPB, after which the intention these will be improved and refined and then re-considered and approved by the Board at its July meeting.

Financial Considerations

5. The intention is the annual assessment will utilise pre-existing fund data and information and so it is not envisaged there will be any additional costs, and if there are they would be marginal.

Risk Assessment

6. The risks associated with undertaking this annual assessment are viewed to be low and it should benefit the overall governance of the Wiltshire Fund

Legal Implications & Environmental Impact of the Proposal

7. None

Safeguarding Considerations/Public Health Implications/Equalities Impact

8. None

Reasons for Proposals

9. To assist the LPB undertake its statutory duties.

Proposals

10. To discuss Annex 1 and consider amendments to be re-considered and approved by the Board at its July meeting.

HOWARD PEARCE
Chairman of the Local Pension Board

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Unpublished documents relied upon in the production of this report:

Annex 1

Assessing the impact of the Local Pension Board

The purpose of these measures and key performance indicators (KPIs) is to measure and assess the impacts and achievements of the LPB.

Topic	Description of measure	How they might be assessed	Assessment 1 year from July 2015 to July 2016 (To be updated by the July LPB meeting)
Membership	LPB members have no or only minimal conflicts of interest with pensions paid by the fund	Any LPB members conflicts of interest are disclosed on the public register	Achieved or not – to be filled in
Participation	Attendance at quarterly meetings and other inputs to the funds management in person, by phone, or by email between meetings	Records of LPB member attendance via meeting minutes, plus positive feedback from fund staff about their other interactions with LPB members	Achieved or not – to be filled in
Knowledge	LPB members develop a good level of understanding of the LGPS, the fund objectives, the fund compliance, and its relative performance	LPB members passed all modules of the TPR public sector pensions training, plus attended in-house fund training at LPB meetings, and all LPB training logged	Achieved or not to be filled in – eg 80% of members have successfully completed TPR training, and 100% have attended other LGPS training.
Planning	LPB members contribute to the development of the LPB work plan and its implementation	LPB has a defined work plan for at least one year ahead which is reviewed at each meeting and updated accordingly	Achieved or not – to be filled in
Inputs	Quality, value and extent of LPB members personal contributions at meetings (and between meetings).	Well-considered inputs to the development of the funds compliance with extant LGPS regulations and TPR Codes, and the funds efficiency and effectiveness	Achieved or not to be filled in – eg no reports to the TPR
Influence	LPB members contribute to the development of the overall fund strategy and policies drawing on their collective and individual experience and expertise.	Inputs made by the LPB are valued by the fund management and used in redrafting of policies or to adapt processes to assist with the internal implementation and communication of the fund stewardship.	Achieved or not – eg favorable feedback received from the Head of Pensions
Enforcement	LPB work ensures compliance with the TPR code of practice on enforcement	LPB members have a decision process to report the fund to the TPR if required	Achieved or not eg LPB members saw no reason to report the fund in 2016
Governance	LPB work ensures fund complies with statutory governance standards	Fund governance compliance statement based on DCLG standard	Achieved or not – eg LPB reviewed and consider the fund

		and reports on DCLG assessment measures	statement is compliant.
Administration	LPB work encourages fund administration to adopt best practice	Funds participates in annual CIPFA administration survey	Achieved or not
Efficiency and Effectiveness	LPB work encourages fund to actively benchmark its performance	Fund governance, administration, investment, and total costs per member within the range of similar sized LGPS funds	Achieved or not – to be filled in
Communications and reporting	LPB meetings, papers, minutes and annual reports	Made available and published on fund website	Achieved or not – to be filled
Recommendations	LPB makes recommendations to the Pensions Committee	Number of recommendations accepted and adopted by the fund.	Achieved or not – to be filled in
Reputation	Input by LPB members help funds external reputation to be enhanced	Positive feedback on fund and the LPB is received in meetings, in letters, or in the news media Fund Awards and national ranking position relative to other LGPS funds	<u>Partly achieved</u> No negative comments on LPB by key external stakeholders.
Succession	Fund have high quality people saying they want to be future members of LPB	Ease of external recruitment of new or replacement LPB members based on number and suitability of future applicants.	<u>Not achieved</u> Too early to assess