

**CAMBRIDGESHIRE PENSION
FUND**



Pension Fund Board

Date: 20 April 2018

Report by: Head of Pensions

Subject:	Governance and Legislation Report
Purpose of the Report	To provide the Pension Fund Board with: 1) Information on potential, new or amending legislation affecting the LGPS; 2) Information on other pensions legislation; 3) Activities of the LGPS Scheme Advisory Board and the Pensions Regulator; 4) Information on issues concerning the governance of the Local Government Pension Scheme (LGPS) on a national and local basis; and 5) Skills and knowledge opportunities.
Recommendations	That the Pension Fund Board notes the content of the report.
Enquiries to:	Jo Walton – Governance and Regulations Manager, LGSS Pensions Service E-mail: jwalton@northamptonshire.gov.uk

1. Background

- 1.1 This is a standing report that identifies issues concerning the governance of the Local Government Pension Scheme (LGPS) and also potential, new, amending and overriding legislation that will have an impact on how the Scheme is managed and on members' benefits.

2. Contracted-out reconciliation exercise

- 2.1 On 8 February 2018, the Local Government Pensions Committee (LGPC) issued a survey to administering authorities in England & Wales. The aim of the survey was to determine what stage administering authorities are at with their contracted-out reconciliation exercise.
- 2.2 The results of the survey shows that administering authorities are at different stages in respect of their individual types of members (e.g. active, deferred and pensioners).

- 2.3 The table shows ‘worst’ and ‘best’ case scenarios i.e. if an administering authority is at:
- stage 4 for pensioners and stage 2 for actives and deferred – then the ‘worst’ case scenario shows the administering authority at stage 2, or
 - stage 4 for pensioners and stage 2 for actives and deferred – then the ‘best’ case scenario shows the administering authority at stage 4.

Stage	Description of Stage	No. of administering authorities at this stage	
		Worst case scenario	Best case scenario
Stage 0	Administering authority has yet to start the exercise	8	4
Stage 1	Compare administering authority data with HMRC data	20	13
Stage 2	Review data inconsistencies, raise with HMRC, agree outcome	51	42
Stage 3	Rectification	9	25
Stage 4	Reconciliation complete	0	4

- 2.4 Cambridgeshire Pension Fund is at stage 2 for all categories of membership.

3. Pensions Dashboard Update

- 3.1 On 13 February 2018, the LGPC Secretariat attended an informal discussion with the Department for Work and Pensions (DWP) and other public service pension schemes about the Pensions Dashboard. DWP are in the process of conducting a feasibility project to explore the options for delivering the pensions dashboard; as part of this work they are seeking the input and views from stakeholders.

4. High Court judgement in the case of Elmes v Essex

- 4.1 This case concerns Nichola Elmes versus Essex County Council with an interested party of the Ministry of Housing, Communities and Local Government (MHCLG) which is similar to that decided upon in the Supreme Court on 8 February 2017 (Brewster v NILGOSC, the Northern Ireland LGPS).
- 4.2 This case was heard before the High Court on 18 January 2018 and it is understood that the outcome of this case effectively removes the requirement for a nomination form from regulations and enables an LGPS administering authority to pay a partner’s pension, to the partner (who meets the definition of co-habiting partner set out in the LGPS Regulations 2013) of a deceased member who died without completing a nomination form, and who left active membership on or after 1 April 2008 and before 1 April 2014.
- 4.3 The full rationale around this ruling is still awaited and upon receipt MHCLG are expected to provide guidance on how administering authorities can move forward with any cases that they may have.

5. The Pensions Advisory Service dispute function moves to the Pensions Ombudsman

- 5.1 The LGPC Secretariat has been notified that the Pensions Advisory Service's (TPAS) dispute resolution function is moving to The Pensions Ombudsman (TPO). The move includes the transfer of the TPAS dispute resolution team and volunteer network of over 350 advisers. The transfer was expected to be completed by 1 March 2018.
- 5.2 At present customers can approach both TPO and TPAS for help when dealing with a pension complaint. TPAS usually focussed on complaints before the pension scheme's internal dispute resolution procedure (IDRP) had been completed, whilst TPO typically deals with complaints that have been through IDRP
- 5.3 Customers will be able to access all pension dispute resolution, previously handled by two services, whether pre or post IDRP, in one place, leading to a smoother customer journey and improved complaint handling. TPAS will continue to focus on providing pension information and guidance, and will become an integral part of the new Single Financial Guidance Body.

6. Consultations

6.1 Insolvency regime for further education and sixth form colleges: technical consultation – Local Government Association response

- 6.1.1 The Local Government Association (LGA) responded to the above consultation on 7 February 2018, a copy of the response can be found at the following link:

<http://lgpslibrary.org/assets/cons/nonscheme/20180207IR.pdf>

- 6.1.2 Officers were in discussions with LGA regarding the submission and had input via the LGA response which asks that appointed education administrator puts in place the appropriate safeguards to ensure that an insolvent institution does not result in its LGPS liabilities being met by other employers within the fund.

7. Skills and knowledge opportunities.

7.1 Training Events

- 7.1.1 Section 248A of The Pensions Act 2004 as incorporated within The Pensions Regulator's Code of Practice (Governance and administration of public service pension schemes) requires all members of the Pensions Committee to maintain the necessary skills and knowledge to undertake their role effectively.
- 7.1.2 In order to facilitate the acquisition of skills and knowledge for members of the Pension Committee, appendix 1 lists all events that are deemed useful and appropriate.
- 7.1.3 Requests to attend events will be facilitated by the Governance Team. It may be necessary to restrict numbers of attendees on some courses through reasons of cost.

8. Policy Monitoring

Policy/Strategy	Review by	Status	Comments
Overpayments of Pension Policy	31 March 2018	Delayed – in progress	Policy being taken to the June Pensions Committee meeting. Delay due to further legal advice being sought.
Annual Business Plan and Medium Term Strategy	31 March 2018	Completed	Presented at the March Pensions Committee Meeting and approved.
Training Strategy	31 March 2018	In progress	One combined policy for the Pension Committee and Local Pension Board. Pre scrutiny of the Board in October and to seek approval of the Committee in December.
Conflicts of Interest Policy	31 March 2018	In progress	Policy has been created and is due for pre scrutiny at this meeting before seeking Committee approval in June.
Investment Strategy Statement	30 April 2018	Completed	Presented at the March Pensions Committee Meeting and approved.
Admitted Bodies, Scheme Employers and Bulk Transfer Payments	30 April 2018	In progress	Only minor amends expected, judgement will be used on whether needs to be presented again to the Committee or Board
Cash Management Strategy	30 April 2018	Delayed	This review has been scheduled for later in the year due to the implementation of Agresso which will impact the strategy. Due to be presented to the Committee in December.
Reporting Breaches of the Law to the Pensions Regulator Policy	30 April 2018	In progress	Only minor amends expected, judgement will be used on whether needs to be presented again to the Committee or Board
Risk Strategy	30 April 2018	In progress	Only minor amends expected, judgement will be used on whether needs to be presented again to the Committee or Board.

9. Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. <i>Objective 1</i>
Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. <i>Objective 2</i>
Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. <i>Objective 3</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>

10. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There is no risk associated with this report as it is a note report.		Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
That the Committee are ill-informed about important consultations and changes affecting the Fund they are responsible for administering	Green

11. Finance & Resources Implications

11.1 Not applicable

12. Communication Implications

Training	All staff involved in the administration of the LGPS are aware of the new legislation and the impact on the calculation and payment of benefits from the scheme.
-----------------	--

13. Legal Implications

13.1 There are no legal implications connected to the contents of this report.

14. Consultation with Key Advisers

14.1 There has been no requirement to consult with advisers over the content of this report.

15. Alternative Options Considered

15.1 There are no alternative options to be considered.

16. Background Papers

16.1 Not applicable

17. Appendices

17.1 Appendix 1 - List of training events/conferences.

Checklist of Key Approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Head of Pensions?	Mark Whitby – 28 March 2018

Appendix 1 - Internal/External training and events 2018-2019

Date	Event	Training Credits	Target Audience	Website Link
7 February 2018	LGSS Pensions Information Day	2	Officers, Committee/ Board Members	In house ACCESS – appointment of operator
23 February 2018	Schroders Trustee Training (Part 1)	2	Officers, Committee/ Board Members	https://www.schrodersevents.co.uk/schroders/frontend/reg/thome.csp?pageID=474304&eventID=1363&traceRedir=2&eventID=1363 The programme is designed to cover a wide range of different asset classes and investment strategies, as well as how to manage some of the risks associated with them
26 February 2018	Local Pension Board – Spring Seminar	2	Board Members	https://www.barnett-waddingham.co.uk/events/2018/02/26/lgps-local-pension-board-members-spring-seminar The latest updates on governance and the LGPS, including a focus on key emerging issues. It will also provide opportunities for discussion on the issues you face and for networking with Board members from other funds
1–2 March 2018	LGC Investment Seminar	4	Officers, Committee/ Board Members	https://investmentseminar.lgcplus.com/ Keeping the LGPS affordable and accessible through austerity and uncertain times.
16 March 2018	Schroders Trustee Training (Part 2)	2	Officers, Committee/ Board Members	https://www.schrodersevents.co.uk/schroders/frontend/reg/thome.csp?pageID=474304&eventID=1363&traceRedir=2&eventID=1363 The programme is designed to cover a wide range of different asset classes and investment strategies, as well as how to manage some of the risks associated with them
9 May 2018	CIPFA Framework Governance Module	2	Officers, Committee/ Board Members	In house/ AON Hewitt
21-23 May 2018	PLSA Local Authority Conference	4	Officers, Committee/ Board Members	https://www.plsa.co.uk/Events/Local-Authority-Conference
27 June 2018	LGPS Local Pension Boards Three Years on	2	Board Members	http://www.cipfa.org/training/l/lgps-local-pension-boards--three-years-on-20180627

4 July 2018	LGSS Pension Information Day	2	Officers, Committee/ Board Members	In house
3-5 July 2018	LGA Annual Conference and Exhibition 2018	4	Officers, Committee/ Board Members	https://www.local.gov.uk/events The conference provides plenty of opportunities for delegates to engage in a range of sessions on how innovation and good practice can deliver the best local public services for our communities.
11–12 July 2018	Heywood Class Group AGM	4	Officers	https://www.aquilauk.co.uk/
12-13 July 2018	LGC Pension Fund Symposium	4	Officers	https://pensionfund.lgcplus.com/
6-7 September 2018	LGC Investment Summit 2018	4	Officers, Committee/ Board Members	https://investmentsummit.lgcplus.com/
26 September 2018	Introduction to the LGPS	2	Officers, Committee/ Board Members	http://www.cipfa.org/training/i/introduction-to-the-lgps-20180926 Aimed at new or inexperienced officers and elected members this course, based on the CIPFA knowledge and skills framework.
5 October 2018	LGSS Pension Information Day	2	Officers, Committee/ Board Members	In house
12 October 2018	Schroders Trustee Training (Part 1)	2	Officers, Committee/ Board Members	https://www.schrodersevents.co.uk/schroders/frontend/reg/thome.csp?pageID=474304&eventID=1363&traceRedir=2&eventID=1363 The programme is designed to cover a wide range of different asset classes and investment strategies, as well as how to manage some of the risks associated with them
2 November 2018	Schroders Trustee Training (Part 1)	2	Officers, Committee/ Board Members	https://www.schrodersevents.co.uk/schroders/frontend/reg/thome.csp?pageID=474304&eventID=1363&traceRedir=2&eventID=1363 The programme is designed to cover a wide range of different asset classes and investment strategies, as well as how to manage some of the risks associated with them

5-7 December 2018	LAPFF Annual Conference	4	Officers, Committee/ Board Members	http://www.lapfforum.org/events/lapff-conference/
TBC	UBS First Steps Seminar	2	Officers, Committee/ Board Members	
TBC	UBS Second Steps Seminar	2	Officers, Committee/ Board Members	
TBC	Pension Managers Annual Conference	4	Officers, Committee/ Board Members	
TBC	PLSA Annual Conference	4	Officers, Committee/ Board Members	
13 February 2019	LGSS Pension Information Day	2	Officers, Committee/ Board Members	In house

Core training has been highlighted in the plan above. Future dates of the CIPFA modules will be distributed shortly and will also be classed as core training.