

APPENDIX 5

Chairs Notes - Barnett Waddingham/CIPFA Local Pension Board Members' Spring Seminar – 27 February 2019, London

2019 valuation

- The Scheme Advisory Board has asked local authorities to indicate whether they want a central position to be adopted on the assumption to be used for the 2019 valuation on the impact of the age discrimination decisions. It was suggested that Local Pension Boards might wish to enquire about the approach being adopted by the Council and its reasoning.

The Pensions Regulator

- The first Improvement Notice issued by TPR on a public sector scheme was highlighted: it related to a self-referral in relation to Annual Benefits Statements by the Scottish Teachers Pension Scheme, an area of increasing focus by TPR. It was suggested that Local Pension Boards might wish to enquire about the performance of the Council in this area;
- TPR had issued guidance on the potential impact of Brexit for pension schemes. It was suggested that Local Pension Boards might wish to enquire about the steps taken to prepare for potential Brexit impacts in relation to cross-border payments to members and associated communications to members;
- Some participants asked about the role of Local Pension Boards where employers were failing to submit information to the administering authority with a knock on impact for the quality and timeliness of Annual Benefit Statements. CIPFA suggested that Local Pension Boards should enquire into the extent and nature of problems in this area, including whether the administering authority had prepared an administration strategy and, if so, whether it had adopted a policy on the use of 'efficiency costs' allowed in legislation; and
- LGPS administering authorities will have participated in TPR's annual survey. CIPFA suggested that Local Pension Boards may wish to obtain a copy of the administering authority's submission and subsequently compare the administering authority's individual performance against aggregate performance published by TPR.

Pension Fund Annual Report

- CIPFA is recommending Local Pension Board review of the draft Pension Fund Annual Report prior to publication, including consideration of compliance with CIPFA guidance on its contents. It was suggested that Local Pension Boards should obtain and review the CIPFA guidance and enquire into the plans for preparation of 2018/19 Annual Report to ensure that a window to allow such a review was allowed; and
- CIPFA emphasised its guidance on transparency in reporting administration costs. It was suggested that Local Pension Boards had a role in satisfying

themselves on the arrangements for securing complete and accurate disclosure of all relevant costs; and

- Some participants asked whether Local Pensions Boards had a role in reviewing compliance with the requirements of the Accounts and Audit (England) Regulations 2015 as regards the Pension Fund accounts included in the Council's Statement of Accounts. CIPFA said that this was a grey area.

Pooling

- Many participants expressed concern about the 'informal consultation' process for the draft statutory guidance on pooling;
- CIPFA encouraged Local Pension Boards to respond to the consultation;
- Many participants expressed concern about the suggestion in the draft statutory guidance on pooling that Local Pension Board members might become involved in the governance structures for pool; and
- CIPFA encouraged Local Pension Boards to enquire about the flow of information from pools to administering authorities and how administering authorities obtained assurance about the operation of pools.

Operation of Local Pension Boards

- CIPFA advocated an annual review of the Terms of Reference of Local Pension Boards;
- CIPFA advocated development of a formal approach for Local Pension Boards to make written recommendations to administering authorities and seek a response; and
- CIPFA strongly advocated a minimum meeting frequency of quarterly.

Other matters

- Some participants were concerned about the impact of discontinuity in the membership of Pension Investment Committees. CIPFA did not identify specific action for Local Pension Boards.

Stephen Warren
28 February 2019