

Pension Fund Committee

Meeting to be held on 27 March 2015

Electoral Division affected: None

Update on the Establishment of the Lancashire Local Pension Board

(Appendices 'A' to 'E' refer)

Contact for further information:

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Executive Summary

The new Local Government Pension Scheme Governance regulations require each LGPS administering authority to create a Local Pension Board to assist its work in managing its pension fund. At its meeting on 28 November 2014 the Committee endorsed the proposals for the Lancashire Local Pension Board and recommended them to Full Council for approval. The proposals were approved by Full Council on 18 December 2014 and this report provides an update on progress with the establishment of the Board.

Recommendation

The Committee is asked to note the appointments to the Lancashire Local Pension Board.

Background and Advice

The Committee has previously considered the arrangements for the establishment of the Lancashire Local Pension Board and the full County Council approved the Committee's recommendations at its meeting in December 2014. The role of the Board as set out in the LGPS (Amendment) (Governance) Regulations 2015 is:

- a) to secure compliance with:
 - i. the Regulations;
 - ii. other legislation relating to the governance and administration of the LGPS;
 - iii. and the requirements imposed by the Regulator in relation to the LGPS, and
- b) to ensure the effective and efficient governance and administration of the LGPS.

The Board is not a committee set up under the Local Government Acts but a specific creation of the relevant regulations under public sector pension legislation. The

Board is also not a decision making body, its role is to "assist" the Administering Authority and the Scheme Manager.

In order to comply with the regulations work since the last meeting of the Committee has concentrated on ensuring appointments are made to the Board in line with the arrangements approved by the County Council so that a training programme for members of the Board can be delivered prior to the first formal meeting.

The Appointment Process

In line with the criteria of openness and transparency set out in the relevant guidance, the following appointment process was followed for each category of membership:

- An Independent Chair was appointed following public advertisement using an interview process similar to that used for the Fund's independent investment advisers, but with representatives of the Full Council as administering authority. This appointment was made jointly with the London Pension Fund Authority (i.e. the same individual will chair both Boards)
- Nominations for Employer Representatives were sought from the respective "constituencies".
- Nominations from Employee Representatives were sought from the respective "constituencies" (Appendix A refers). As there were more nominations than places (subject to all nominees satisfying the "relevant experience and capacity test") a ballot of the relevant employee group was held. A resume of each candidate accompanied the ballot papers – see appendices B-E.

Appointments are for a four year term, although for the councilors appointed this will be subject to the results of any election in the intervening period. A term of office of this length, with the potential for reappointment, provides the opportunity for members of the Board to develop a degree of expertise, which will be of value to the Board. Elected members of the County Council are mid-way through their four year term and therefore there will be some staggering in the turnover of members to be introduced from the beginning of the life of the Board which is desirable.

Timetable for Appointment of Employee Representatives

In order to ensure that appointments to the Board were made by 1 April 2015, the following timetable was followed. The process for appointment of the Independent Chair and the nominations for Employer Representatives ran parallel with this timetable.

Where communication with members of the Fund was required this was undertaken by letter to the address held by the Fund in order to ensure the greatest possible engagement with members.

Selection by ballot	
By 9 January 2015	Invite Nominations
By 19 February 2015	Circulate ballot papers
9 March 2015	Closing date for ballot papers to be returned
11 March 2015	Counting of ballot papers and declaration of results, successful candidates advised.
13 March 2015	Appointment details on LCPF website
27 March 2015	Results reported to Pension Fund Committee

The Appointments Made

Independent Chair

Interviews were held and an appointment made on 19 March 2015. As this is after the date for publication of the papers for this meeting an oral update will be provided to the Committee.

Employer Representatives

At the time of writing the following is known:

1. The local authorities (other than the County Council) will be asked to approve the appointment of Mr. Steve Thompson, Borough Treasurer of Blackpool Borough Council.
2. Recommendations for the appointment of County Council representatives will be determined prior to the meeting of the Committee and an oral update will be provided.
3. At the time of writing no nominations for the other employer representative have been received and officers are continuing to encourage applications.

Employee Representatives

The results of the ballot are set out in the table below. Full details of the results can be found at www.yourpensionservice.org.uk

Member Status	Successful Candidate	Votes
Active	Yvonne Moulton	887
Active	Kathryn Haigh	691
Deferred	John Hall	566
Pensioner	Robert Harvey*	1,332

The turnout in the ballot was 9.25% with over 10,000 members of the Fund voting.

*Note – Mr Harvey is currently a co-opted voting member of this Committee and has indicated that he will resign from the Committee on 27 March 2015 in order to become a member of the Pension Board. Officers are engaging with Unison in order that the co-opted seats available on the Committee for members of the Fund are not left vacant.

Next Steps

The first formal meeting of the Board is scheduled to take place during July 2015. A learning and development programme is currently under development with training planned to take place prior to the Board commencing its work.

Implications:

Risk management

The creation of the Board and its effective operation is intended to reduce the Fund's exposure to a range of risks associated with compliance with regulations and the Pension Regulator's code of practice for public service schemes,

Financial

Any costs incurred in the establishment and running of the Pension Board are chargeable to the Pension Fund under the terms of the relevant regulations.

Local Government (Access to Information) Act 1985
List of Background Papers

Paper	Date	Contact/Directorate/Tel
N/a		
Reason for inclusion in Part II, if appropriate		
N/a		