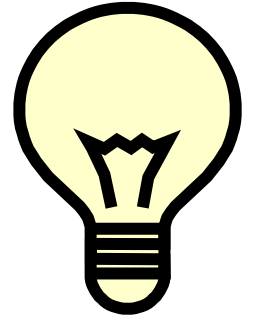


# Local Pension Board Training

## What Do the Regulations Require?

**Bob Holloway**

**Workforce Pay & Pensions Division**



# Scheme Managers Decide

# Local Pension Boards Advise

## Section 5(1)

“Scheme regulations for a scheme under section 1 **must** provide for the establishment of a board with responsibility for **assisting** the scheme manager (or each scheme manager) in relation to the following matters :-

- (a) securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme...
- (b) securing compliance with requirements imposed in relation to the scheme ....by the Pensions Regulator;
- (c) such other matters as the scheme regulations may specify.

## The FPS (Amendment)(Governance) Regulations 2015

### Regulation 4A : Local pension boards – establishment

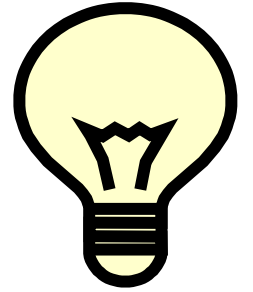
- Each scheme manager to **establish** LPB by 1<sup>st</sup> April 2015;
- Secure compliance with :-
  - Scheme regulations and any other relevant legislation
  - Pension Regulator's codes of practice, etc
- To ensure effective and efficient governance and administration
- Applications for SoS to approve joint boards
- Scheme managers to determine procedures
- Voting rights conferred only on employer and scheme member reps
- Wide powers to discharge functions

# Membership



## Regulation 4B : Local pension boards – membership

- Scheme managers to determine :-
  - membership
  - manner in which members are appointed and removed;
  - terms of appointment
- LPB must have equal number of employer and scheme member reps
- No less than four in total
- Employers reps to have **capacity** to represent employers
- Scheme member reps to have capacity to represent scheme members
- A member of the scheme manager must be appointed as either an employer or scheme member rep
- Members of a scheme manager with a pensions function may not be appointed as a member of that scheme manager's LPB.



The “decisive influence” on a local pension board must reside with those designated as scheme member and employer representatives.

## **Regulation 4C : Local pension boards – conflict of interest**

- Scheme managers must be satisfied that no candidates have a conflict of interest
- Being a scheme member is not regarded as a conflict of interest
- Same requirement applies during periods of membership
- Candidates must provide relevant information to the scheme manager
- Members must also provide relevant information



## **Regulation 4D : Local pension boards - guidance**

- Scheme managers must have regard to guidance issued by the Secretary of State

## **Regulation 4E : Scheme advisory board - establishment**

- The Firefighters' Pension Scheme Advisory Board also has the function of providing advice to scheme managers and local pension boards in relation to the effective and efficient administration and management of the scheme....

# Conclusions

- **Carpe Diem – Seize the opportunity**
- **“Light touch” comes with risks – feedback will be crucial**
- **DCLG and others will monitor effectiveness**
- **Regulations can be amended on the basis of experience**
- **Local boards should be allowed to evolve**
- **Local boards should be seen as a valuable resource**
- **Local boards should not be seen as the enemy**
- **Over time, local and regional networks should emerge**
- **We are all tasked with the aim of improving administration and management**

