





















## The Guide for Local Pension Boards

### Appendix 5 - Twenty-one quick questions and Cumbria's Self Assessment

1. Have the Board's terms of reference recently been reviewed in the light of experience?	
Yes, the Terms of Reference are a standing item on the Board's agenda. In addition to this the Board formally reviewed the Terms at its meeting on 17 <sup>th</sup> July 2018 and agreed a number of changes. These included the frequency of the meetings of the Board moving from 6 monthly to quarterly and substitutes being permitted. Following consideration by the Council's Constitution Review Group, the changes (with minor amendments as recommended by the Review Group) were agreed by Full Council on 10 <sup>th</sup> January 2019 as part of its consideration of a suite of changes to the Council's Constitution.	
2. Are the terms of service of Board members staggered to avoid the cliff-face scenario to which a pensions committee is unavoidably exposed	
Yes. Board appointments are for a period of 4 years however there is no limit to the number of times a Board member can be reappointed. Initially all Board members were appointed for a full term. However, since the Board's inception, there have been a number of new appointments ensuring that membership is now appropriately staggered.	
3. Is the process for appointing new Board members practical and speedy or too time-consuming? Are opportunities taken to identify potential Board members?	
<p>The process is designed to achieve an optimal balance between efficiency and robustness. With the exception of the Council and District employer representatives*, Board members are appointed through application with an appointment panel comprising of the Section 151 Officer, Monitoring Officer and Portfolio Holder for Finance. This is to ensure that newly elected Board members have the required knowledge or the capacity to develop the knowledge required within the role.</p> <p>* Council and District employer representatives are appointed through liaison with the relevant bodies and taking into account the need to ensure that Board members have the required knowledge or the capacity to develop the knowledge required within the role.</p>	
4. Is there a documented plan to bring new Board members up to speed within an acceptable timescale? Is the training plan comprehensive and regularly reviewed?	
<p>Yes, new Board members receive an induction meeting with Senior Officers of the Fund prior to their first Board meeting.</p> <p>The training plan is comprehensive and reviewed each year following an annual skills audit. It was previously considered by the Board at its meeting in July 2018 and will be considered again by the Board at its meeting in July 2019.</p>	

5. Is there appropriate and regular contact between the chairs of the Board and the Committee?	
Yes. When possible, the Chair of the Local Pension Board attends the Pensions Committee and is invited by the Chair of the Committee to remain for all papers (including the confidential Part 2 reports). With effect from June 2019 the Chair of the Board (or a representative) presents a quarterly report to the Committee setting out the work of the Board and, as required, any matters for the consideration of the Committee. In addition to this in May 2019 the Chairs of the Board and Committee met informally to discuss pension matters.	
6. Does the Committee commission any work from the Board, such as risk reviews, breaches log etc? If not, could this be considered?	
Yes. In September 2018 the Committee requested that the Board undertake a comprehensive review of the Fund's risk register. In June 2019 the Committee requested that the Board undertake two specific pieces of work; <ul style="list-style-type: none"> <li>to monitor progress against the Pensions Regulator Action Plan; and</li> <li>to monitor progress against the data quality improvement plan and actions taken to improve data quality across the Fund.</li> </ul>	
7. Are the feedback mechanisms from the Board to Committee in place, appropriate and effective?	
Yes. As noted above, with effect from June 2019 the Chair of the Board (or a representative) presents a quarterly report to the Committee setting out the work of the Board and, as required, any matters for the consideration of the Committee. Furthermore, there is capacity for the Chairs of the Board and Committee to meet informally to discuss pension matters (e.g. as they did in May 2019).	
8. Do investment issues have too high a profile on the agenda of the Board?	
No, the Board focuses the majority of its agenda on administration issues of the Fund. Investment decisions are made by the Investment Sub Group and reported back to the Committee. The Board is responsible for reviewing the decisions of the Committee.	
9. Is there a timely process for identifying new risks?	
Yes. The Fund maintains a dynamic risk register that is updated as new risks arise or as the likelihood or potential impact of risks changes. These reviews are undertaken at least quarterly with the register being presented to both the Board and Pensions Committee at each meeting.	
10. Is TPR's Code of Practice kept under regular review?	
Yes. The Fund has recently reviewed compliance with the Code of Practice 14 (Governance and administration of public service pension schemes), and this was considered by the Board in January 2019. Prior to this the Fund's compliance with the Code was previously reviewed and reported to the Board in January 2017 following completion of the Pensions Regulator's Self-Assessment Tool.	

11. Has the pension fund failed to return any surveys issued by either the TPR or the SAB? If so, are steps in place to ensure future surveys are completed? If not, non-completion itself could be flagging up issues to both bodies.	
No. All returns have either been returned on time or in advance of the deadline.	
12. Does your fund have an outsourced or shared services arrangement for scheme administration? If so, have you seen and followed TPR's Managing Service Providers guidance?	
<p>Yes. The Fund has delegated a number of administrative functions to Lancashire County Council. As such it does not have a contract with the service provider however the Fund monitors the performance of the service very closely. This includes the use of key performance indicators (KPIs), quarterly reporting of other key administration performance information and a senior manager from the service provider attending and presenting to the Board at each quarterly meeting.</p> <p>In addition to this the Fund recognises the risks surrounding the provision of administration services (including performance and business continuity) in its risk register. This is monitored throughout the year and formally considered on a quarterly basis by both the Committee and the Board.</p> <p><a href="https://www.thepensionsregulator.gov.uk/en/trustees/21st-century-trusteeship/6,-d-,advisers-and-service-providers">https://www.thepensionsregulator.gov.uk/en/trustees/21st-century-trusteeship/6,-d-,advisers-and-service-providers</a></p>	
13. If scheme administration is in-house, is there a reluctance to record, or perhaps more importantly, report any breaches caused either by the pensions team or by other departments of the administering authority, e.g. HR department?	N/A
N/A	
14. Is there a similar reluctance to record and where appropriate report any breaches caused by other councils in the fund?	
No. The Committee, Board and Fund officers are all aware of their responsibilities regarding the reporting of relevant breaches. The quarterly monitoring reports to the Committee and Board both set out breaches by Fund employers.	
15. If you have reported any breaches, have you included plans and timescales for rectifying the situation and preventing its recurrence? Should future breaches require reporting it's advisable simultaneously to include rectification plans.	
The Fund reported one employer for failure to pay contributions in a timely manner. Whilst no specific timescales were included for the rectification of this problem, the Fund learnt many lessons throughout this reporting process and will ensure future reported breaches detail all rectification plans.	
16. Do you have a data improvement plan? Or currently planning to implement one? Are the desired outcomes, with appropriate resources, clearly identified (see TPR guidance)?	
Yes. The data improvement plan is a standing item on the Board agenda and sets out:	

<ul style="list-style-type: none"> <li>• Actions required;</li> <li>• The rationale for the actions;</li> <li>• Metrics for success;</li> <li>• Timescales;</li> <li>• Responsible officer(s); and</li> <li>• Update (i.e. status)</li> </ul>	
17. When cleansing data, is priority given to the records of those approaching retirement?	
Yes, where appropriate. For example, the employer with the majority of pending leavers has been requested to prioritise those members approaching retirement age when reviewing the files.	
18. Is the information on your website regarding the Board easily accessible, complete and up to date?	
Yes. The Cumbria LGPS is available at: <a href="https://www.cumbria.gov.uk/Finance/finance/cumbrialgps.asp">https://www.cumbria.gov.uk/Finance/finance/cumbrialgps.asp</a>  The Pensions Board has its own specific website at: <a href="http://councilportal.cumbria.gov.uk/mgCommitteeDetails.aspx?ID=1164">http://councilportal.cumbria.gov.uk/mgCommitteeDetails.aspx?ID=1164</a>	
19. Has the Board had oversight of the responsible investment policy of the fund? If not, is it in the work programme?	
Yes. The current Responsible Investment Policy was approved by the Pensions Committee in March 2019 as part of its annual review of the Fund Policy document. This was considered by the Board at its meeting in April 2019 as part of its review of Committee decisions. In addition to this, in December 2018 the Fund reviewed the Responsible Investment Policy of Border to Coast Pensions Partnership Ltd (the pool) and this was considered by the Board in January 2019 as part of its review of Committee decisions.	
20. Does the fund have an Administration Strategy? If not, would it be helpful to introduce one?	
Yes. The Pension Committee approved the current version of the Administration Strategy in December 2018. This was reviewed by the Board in January 2019 as part of its review of Committee decisions.	
21. Has the Administering Authority fully considered and concluded the issue of insurance cover for Board members?	
Yes. The Board has relevant insurance cover through Aon. This provides individual Board members with liability insurance totalling £5m (in aggregate).	