

# Civil Service Pension Board

## Annual Report

**1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018**



# Index

<b>1.</b>	<b>CSPB Chairperson Statement</b>	<b>Page 3</b>
<b>2.</b>	<b>Introduction</b>	<b>Page 4</b>
<b>3.</b>	<b>The CSPB's purpose and function</b>	<b>Page 5</b>
<b>4.</b>	<b>CSPB Membership</b>	<b>Page 6</b>
<b>5.</b>	<b>CSPB 2017/18 Work Areas</b>	<b>Page 7</b>
<b>6.</b>	<b>Looking ahead – 2018/19</b>	<b>Page 7</b>
<b>7.</b>	<b>CSPB Contact details</b>	<b>Page 8</b>
<b>8.</b>	<b>Annex A – Civil Service Pension Board – Membership</b>	<b>Page 8</b>
<b>9.</b>	<b>Annex B – Civil Service Pension Board – Attendance</b>	<b>Page 9</b>

# 1. CSPB Non Executive Chair Statement - Margaret Edwards



Welcome to the Civil Service Pension Board (CSPB) Annual Report for the period 2017/18. This is the second Report that we have published and covers my first full year in the role as CSPB Chair. I am really pleased to report that we have continued to build on last year's strong foundations as a body charged with the assisting the Scheme Manager in administering the Civil Service Pension Scheme.

The Board meets on a quarterly basis (and more frequently when we need too) and reviews the quality and quantity of the pension's administration service provided by MyCSP as well as reviews other key pensions issues. We have been well supported by three CSPB Sub Groups which look in greater detail into specific issues and really add value. In parallel during this period I have met wide range of stakeholders to seek a variety of views including tPR, CSPA, PSPB Chairs, CO Officials and Ministers just to name a few.

Reflecting on this period this has certainly been a challenging and successful year for the Pension Board. The Board has reviewed a wide range of subject areas including reviewing MyCSP's performance, establishing stakeholder relationships, reviewing Defined Benefit and Defined Contribution arrangements as well as agreeing new Board processes. These subject areas will almost certainly be on-going discussion themes as we move into the year ahead.

Our Board members come from a wide range of backgrounds and all bring a wide variety of different skills to the CSPB. They represent the interests of scheme members and in parallel we have access to suitably qualified and experienced Non Executive Members on the Board. This is further enhanced by all Board members undertaking the Pensions Regulator's (tPR) public sector Trustee toolkit and other relevant pensions training over the year ahead. I would personally like to thank all my Board colleagues for their attendance and valuable contribution at all our meetings and engagement has again been very good around the table during this past twelve months.

In particular I would like to thank Robert Branagh who resigned from the CSPB in March 2018. Robert has been a long standing member and has provided invaluable support to his colleagues and provided constructive challenge to the Cabinet Office's Scheme Manager and we wish him well for the future.

As this is my second annual report produced for the Civil Service Pension Board I would very much welcome any feedback or comments on its contents as well as the usefulness of our new updated [website](#). Please get in touch

with any comments via the CSPB's e-mail address at [CSPBoard@cabinetoffice.gov.uk](mailto:CSPBoard@cabinetoffice.gov.uk).

I would like to thank all of those involved in making the CSPB a success this year and look forward to 2018/19.

**Margaret Edwards**  
**Non Executive Chair,**  
**Civil Service Pension Board**

**24<sup>th</sup> December 2018**

## 2. Introduction

The [Public Service Pensions Act 2013](#) required the establishment of a Pension Board from 1 April 2015 with the responsibility for “assisting the Scheme Manager” to secure compliance with the Civil Service pension schemes, any other legislation relating to the governance and administration of this scheme and any other statutory pension scheme connected to it; and the [Pensions Regulator’s Codes of Practice](#) for Public Sector Schemes.

In accordance with the [Terms of Reference](#) for the Pension Board, the Board reports annually on its work, providing assurance as required and ensuring the effective administration of the scheme.

This annual report provides a brief summary of its work during the period 31 March 2017 to 1 April 2018 as well as a forward look to the following year.

The CSPB’s last annual report covering the period 1 April 2016 to 30 March 2017 can be found at this [link](#).

## 3. The CSPB’s purpose and function

The Civil Service pension arrangements represent the third biggest occupational pension scheme in the UK with around 1.5 million members and involving 347 employers, 240 in the public sector and 107 in the private sector.

Unusually for a public sector pension scheme, the Civil Service pension arrangements include both Defined Benefit (DB) and Defined Contribution (DC) arrangements and the CSPB has an important role to play in the successful administration of both.

The CSPB was the first Pensions Board to be set up for an unfunded Public Sector pension scheme.

The CSPB meets at least quarterly and sometimes more often as required to discuss key issues. It has three Sub Groups which are the: Defined Benefit and Delivery (DBD) Sub Group, Employer and Defined Contribution (EDC) Sub Group and the Future Administration Services Sub Group (FASSG) which all report into the main board on a regular basis. A small secretariat based in Cabinet Office supports the CSPB in its duties.

The CSPB’s principal function is to hold the Cabinet Office, as scheme managers, to account for the delivery of the Civil Service pension arrangements. [MyCSP Limited](#) largely carries out the administration of the arrangements under contract to the Cabinet Office.

The CSPB's interests are purely to do with the Civil Service Pension Scheme administration. It has no role in the formulation of policy or the management of assets within the DC arrangements. Further background information on the CSPB can be found at this [link](#).

## 4. CSPB Membership

The constitution of the CSPB is set out in the Public Service Pensions Act 2013 and [The Public Service \(Civil Servants and Others\) Pensions Regulations 2014](#).

*The CSPB Membership is comprised as follows:*

- Independent Non Executive Chair - Margaret Edwards was appointed as the Chair of the Civil Service Pension Board from 1<sup>st</sup> October 2016 for a three year period, following an open and fair recruitment process.
- Four employer representatives nominated from across Government Departments by employers - CO, FCO and VOA.
- Four employee representatives nominated from the Trade Union Side to ensure a broad representation of scheme membership – PCS, Prospect and FDA.
- Three non-executive members drawn from the private sector pensions industry and senior public sector roles.
- Two Ex Officio Members from CO and GIAA.

A full list of Board members can be found at **Annex A** and their attendance at Board Meetings during 2017/18 can be found at **Annex B**.

A small secretariat based in Cabinet Office provides support to the CSPB and their duties include:

- Arranging and managing the meetings of the CSPB and its Sub Groups.
- Preparing or commissioning papers for the CSPB to consider.
- Collating administration performance statistics; and
- Drafting papers and reports on behalf of the CSPB.

## 5. CSPB 2017/18 Work Areas

During the period covered by this annual report, the Civil Service Pension Board met on a quarterly basis on the following dates:

- 29th June 2017
- 20th September 2017
- 12th December 2017
- 14th March 2018.

*In summary, during the period 2017/18, the CSPB considered a number of issues and work areas including:*

- Third Party Administrator performance and regularly discussing and reviewing evidence to consistently improve performance.
- Regularly reviewing its risk register and CSPB work plan.
- CSPB's role and operating model.
- Regular updates from CSPB DBD and EDC Sub Group's.
- Reviewed 'What good would look like' in relation to other Public Pension Sector Schemes.
- Engaging with CSPA employers.
- Defined Contribution Provider Review.
- Appointment of new Scheme Medical Advisor.

The period covered by this report has also been utilised to improve the governance arrangements which underpin the work of the Pension Board, including:

- Updates on the appointment of Non Executive Members,
- Progress reports on the recruitment of new CSPB Secretariat,
- Regular legislative and policy updates to pension scheme arrangements,
- Discussions with senior Cabinet Office Officials and a presentation from the Pension Regulator.

## 6. Looking ahead – 2018/19

The Civil Service Pension Board has continued to meet on a quarterly basis from April 2018. The Board has agreed a work plan for the year 2018/19 which is available [here](#) and includes the following areas:

- MyCSP performance and re-procurement for future admin service.
- Regular updates from EDC, DBD and FASSG Sub Groups.
- IDR/Pension Ombudsman Cases.
- Communication and Stakeholder Engagement.
- Board Members Training Needs.
- CSP Policy/legislation and GDPR updates.
- DC Transition to L&G Mastertrust.
- CSPA Risks

- Guaranteed Minimum Pension.

The Board will also continue to assess compliance against both the legal requirements and the Pensions Regulator's Code 14 on scheme governance.

## **7. CSPB Contact details**

If you would like more information on the Civil Service Pension Board or have any queries on the content of this report please contact:

[scott.spencer@cabinetoffice.gov.uk](mailto:scott.spencer@cabinetoffice.gov.uk).



## **Annex A – Civil Service Pension Board – Membership during 2017/18.**

<b>1.</b>	Margaret Edwards	Non Executive Independent Chair since 1 <sup>st</sup> October 2016.
<b>2.</b>	Ian Albert	Member nominee – PCS.
<b>3.</b>	David Howdon	Member nominee – FDA
<b>4.</b>	Neil License	Member nominee – PCS
<b>5.</b>	John Plant	Member nominee – Prospect - left the CSPB in January 2018
<b>6.</b>	Katherine Green	Employer nominee, HMT - left the CSPB in March 2018.
<b>7.</b>	Guy Lester	Employer nominee, CO
<b>8.</b>	Jonathan Russell CB	Employer nominee, VOA
<b>9.</b>	Teresa Newell	Employer nominee, FCO
<b>10.</b>	Robert Branagh	Non Executive Member - left the CSPB in March 2018
<b>11.</b>	Allan Course	Non Executive Member
<b>12.</b>	Tim Le Mare	GIAA – Ex Officio Member
<b>13.</b>	Debra Soper	CO CSPS & RM Pensions Director – Ex Officio Member - joined CSPB in April 2018
<b>14.</b>	Sir Adrian Johns	Non Executive Member - joined CSPB in December 2017
<b>15.</b>	Lesley Davie	Non Executive Member - joined CSPB in December 2017
<b>16.</b>	Mervyn Thomas	Employer nominee, CO - joined in CSPB in March 2018

## Annex B – Civil Service Pension Board – Attendance at quarterly Board Meetings during 2017/18.

		29/6/17	20/9/17	12/12/17	14/3/18
1.	Margaret Edwards	AM	AM	AM	AM
2.	Ian Albert	AM	AM	AM	AM
3.	David Howdon	AM	AM	AM	AM
4.	Neil License	AM	AM	AM	AM
5.	John Plant	AM	DNA	AM	N/A
6.	Katherine Green	AM	AM	DNA	N/A
7.	Guy Lester	AM	AM	AM	DNA
8.	Jonathan Russell CB	AM	DNA	AM	DNA
9.	Teresa Newell	AM	AM	AM	AM
10.	Robert Branagh	AM	AM	AM	AM
11.	Allan Course	AM	AM	AM	AM
12.	Tim Le Mare	AM	AM	DNA	AM
13.	Mervyn Thomas	N/A	N/A	N/A	AM
14.	Lesley Davie	N/A	N/A	AM	AM
15.	Sir Adrian Johns	N/A	N/A	AM	AM

*AM = Attended Meeting*

*DNA = Did not attend meeting*

*N/A = Not applicable*