



Civil Service Pension Board

Annual Report

1st April 2018 to 31st March 2019

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1. CSPB Non-Executive Chair Statement - Margaret Edwards



Welcome to the Civil Service Pension Board (CSPB) Annual Report for the period 2018/19. This is the third Report that we have published and covers my second 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 assisting the Scheme Manager in managing administration of the scheme, or to put it simply assisting with the governance of the Civil Service Pension Schemes.

The Board continues to meet on a quarterly basis (and occasionally more frequently if need be) to review the quality and quantity of the pension's administration service provided by MyCSP. In addition, the Board review other key pension issues, such as challenging member communications, and employer engagement with the schemes.

We are incredibly well supported by three CSPB Sub Groups which give us invaluable support in fully understanding specific issues enabling us to add value. In parallel during this period, I have met with a range of stakeholders to seek a variety of views including tPR, CSPA, PSPB Chairs, CO Officials and Ministers just to name a few.

In reflection, it has certainly been a challenging and successful year for the Pension Board. The Board has reviewed a wide range of subject areas including agreeing Board processes, establishing stakeholder relationships, reviewing Defined Benefit (DB) and Defined Contribution (DC) arrangements, and consistently reviewing MyCSP's performance. These subject areas will form 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 variety of different skills to the CSPB. They represent the interests of all scheme members and we have access to suitably qualified and experienced Cabinet Office pension team members. Knowledge is further enhanced by Members using the Pensions Regulator's (tPR) public sector Trustee toolkit and other relevant pensions training each year. I would very much 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 12 months.

I would very much welcome any feedback or comments on the Board's contents as well as the usefulness of our website. Please get in touch with any comments via the CSPB's e-mail address at 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 2019/20.

Margaret Edwards
Non-Executive Chair,
Civil Service Pension Board

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 1 April 2018 to 31 March 2019 as well as a forward look to the next year.

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 nearly 400 employers. 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 two main Sub Groups which are the: Defined Benefit and Delivery (DBD) Sub Group, Employer and Defined Contribution (EDC) Sub Group. In addition the Future Administration Model Services (FAMS) Sub Group was set up as a temporary group, all groups report into the main board. 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 Cabinet Office set up MyCSP at the same time as the CSPB originally as an in-house provider. In 2012, MyCSP spun-out of government as a mutual joint venture. Equiniti is now the majority shareholder, with Cabinet Office no

longer retaining a stake in the business. In 2014, MyCSP took in-house the pensioner payroll function while simultaneously transferring to a new IT administration system. This achieved a long-term goal of having a single database for the Civil Service pension arrangements.

In September 2018 the Cabinet Office sold its 24% stake in MyCSP to Equiniti. In parallel MyCSP had also been awarded an extension for its contract to provide pension administration and related services for the civil service until December 2021.

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 (CSPB) from 1st October 2017 for a three year period, following an open and fair recruitment process.
- Three 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 non-voting members drawn from the private sector pensions industry and senior public sector roles.
- Three Ex Officio Members from CO and GIAA Including the Cabinet Office Civil Service HR Chief Operating Officer.

A full list of Board members can be found at **Annex A** and their attendance at Board Meetings during 2018/19 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 2018/19 Work Areas

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

- 18th June 2018
- 19th September 2018
- 12th December 2018
- 13th March 2019.

In summary, during the period 2018/19, the CSPB considered a number of issues and work areas including:

- Regularly reviewing its Risk Register and CSPB Work Plan.
- CSPB's role and Operating Model.
- Regular updates from CSPB DBD and EDC Sub Group Chairs
- Reviewed 'What good would look like' in relation to other Public Pension Sector Schemes.
- Engaging with CSPS Employers
- Third Party Administrator performance and regularly discussing and reviewing evidence to consistently improve performance.
- Defined Contribution Provider Change of DC provider procurement and transition.

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

- Updates on the appointment of independent Chair,
- Regular legislative and policy updates to pension scheme arrangements,
- Discussions with senior Cabinet Office Officials and a presentation from the Third Party Administrator.

6. 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 bspboard@cabinetoffice.gov.uk.

Annex A – Civil Service Pension Board – Membership during 2018/19.

1.	Margaret Edwards	Non-Executive Independent Chair
2.	Ian Albert	Member nominee – PCS.
3.	David Howdon	Member nominee – FDA
4.	Neil License	Member nominee – PCS
5.	Mike Scott	Member nominee – Prospect – joined the CSPB in May 2018 and left in December 2018
6.	Mervyn Thomas	Employer nominee, CO
7.	Guy Lester	Ex Officio Member
8.	Jonathan Russell CB	Employer nominee, VOA
9.	Teresa Newell	Employer nominee, FCO
10.	Allan Course	Non-Executive Member
11.	Sir Adrian Johns	Non-Executive Member
12.	Lesley Davie	Non-Executive Member
13.	Tim Le Mare	GIAA – Ex Officio Member
14.	Debra Soper	CO CSHR Chief Operating Officer – Ex Officio Member - joined CSPB in April 2018

Annex B – Civil Service Pension Board – Attendance at quarterly Board Meetings during 2018/19.

		18/6/18	19/9/18	12/12/18	13/3/19
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.	Mike Scott	AM	AM	AM	AM
6.	Mervyn Thomas	DNA	DNA	AM	AM
7.	Guy Lester	AM	AM	DNA	DNA
8.	Jonathan Russell	AM	DNA	DNA	AM
9.	Teresa Newell	AM	AM	AM	AM
10.	Allan Course	AM	AM	AM	AM
11.	Lesley Davie	AM	DNA	AM	AM
12.	Sir Adrian Johns	DNA	AM	AM	AM
13.	Tim le Mare	AM	AM	AM	AM
14.	Debra Soper	AM	AM	AM	AM

AM = Attended Meeting

DNA = Did not attend meeting

N/A = Not applicable

Annex C – Glossary of terms

CO- Cabinet Office

CSPS- Civil Service Pension Scheme

FCO- Foreign and Commonwealth Office

FDA- formerly The Association of First Division Civil Servants Union

GIAA- Government Internal Audit Agency

PCS- Public and Commercial Service Union

TPR- The Pensions Regulator

VOA – Valuation Office Agency.