

REPORT OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES

REVIEW OF PENSIONS COMMITTEE PAPERS – JUNE 2015

Pensions Board - 28th July 2015

**Classification
PUBLIC**

Ward(s) affected

ALL

Enclosures

None

AGENDA ITEM NO.

9

1. INTRODUCTION

- 1.1 The purpose of this report is for the Pensions Board to consider the work undertaken by Pensions Committee at its meeting in June and to note items that are relevant to the work of the Pensions Board.

2. RECOMMENDATIONS

- 2.1 **The Pensions Board is recommended to note the report**

3. RELATED DECISIONS

- Pensions Committee (25th June 2014)

4. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE & RESOURCES

- 4.1 The Pensions Board's role is to assist the Administering Authority in ensuring compliance with the regulations. Consideration of the Pensions Committee agenda's and being able to understand the remit of the Committee and its work is therefore key to the understanding of the Pension Board.
- 4.2 There are no immediate financial implications arising from this report.

5. COMMENTS OF THE COPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES

- 5.1 The Pensions Board has been established in accordance with the Public Service Pensions Act 2013 and in accordance with the Local Government Pensions Scheme (Amendment) (Governance) Regulations 2014. In order to demonstrate the Board is meeting its broad terms of reference it will need to consider the ongoing work of the Pensions Committee to ensure that the powers and responsibilities delegated to it by the Administering Authority are being met. There reviewing the work of the Pensions Committee on a regular basis will form part of the ongoing work of the Pensions Board.
- 5.4 There are no immediate legal implications arising from this report.

6. BACKGROUND/TEXT OF THE REPORT

- 6.1 Whilst not a decision making body for the Pension Fund, the Board does have a broad remit to review the decision-making process of the Pensions Committee and in particular, matters relating to scheme administration and governance. Members

will have received copies of the Pensions Committee meeting held on the 24th June 2015. A link to the Committee papers is provided here: <http://mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=499&MId=3343>

- 6.2 There are a number of papers from the Committee meeting which have on this occasion been largely replicated for the Pensions Board where they require the Board to adopt the policy themselves and this includes the Breaches Procedure. In addition, the Pensions Regulator Code of Practice and Compliance Checklist, has been replicated for the Pensions Board, given that this is considered to be document of particular significance for the Board in providing a level of assurance that the Pension Fund has the necessary policies and procedures in place to meet both regulatory requirements and demonstrates levels of compliance with the Code of Practice. Given the Board's focus to ensure compliance with the regulations and the impact on scheme membership, the annual pension administration report will be of interest to members of the Pensions Board enabling an assessment of how well the Fund is performing basic administration functions and ensuring that scheme members receive an effective and efficient service in respect of their pension benefits.
- 6.3 A number of the other papers provide the Pension Board with a broad overview of the working of the Pensions Committee and the Pension Fund with the Annual Report and Accounts 2014-15 providing the Board with an overview of the financial wellbeing of the Fund and the performance of the Fund over the year on a wide range of measures. Further this document provides copies of a number of key documents including the Funding Strategy Statement, Pensions Administration Strategy and Governance Policy. Whilst this is in draft format, it is not anticipated that major changes will occur during the process of the audit and provides the Board with a useful reference document. Board Members will be supplied with the final version of this document on publication.
- 6.4 Other papers of particular relevance to the Pensions Board are the Business Plan 2015-18 which sets out the key milestones over the next 3 years which will include the actuarial valuation in 2016 and regular reviews by Pensions Committee of the major policy documents of the Fund.
- 6.5 The Pensions Board will also have an interest in the risk management and internal controls policy which again form part of the TPR Code of Compliance and the paper sets out the Fund's approach to risk and how it controls those risks. In addition the Pensions Committee reviews as a minimum on an annual basis the Pension Fund Risk Register, a link to the relevant committee paper can be found here for the Board:
<http://mginternet.hackney.gov.uk/documents/s40766/Pension%20Fund%20Risk%20Register%20Report%20-%20Jan%202015.pdf> along with the risk register itself: <http://mginternet.hackney.gov.uk/documents/s40767/Pension%20Fund%20Risk%20Register%202015.pdf> The next scheduled review of the Pension Fund Risk Register is due to take place in January 2016, although it should be noted that this is very much a living document and that where appropriate officers will bring additional risks to the Committee as they arise where they are deemed to be significant in terms of potential impact on the Fund.
- 6.6 Pension Board Members will also note that the Pensions Committee undertake an annual self-assessment and assessment of the Fund's advisors which is another

demonstration of best practice from a governance perspective. This asks Pensions Committee Members to assess their level of understanding of the Pension Fund, the Committee papers and the adequacy of the information that they receive from officers and advisers to the Fund. In general the outcome of the recent self-assessment exercise was broadly positive, although there are a number of areas where additional training is assessed as being required and this will be addressed during the current municipal year.

- 6.7 The Pensions Committee will receive as a matter of course a training session at the start of Pension Committee meetings with the training provided at the meeting in June covering Pensions Legislation and Governance. Pensions Board Members are asked to also attend these training sessions to assist in their wider training programme to ensure that they are able to meet the knowledge and skills requirements for being Pension Board Members.

Appendix: Annual Report of the Pensions Sub-Committee 2014-15

Background papers: None

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