

REPORT OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES

ANNUAL REPORT OF THE PENSIONS COMMITTEE 2014-2015

Pensions Board - 28th July 2015

**Classification
PUBLIC**

Ward(s) affected

ALL

Enclosures

One

AGENDA ITEM NO.

7

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Pensions Board with an update on the work undertaken by the Pensions Committee during the previous municipal year 2014-15.

2. RECOMMENDATIONS

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

3. RELATED DECISIONS

Pensions Committee (25th June 2014) – Annual Report of the Pensions Committee

4. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE & RESOURCES

- 4.1 Whilst it is for the Pensions Committee to act in the capacity of quasi trustees for the Pension Fund and its Administering Authority, the London Borough of Hackney and as such are responsible for the management of approximately £1.2 billion worth of assets and for ensuring the effective and efficient running of the Pension Fund, it is for the Pensions Board to assist the Scheme Manager in helping it to comply with regulations. The annual report of the work of the Pensions Committee provides the Pension Board with an overview of the work of the Committee during the last municipal year.
- 4.2 There are no immediate financial impacts arising from this report.

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

- 5.1 The Pensions Board has been established under the Public Service Pensions Act 2013 and Local Government Pension Scheme Regulations to assist the Scheme Manager with ensuring compliance against the regulations. The Council's Constitution gives the Pensions Committee responsibility for a wide range of functions relating to management of the Council's Pension fund. In carrying out those functions the Committee must have regard to the various legislative obligations imposed on the Council as the Fund's Administering Authority, particularly by the suite of Local Government Pension Scheme (LGPS) Regulations.
- 5.3 The annual report of the Pensions Committee's activities demonstrates how it has undertaken and fulfilled its statutory and constitutional responsibilities during 2014/15 and it is therefore appropriate that the Pensions Board should review the

annual report of the work of the Committee in fulfilling its role in assisting the scheme manager to demonstrate compliance with the regulations.

5.4 There are no immediate legal implications arising from this report.

6. BACKGROUND/TEXT OF THE REPORT

6.1 The annual report on the work of the Pensions Committee provides the Pensions Board with a brief summary of the agenda items that have been considered by the Pensions Committee over the last year and the decisions taken by that Committee. Whilst this report has been included in the Committee papers for June, as this is the first meeting of the Pensions Board, it was felt appropriate to include the annual report as a specific item for the Pensions Board to consider at its meeting.

6.2 The attached report covers the 2014/15 Municipal Year where the Committee has met 6 times to cover a broad spectrum of pension related business. The full programme of work and training undertaken by the Committee is set out in the Appendix to this report.

6.3 Members continued with an extensive training programme during the year which reflected the key requirements laid down in the CIPFA Knowledge and Skills Framework. Given the adoption of a new training policy which covers both the Pensions Committee and the Pensions Board, this aspect of the Committee will also be carried across to the Pensions Board for the current year, with Pension Board Members required to undertake an extensive training programme. Ensuring that the Pensions Committee receives appropriate training helps to demonstrate that the Committee are able to make effective decisions. However, in order for the Pensions Board to be able to evaluate the effectiveness of those decisions, it too needs to understand the context in which those decisions are made and therefore will also need to undertake training.

6.7 The Annual Report of the Committee evidences the work that the Committee has undertaken and demonstrates that it has discharged its responsibilities effectively both in terms of its legal responsibilities under the LGPS Regulations and the Committees Terms of Reference.

6.8 Of particular note for the Pensions Board is the work undertaken by the Pensions Committee to review governance arrangement for the Fund and the approval of a new governance policy and compliance statement in order to meet the updated requirements including the introduction of a local Pensions Board. In addition the Pensions Committee approved new training and conflicts of interest policies, which are the subject of additional papers for the Pensions Board at its first meeting.

6.9 The Pensions Board should also be aware that as part of the quarterly reporting for Pensions Committee, they consider a range of key indicators for the Pensions Fund, namely the funding position, monitoring of investment managers and an administration report which helps to ensure that the Committee is kept informed on key issues and are able to take action or review should this be appropriate.

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

Background papers: none

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