

## REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

<b>Self-Assessment and Performance of Advisers</b>	<b>Classification</b> <b>PUBLIC</b>	<b>Enclosures</b> <b>None</b>
	<b>Ward(s) affected</b>	<b>AGENDA ITEM NO.</b>
<b>Pensions Committee</b> <b>29<sup>th</sup> March 2016</b>	<b>ALL</b>	

### 1. INTRODUCTION

- 1.1 This report provides Members with the background to the annual Self-Assessment Questionnaire and Performance of Advisers Assessment.

### 2. RECOMMENDATIONS

#### 2.1 The Pensions Committee is recommended to:

- Note the report
- Individually complete the self-assessment and assessment of advisers questionnaire

### 3. RELATED DECISIONS

- 3.1 Pension Board (20<sup>th</sup> March 2017) – TPR Code Compliance
- 3.2 Pensions Committee (19<sup>th</sup> September 2016) – TPR Code Compliance
- 3.3 Pensions Committee (23<sup>rd</sup> March 2016) – Updated Training Policy
- 3.4 Pensions Committee (31<sup>st</sup> March 2015) – Governance Compliance Statement
- 3.5 Pensions Committee (14<sup>th</sup> January 2015) – Approval of Training Policy

### 4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 There are no immediate financial consequences arising as a result of this report, however, the self-assessment and review of advisers ensures that Members understand their responsibilities as quasi-trustees of the Pension Fund and can assess the performance of their advisers. By reviewing the outcome of the assessment, officers will be able to focus further training needs and areas for development.
- 4.2 Ensuring that Members of the Pensions Committee are well informed and understand their responsibilities as quasi-trustees ensures that the financial decisions made on behalf of the Fund are made with the requisite skill and knowledge and will help to protect the longer term financial interests of the Fund and its employers.

## **5. COMMENTS OF THE DIRECTOR, LEGAL**

- 5.1 The London Borough of Hackney is the Administering Authority for the London Borough of Hackney Pension Fund and delegated powers have been given to the Pensions Committee to oversee the administration of the Fund. This places a significant responsibility on the Committee's Members to ensure that they are adequately trained and understand the decisions which they have to make in respect of the Fund.
- 5.2 The LGPS Regulations 2013 (Regulation 55) require Administering Authorities to prepare, publish and maintain statements of compliance against a set of best practice principles for scheme governance and stewardship.
- 5.3 By extending the requirement for the self-assessment to be undertaken by the Pensions Board, will also help to ensure that the Board are able to demonstrate compliance with the Pensions Regulator's Code of Compliance and accordingly also the Public Service Pensions Act 2013
- 5.4 There are no immediate legal implications arising from this report.

## **6. BACKGROUND/TEXT OF THE REPORT**

- 6.1 The Committee monitors on a quarterly basis both the investments held by the Fund and the performance of its investment managers, covering both the quarterly and longer term performance of each manager. In addition the Committee have a rolling programme of meetings with its external managers and Officers meet with managers on a regular basis outside of the formal presentations to Committee. Assessment of the Fund's advisers has been more ad-hoc, although officers meet regularly with the Fund's advisers and provide feedback on performance.
- 6.2 Members of this Committee have previously completed self-assessment and assessment of the Pension Fund advisers' questionnaires with the results being reported back to Committee. The results of previous assessments have generally been positive both with respect to assessing Committee Members knowledge and understanding and in assessing the performance of advisers to the Fund. For this year's assessment, Members will be supplied with a survey link to complete the questionnaire and are asked to complete the survey by 30<sup>th</sup> April 2016. This timeframe will permit results to be considered and a programme of training for the next municipal year to be set up. This will also assist with the planning of the Committee meeting agendas for the 2017/18 municipal year and demonstrate best practice in terms of governance of the Pension Fund.
- 6.3 The Public Service Pensions Act 2013 and the Pensions Regulator's Code of Practice required the establishment of a Pension Board. Board members must have the capacity to attend the Board and necessary training sessions to develop the required knowledge and understanding of both relevant pensions legislation and the individual fund with which they are associated.

- 6.4 Board Members are therefore also asked to complete the self-assessment to assess any gaps in knowledge and permit undertake further training as required. The Pension Board will also be presented with the results of the self-assessment of both the Board and the Pensions Committee to better understand the depth of knowledge of those charged with governance of the Pension Fund and to provide additional assistance to the Administering Authority as required to ensure compliance with the regulations and associated Guidance.
- 6.5 In addition, the Pensions Regulator's Code of Compliance 14 sets out the following with regards to the knowledge and understanding of Pension Board members:
- B5 – Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?
  - B10 – Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?

Completion of the self-assessment exercise will therefore also help to demonstrate compliance with TPR's Code of Compliance 14. .

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