


<p>Non-Executive Report of the: PENSIONS BOARD 01 October 2015</p>	
<p>Report of: Zena Cooke, Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p>Pensions Board Work Plan for 2015/16</p>	

<p>Originating Officer(s)</p>	<p>Bola Tobun, Investment and Treasury Manager</p>
<p>Wards affected</p>	<p>All</p>

Summary

This report outlines the Indicative Work Plan for the Pensions Board for 2015/16.

Recommendations:

Members are asked to:

- Agree the work plan attached as Appendix 1 to this report.

1. REASONS FOR THE DECISIONS

- 1.1 Under the Local Government Pension Scheme (LGPS) Regulations, the Council is required to maintain a Pension Fund for its employees and other 'scheduled bodies' as defined in the Regulations. The Regulations also empower the Fund to admit employees of other 'defined' (e.g. other public bodies, housing corporations) bodies into the Fund.
- 1.2 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. Consideration of a schedule of work for the Pensions Board helps to plan and manage the time of the Board effectively, as well as to demonstrate that the Board is meeting its Terms of Reference in assisting the Administering Authority to comply with regulations
- 1.3 The proposed work plan for the Board has been put together to assist it to fulfil its statutory obligations to secure compliance by the administering authority of the 2014 Regulations, any other legislation relating to the governance and administration of the Fund, any requirements imposed by the Pensions Regulator in relation to the Fund and to ensure the effective and efficient governance and administration of the Fund.

2. ALTERNATIVE OPTIONS

- 2.1 The development and implementation of a work plan should ensure that a structured approach is in place for the Board to meet its obligations to ensure effective and efficient governance and administration of the Fund. This should in turn ensure that the Council meets its statutory obligations as administering authority to the Fund. However, the Board is under no obligation to adopt a work plan in carrying out its duties.

3. DETAILS OF REPORT

- 3.1 The Council has specific delegated functions that it has to fulfil as the administering authority to the Pension Fund. This requires that a number of monitoring and management activities are undertaken to ensure that it fully discharges its oversight and governance responsibilities to the Fund.
- 3.2 Under the regulations, responsibility for decision-making with regards to the management of the Fund remains with the Pensions Committee; the Pension Board is not a decision-making body. The Board will, however, have a broad remit to review the decision-making process of the Pensions Committee in matters of scheme administration and governance. As such, members of the Pension Board will be provided with the final reports, minutes and agendas relating to all Pensions Committees and may attend Committee meetings as observers.
- 3.3 The Pensions Committee is scheduled to meet a minimum of 4 times per municipal year with scope for additional meetings as required. The meetings' minutes will be provided to the Pensions Board.
- 3.4 The Board may make reports or recommendations to Pensions Committee; these must be provided at least 21 days in advance of the next Committee meeting.

- 3.5 Additionally, the Chair of the Pensions Board will prepare an annual report, which will be distributed to the Pensions Committee, the Lead Member for Resources, the Corporate Director, Resources, and the Monitoring Officer. In the event that the Board considers that a matter brought to the attention of the relevant Directors and the Pensions Committee has not been acted upon within a reasonable period of time, it may also provide a report to full Council.
- 3.6 An indicative work plan for the year 2015-16 has been drawn up, but at this stage this is subject to amendment and will depend on a number of circumstances including the work undertaken by the Pensions Committee, any key changes to wider regulations or pension related issues and any further guidance or direction from the Pensions Regulator. The Pensions Board may also consider other issues with greater or more importance which might require additional work or review.

3.6 WORK PLAN

- 3.6.1 In designing the work plan, the priorities of the Council as the administering authority of the Fund have been considered and incorporated into the Plan. The Work Plan has been developed using the outline action plan below:

ACTIVITY	PURPOSE
Administration & Governance	
Member training on specific and general issues	To provide training on specific issues based on identified need or emerging/ current issues. To provide ongoing training to members to enable them to review the decisions made by the pensions committee.
Pensions Board to receive key performance indicators report on a quarterly basis.	To ensure the scheme is run in accordance with agreed service standards; and compliance with regulations and to deal with and rectify any errors and complaints in a timely way.
Review the current pension administration strategy	To ensure the scheme is run in accordance with the rules.
Review and check robustness of key policy documents; the Pensions Administration Policy, Governance & Communications Policy Statement, Statement of Investment Principles and Funding Strategy Statement, as necessary (i.e. where significant changes are made)	To ensure policies are adequate and robust for the effective operation of the fund.
Minimum of two Pensions Board meetings to be held during the financial year 2015/16.	To ensure that key tasks/issues that affect the effective operation of the Fund are reviewed.
Investment & Accounting	
To review comment made and Implementation of External Auditors recommendations on Pension Fund Annual Accounts.	To ensure that the Council meets the regulatory timetable and fulfils its stewardship role to the Fund.

Audited Pension Fund Annual Report to be published on or before the statutory deadline of 1 December 2015	Ensure that the Council fulfils its statutory obligation and to keep members abreast of the Pension Fund activities in a transparent and accessible way.
To review the work done in preparation for 2016, Triennial Valuation of Pension Fund Assets and Liabilities	The Fund is bound by legislation to undertake an actuarial valuation of its assets and liabilities to ensure that appropriate future contribution rates are set and that any Fund deficit is recovered over an appropriate period of time in line with the Fund's Strategy Statement. This report will present to Members the timely and accurate presentation of data for this exercise.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Pensions Board's role is to assist the Administering Authority in ensuring compliance with the regulations. The work plan as set out in the appendix to this report ensures that the Pensions Board is able to cover key areas of work in line with the Regulatory requirements. There are no immediate financial implications arising from this report, although it is recognised that the Pensions Board are able to ask for additional information or resourcing in order to help them to fulfil their role as the Pension Board.

5. LEGAL COMMENTS

- 5.1 Members of the Pensions Board are required by Regulations to ensure the effective and efficient governance and administration of the Council's pension scheme, so that the Council meets its various statutory obligations and duties. This Work Plan provides for certain statutory requirements to be met and for members to be well trained and kept up to date and thus fit for purpose.
- 5.2 When carrying out its functions, the Pensions Board must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The London Borough of Tower Hamlets Pension Fund represents an asset to the Council in terms of its ability for attracting and retaining staff who deliver services to residents. The adoption of a Work Plan should lead to more effective management of the Fund.
- 6.2 A significant element of the Council's budget is the employer's contribution to the Fund. Therefore, any improvement in the efficiency of the Fund that leads to improvement in investment performance or cost savings will likely reduce contributions from the Council and release funds for corporate priorities.

7. BEST VALUE (BV) IMPLICATIONS

7.1 A work plan should result in a more efficient process of managing the Pension Fund.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There is no Sustainable Action for A Greener Environment implication arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The adoption of a work plan will minimise risks relating to the management of the Fund and should assist in managing down the risk of non-compliance with the Council's obligations under the Regulation as the administering authority of the London Borough of Tower Hamlets Pension Fund.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no any crime and disorder reduction implications arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report

- NONE

Officer contact details for documents:

- Bola Tobun - Investment & Treasury Manager x4733
- Mulberry House, 5 Clove Crescent E14 2BG