

PENSIONS BOARD ANNUAL REPORT UPDATE

Report of the Director of Resources

Author: Jolyon Adam, Finance Manager (Tel: 01992 555078)

1 Purpose of the Report

- 1.1 The purpose of this report is to provide details of the requirement for Annual Reports from Pensions Board (LGPS) and the way in which it is proposed that this requirement is discharged.

2 Background

- 2.1 Local Pension Boards were required to have been established by all LGPS Funds by 1 April 2015, and to support the establishment of these Boards the Scheme Advisory Board (SAB) developed guidance on the operation of these boards for Administering Authorities.
- 2.2 The SAB guidance¹ offers best practice examples of the reporting it would expect to be provided by Boards, including that which they suggest could form the basis of an Annual Report on the activity of the Board².
- 2.3 We have reviewed this guidance to outline the basis of an annual report which will be presented in draft to the February meeting of the Pensions Board.
- 2.4 It was agreed by Pensions Committee that the operation of the new arrangements for Pensions Boards would be reviewed after the first year of existence. A second report is proposed which reviews the wider implementation of the Pensions Board, one-year-on, and also reflects upon other Authorities experiences, approaches, and best practice. This is proposed to be addressed in a separate one-off report detailed below.

3 Summary

- 3.1 There are two proposed reports reviewing the activity and operation of the Hertfordshire, and wider, Pensions Boards. Both of these reports will take a different focus.

¹ <http://www.lgpsregs.org/index.php/guides/adv-board-guidance>

² Section 8.6, Local Pension Board Guidance.

3.2 Annual Report of the Pensions Board (LGPS):

This will be a recurring annual report, and its purpose is to provide an update on the year's activity to the stakeholders whom the Pensions Board (LGPS) represents; the primary audience being employers and scheme members in the fund. The report will aim to cover the following areas:

- a. A review of membership and the constitution of the board, including changes in membership and evidencing that best practice has been observed.
- b. Activity of the Board for the previous year, including a review of the meetings which have been held, key topics which have been discussed and decisions or recommendations which have been made.
- c. Forward Plan for the Pension Board, including meeting dates and key topics which will be presented in the coming year. An element of this plan will be subject to change, however there will be a number of items dictated by the annual timetable which will be known in advance.
- d. Training Plan for the Pensions Board.

A draft report will be produced by Officers, for review and sign off by members of the Pensions Board, which will then be publicly available on the County Council's website and the Pensions Board area of the Scheme's website.

3.3 Review of the Operation of the Pensions Board – One Year On:

This will be a one-off report, which seeks to feedback to the Pensions Committee on the wider operation of the Pensions Board, following its first year of operation. It will be produced jointly between the Chairman of the Pensions Board and Officers, and draw upon both local and national experiences, issues and best practice which other LGPS Pension Boards have encountered. The aim of this report will be to review and discuss what has gone well, what could be improved, and what may need to be considered as the Pensions Board moves into its second year of operation.

4 Recommendations

- 4.1 The Pensions Board is invited to note and comment on the proposed content of the two reports, and make suggestions as to additional areas they would consider appropriate.