

REPORT FOR: Pension Board

Date of Meeting:	25 June 2015
Subject:	Role of Board
Responsible Officer:	Dawn Calvert, Director of Finance (Interim)
Exempt:	No
Wards Affected:	All
Enclosures:	None

Section 1

Summary

This report sets out the views of the, then, Shadow Advisory Board on the role of a Local Pension Board and invites the Board's comments on how they wish to see their role defined. Any changes requested will be reported to the Council for consideration.

Recommendation

The Board comments on the way they see their role.

If it thinks appropriate, the Board recommends to Council amendments to their role as included in the Terms of Reference of the Board.

Section 2 – Report

Background

1. The previous report on the agenda advised the Board of the terms of reference as agreed by the Council and invited comments.
2. Particular reference was made to the general nature of the terms concerning the role of the Board and the Board was advised as to how opinions vary as to how it should be defined.
3. Several “authorities” have expressed their views on this subject but the most authoritative comment has been received from the, then, Shadow Advisory Board in their publication *Guidance on the creation and operation of Local Pension Boards in England and Wales*.
4. On the subject of the remit of a Local Pension Board they state:

Administering Authorities should remember that the Local Pension Board does not replace the Administering Authority or make decisions or carry out other duties which are the responsibility of the Administering Authority.

The first core function of the Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

a) Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.

b) Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code of Practice.

c) Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.

d) Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.

e) Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation.

f) Monitor complaints and performance on the administration and governance of the scheme.

g) Assist with the application of the Internal Dispute Resolution Process.

h) Review the complete and proper exercise of Pensions Ombudsman cases.

i) Review the implementation of revised policies and procedures following changes to the Scheme.

j) Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.

k) Review the complete and proper exercise of employer and administering authority discretions.

l) Review the outcome of internal and external audit reports.

m) Review draft accounts and scheme annual report.

n) Review the compliance of particular cases, projects or process on request of the Committee.

o) Any other area within the core function (i.e. assisting the Administering Authority) the Board deems appropriate.

The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

a) Assist with the development of improved customer services.

b) Monitor performance of administration, governance and investments against key performance targets and indicators.

c) Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.

d) Monitor investment costs including custodian and transaction costs.

e) Monitor internal and external audit reports.

f) Review the risk register as it relates to the scheme manager function of the authority.

g) Assist with the development of improved management, administration and governance structures and policies.

h) Review the outcome of actuarial reporting and valuations.

i) Assist in the development and monitoring of process improvements on request of Committee.

j) Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code.

k) Any other area within the core function (i.e. ensuring effective and efficient governance of the Scheme) the Board deems appropriate.

5. The views of the Board are invited as to how they wish to see their role defined. Any changes requested will be reported to the Council for consideration.

Financial implications

6. There are no specific financial implications arising from this report

Risk Management implications

7. There are no specific risk management implications arising from this report

Equalities implications

8. There are no specific equalities implications arising from this report

Council Priorities

9. There is no direct impact on the Council Priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 11 June 2015		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 16 June 2015		

Ward Councillors notified:	Not applicable
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Section 4 - Contact Details

Contact: Ian Talbot, Treasury and Pension Fund Manager
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Background Papers - None