

North Yorkshire County Council

Pension Board

14 July 2016

Work Programme

1.0 Purpose of the Report

To detail the areas of planned work by the Pension Board

2.0 Background

The Pension Board approved the Work Plan, attached as Appendix 1, at its meeting on 14 January 2016.

The Plan identifies the expected reporting dates for a limited number of activities, being those where regular reports such as internal audit reports are anticipated.

There are a number of activities with no expected reporting dates. These are all activities where, as agreed by the Pension Board at its meeting on 1 October 2015, they could be undertaken by following a defined process. This would be as follows.

1. A member of the Pension Board identifies an area of work they would like to be undertaken as a project;
2. A member of the Pension Board is nominated as the lead for that project;
3. The lead defines the scope, aims, objectives, outputs and timescale, following consultation with Board members and support from officers as required. This is to be encapsulated in a project summary plan-on-a-page document;
4. The lead drives the project forward, with support from other Pension Board members, officers of Legal & Democratic Services and officers of the Pension Fund as required;
5. A report is brought to a Pension Board meeting, co-authored by Legal and Democratic Services and the lead, and may include one or more observations, conclusions and/or recommendations.

Pension Board members may wish to confirm they are comfortable with this approach before initiating the first project. Each stage except the last need not take place at a Pension Board meeting.

A review of these arrangements will be undertaken once one or more projects have been completed.

3.0 Future Activity

To remind Pension Board members, they were asked to identify items on the Work Plan they considered appropriate to prioritise. Each of these items is listed below, together with comments from officers of the Pension Fund.

1. **Review the outcome of actuarial reporting and valuations.** Comment: The Triennial Valuation as at 31 March 2016 is underway with the final report expected by 31 March 2017. If the Pension Board wishes to review the arrangements it would make sense to do this after that date.
2. **Assist with the development of improved customer service.** Comment: Customer service is subject to on-going monitoring and actions are taken

periodically to improve it. There is no particular timeframe which would suit a review more than any other.

3. **Monitor performance of administration, governance and investments.** Comment: Administration performance is reported to the Pension Fund Committee every quarter. A review of governance arrangements is undertaken each year by the Independent Professional Observer who typically reports to the PFC each June/July. Investment performance is reported to the PFC every quarter.
4. **Monitor investment costs.** Comment: Officers monitor costs on an on-going basis. It is worth noting that the Border to Coast Pensions Partnership, which is the group NYPF has joined in response to the Government's requirement that LGPS funds pool assets, is undertaking a detailed analysis of investment costs. This analysis will form part of the response to Government, required by 15 July 2016.
5. **Review the Risk Register.** Comment: A review of the Risk Register was carried out by the Pension Board at its meeting on 14 January 2016, and subsequent reviews are scheduled every six months.
6. **Assist with asset voting and engagement process.** Comment: NYPF has policies and arrangements on voting and engagement. It is possible that these will change. For example, depending upon the detailed pooling arrangements, the beneficial ownership of assets may move from NYPF to the pool entity.

At the Pension Board meeting held on 14 April 2016 it was agreed that "Pooling arrangements and Governance" should be added to the Work Programme, in view of this being the major focus for the Pension Fund Committee at this time. Subsequently this was added to the Work programme and will be the subject of further discussion at today's meeting.

The training and guidance provided by the Pension Fund's Independent Professional Observer, Peter Scales after the Board's last meeting on 14 January 2016 identified a number of issues that the Pension board may wish to consider. These included examining policy statements and documentation, referring to guidance from the Pensions Regulator, reviewing compliance with investment regulations and performance monitoring. It also identified some key areas to address.

In light of the above, the Pension Board may wish to discuss the scheduling for each of the items on the Work Plan, and for those to be addressed as a priority, how they will be taken forward. Pension Board members may also wish to consider adding to or removing items from the Plan.

4.0 Recommendation:

That members review and agree updates to the Work Plan and agree which Work Plan activities should be addressed as a priority and how they will be taken forward.

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Northallerton
SML - April 2016

Background Papers - None

PENSION BOARD WORK PLAN

APPENDIX 1

	14-Apr-16	14-Jul-16	06-Oct-16	Jan 2017	Apr 2017	2017	2018
<u>Business planning</u>							
1	Agree plan for the year			✓			✓
2	Review performance against the plan			✓			✓
3	Report to the PFC / NYCC			✓			✓
4	Report to Scheme Advisory Board / DCLG				✓		✓
<u>Compliance checks</u>							
5	Review regular compliance monitoring reports		✓			✓	✓
6	Review the compliance of scheme employers						
7	Review such documentation as is required by the Regulations					✓	✓
8	Review the outcome of internal audit reports	✓	✓	✓	✓	✓	✓
9	Review the outcome of external audit reports			✓		✓	✓
10	Review annual report			✓		✓	✓
11	Review the compliance of particular issues on request of the PFC						
12	Review the outcome of actuarial reporting and valuations					✓	
13	Assist with compliance with the UK Stewardship Code						
<u>Administration procedures and performance</u>							
14	Review management, administrative and governance processes and procedures						
15	Monitor complaints and performance						
16	Review the Internal Dispute Resolution Process						
17	Review cases referred to the Pensions Ombudsman						
18	Review the implementation of revised policies and procedures						
19	Review the exercise of employer and administering authority discretions						
20	Assist with the development of improved customer services						
21	Monitor performance of administration, governance and investments						
22	Review processes for the appointment of advisors and suppliers						
23	Monitor investment costs						
24	Review the risk register		✓	✓		✓	✓
25	Assist with the development of improved structures and policies						
26	Assist in assessing process improvements on request of PFC						
27	Assist with asset voting and engagement processes						
28	Pooling arrangements and governance	✓	✓				
<u>Communications</u>							
28	Review scheme member and employer communications						
<u>Training</u>							
29	Review Pension Board knowledge and skills self assessment	✓			✓		✓
30	Review training log	✓			✓		✓
31	Review training arrangements for the Board and other groups	✓			✓		✓

Notes

- 3 arrangements to be determined by the Council.
- 4 arrangements to be determined by SAB/DCLG.