

LOCAL PENSION COMMITTEE – 26TH FEBRUARY 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

**PERFORMANCE ASSESSMENT OF LOCAL PENSION COMMITTEE AND
INVESTMENT SUBCOMMITTEE**

Purpose of the Report

1. To allow the Committee the opportunity to consider its performance over the last year, including the assistance it receives from officers and advisors, the decisions it has taken and whether it feels the structure of both the Committee and the Investment Sub-Committee (ISC) are optimal.

Background

2. One of the areas covered by the revised Myners Principles is that performance of investment managers and other service providers, and also of the Committee itself, should be assessed on a regular basis. The Fund's Statement of Investment Principles states that this self-assessment by the Committee will form part of the Annual Strategy Meeting, although the need to focus on the important matter of investment pooling within the Local Government Pension Scheme (LGPS) at that meeting meant that it was deemed appropriate to postpone the assessment until the next available meeting.

Introduction of Local Pension Board

3. On 1st April 2015 the Local Pension Board came into existence. The purpose of the Board is to secure compliance with the Local Government Pension Scheme Regulations, other legislation relating to governance and administration and any requirements of the Pensions Regulator. The work of the Local Pension Board and the Local Pension Committee do not overlap to any meaningful extent, although the Board does now deal with administration issues that were previously considered by the Committee.

Training

4. The Pensions Regulator (TPR) became responsible for oversight of the LGPS in April 2015 and going forward there will be a much higher degree of scrutiny on the governance of the Fund, including whether members of all Committees/Boards dealing with the Fund have adequate levels of knowledge to discharge their responsibilities properly.
5. It is clear that training for Local Pension Committee members will need to become more formal and better documented than it has been previously. Much of this training will be delivered as part of the normal committee meetings – today's presentation by the actuary, for example, can be viewed as a training item. But members of the Committee must be willing to take personal responsibility for

ensuring that they have the appropriate degree of knowledge and understanding. Part of this responsibility will involve e-learning using the public sector online toolkit that has been developed by TPR.

6. An agenda item concerning training, which will include a 'Training Needs Analysis' self-assessment, will be included at the next meeting of this Committee.

Self-Assessment of Performance over the last twelve months

7. There is no prescribed 'check list' of factors that should be assessed when considering the performance of the Committees. The following is a non-exhaustive list of some of the questions that might be asked by an interested party if the assessment was carried out by them:-
 - Does the Committee feel that they are adequately supported by officers and advisors?
 - Are the meetings of the Committee and ISC sufficiently regular?
 - When making decisions do the Committee feel that they have received sufficient information to assist them?
 - With the benefit of hindsight is the Committee comfortable that their decisions have been beneficial to the Fund? If not, are there any lessons that can be learnt to assist with future decisions?
 - Are there areas which the Committee feel are overemphasised (or not covered sufficiently) within meetings?
 - Is the length of meetings acceptable?
 - Do members feel sufficiently 'expert' (individually and as a group) to ensure that effective decisions are made?
8. Of all the above points, it is the last one which is likely to face the greatest external scrutiny. The Fund will need to be able to clearly demonstrate that members (individually and collectively) have sufficient knowledge to make effective decisions, and this undoubtedly increase the emphasis on training.

Recommendation

9. The Committee is asked to note this report.

Equal Opportunities Implications

None specific.

Background Papers

None.

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