

**Democratic Services**

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Date: 26 October 2016

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**To: All Members of the Pension Board**

Howard Pearce

Gaynor Fisher

Steve Harman

Mark King

Tom Renhard

David Yorath

Tony Whitlock

Chief Executive and other appropriate officers  
Press and Public

Dear Member

**Pension Board: Wednesday, 2nd November, 2016**

You are invited to attend a meeting of the **Pension Board**, to be held on **Wednesday, 2nd November, 2016** at **2.00 pm** in the **Community Space, Keynsham - Market Walk, Keynsham**.

The agenda is set out overleaf.

Yours sincerely

Sean O'Neill  
for Chief Executive

**If you need to access this agenda or any of the supporting reports in an alternative accessible format please contact Democratic Services or the relevant report author whose details are listed at the end of each report.**

*This Agenda and all accompanying reports are printed on recycled paper*

## NOTES:

- 1. Inspection of Papers:** Any person wishing to inspect minutes, reports, or a list of the background papers relating to any item on this Agenda should contact Sean O'Neill who is available by telephoning Bath 01225 395090 or by calling at the Riverside Offices Keynsham (during normal office hours).
- 2. Public Speaking at Meetings:** The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. Advance notice is required not less than two full working days before the meeting (this means that for meetings held on Wednesdays notice must be received in Democratic Services by 4.30pm the previous Friday)

The public may also ask a question to which a written answer will be given. Questions must be submitted in writing to Democratic Services at least two full working days in advance of the meeting (this means that for meetings held on Wednesdays, notice must be received in Democratic Services by 4.30pm the previous Friday). If an answer cannot be prepared in time for the meeting it will be sent out within five days afterwards. Further details of the scheme can be obtained by contacting Sean O'Neill as above.

- 3. Details of Decisions taken at this meeting** can be found in the minutes which will be published as soon as possible after the meeting, and also circulated with the agenda for the next meeting. In the meantime details can be obtained by contacting Sean O'Neill as above.

Appendices to reports are available for inspection as follows:-

**Public Access points** - Riverside - Keynsham, Guildhall - Bath, Hollies - Midsomer Norton, and Bath Central, Keynsham and Midsomer Norton public libraries.

**For Councillors and Officers** papers may be inspected via Political Group Research Assistants and Group Rooms/Members' Rooms.

- 4. Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator

The Council will broadcast the images and sound live via the internet [www.bathnes.gov.uk/webcast](http://www.bathnes.gov.uk/webcast) An archived recording of the proceedings will also be available for viewing after the meeting. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

- 5. Attendance Register:** Members should sign the Register which will be circulated at the meeting.

6. THE APPENDED SUPPORTING DOCUMENTS ARE IDENTIFIED BY AGENDA ITEM NUMBER.

**7. Emergency Evacuation Procedure**

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are sign-posted.

Arrangements are in place for the safe evacuation of disabled people.

**Pension Board - Wednesday, 2nd November, 2016**

**at 2.00 pm in the Community Space, Keynsham - Market Walk, Keynsham**

**A G E N D A**

1. EMERGENCY EVACUATION PROCEDURE
2. APOLOGIES FOR ABSENCE
3. DECLARATIONS OF INTEREST
4. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR
5. ITEMS FROM THE PUBLIC
6. ITEMS FROM MEMBERS
7. MINUTES OF THE MEETING OF THE 27TH JULY 2016 (Pages 7 - 26)  
The Board is invited to approve the public and exempt minutes of the meeting of 27 July 2016.
8. AVON PENSION FUND COMMITTEE DRAFT MINUTES 23RD SEPTEMBER 2016  
The draft minutes of this meeting can be viewed at:  
<https://democracy.bathnes.gov.uk/ieListDocuments.aspx?CId=212&MId=4252&Ver=4>
9. AVON PENSION FUND COMMITTEE INVESTMENT PANEL MINUTES 5TH SEPTEMBER 2016  
The draft minutes of this meeting can be viewed at:  
<https://democracy.bathnes.gov.uk/ieListDocuments.aspx?CId=213&MId=4758&Ver=4>
10. LGPS UPDATES AND DEVELOPMENTS (Pages 27 - 58)
11. PROJECT BRUNEL UPDATE  
A presentation will be given at the meeting.

12. COMPLIANCE REPORT (Pages 59 - 74)
13. CODE OF PRACTICE 14 UPDATE (Pages 75 - 82)
14. ACTUARIAL VALUATION UPDATE  
A presentation will be given at the meeting.
15. GAD SECTION 13 REPORT ON LGPS FUNDS (Pages 83 - 94)
16. RISK MANAGEMENT UPDATE (Pages 95 - 98)  
The appendix to the report will be presented at the meeting.
17. TRAINING AND WORK PLAN UPDATE (Pages 99 - 108)
18. CHAIRMAN'S REVIEW OF MEETING

The Committee Administrator for this meeting is Sean O'Neill who can be contacted on 01225 395090.

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**BATH AND NORTH EAST SOMERSET**

**PENSION BOARD**

Wednesday, 27th July, 2016

**Present:-** Howard Pearce (Chair), Steve Harman (Employer Representative), Tom Renhard (Member Representative), David Yorath (Member Representative) and Tony Whitlock (Employer Representative)

**Also in attendance:** Andrew Pate (Strategic Director, Resources), Tony Bartlett (Head of Business, Finance and Pensions), Jeff Wring (Head of Audit West) and Geoff Cleak (Pensions Benefits Manager)

**70 EMERGENCY EVACUATION PROCEDURE**

The Democratic Services Officer read out the procedure.

**71 APOLOGIES FOR ABSENCE**

Apologies were received from Gaynor Fisher and Mark King.

**72 DECLARATIONS OF INTEREST**

Tom Renhard said that he had recently been appointed a Director of Freedom of Mind CIC. The Chair said that this would not be a relevant interest for this meeting, but that he should add this appointment to his Register of Interests entry.

**73 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR**

There was none.

**74 ITEMS FROM THE PUBLIC**

There were none.

**75 ITEMS FROM MEMBERS**

A Member asked about the impact of the vote to leave the EU on the Avon Pension Fund.

The Head of Business, Finance and Pensions replied that conversations were taking place with the Fund's investment managers. There were as yet no plans for the UK to leave the EU, so institutional investors were not reacting with major decisions at the moment. Currency issues were the most significant for the Fund at present. A currency hedge denominated in dollars had been place some time ago; this was not too helpful at present, but things were not as bad as they could be. It is difficult to put the right kind of currency hedge in place at the right time. Property portfolios were causing some concern in the short term. However, it should be remembered that the Fund is a long-term investor with a long-term strategy, which it will be reviewing in the near future.

## **76 MINUTES OF 19TH MAY 2016**

These were approved as a correct record and signed by the Chair.

A Member asked for an update on insurance indemnity for Board Members. The Head of Business, Finance and Pensions said the Council's insurers had given written assurance that Board Members were covered by the Council's existing indemnity policies.

## **77 AVON PENSION FUND COMMITTEE: MINUTES OF THE MEETING OF THE 24TH AND 30TH JUNE 2016**

A Member asked about the Committee's review of responsible investment. The Head of Business, Finance and Pensions replied that because of the amount of officers' and members' that had been taken up by pooling, consideration was being given to a special meeting in December dedicated to the Responsible Investment Policy.

**RESOLVED** that the public interest would be better served by not disclosing information about the Board's discussion of the Exempt Minutes of these two meetings of the Avon Pension Fund Committee, and that therefore the public should be excluded from the meeting for this discussion and its reporting should be prevented in accordance with the provisions of section 100(A)(4) of the Local Government Act 1972 as amended.

When the meeting returned to open session, it was **RESOLVED** to note the minutes of the Avon Pension Fund Committee of the 24th and 30th June 2016.

## **78 AVON PENSION FUND COMMITTEE INVESTMENT PANEL: MINUTES OF THE MEETING OF 25TH MAY 2016**

**RESOLVED** to note the minutes of the meeting of the Avon Pension Fund Committee Investment Panel for 25th May 2016.

## **79 LGPS DEVELOPMENTS AND UPDATES**

The Head of Business, Finance and Pensions presented this item and commented on the list of consultations, surveys and issues contained in Appendix 1 to the report.

He said that the Government had promised legislation to implement the Public Sector Exit Payments Cap by October, but he doubted about whether they could achieve this.

The Fund would respond to the Best value and Fair Deal consultation. The proposals were good news for employees, who would no longer have to leave the Fund when their jobs were outsourced. At the same time it would be more difficult for local authorities to make outsourcing contracts attractive to potential bidders.

There was an ongoing consultation on the insolvency regime for the further education and sixth form sector. The Fund had been speaking to all colleges about this, and encouraging them to respond to the consultation. Colleges, unlike



Academies, do not have guarantees and represent a risk to the Fund. If colleges did have guarantees, their contribution rates could be more affordable.

GAD had consulted about information needed to manage the cost cap regulation. The Fund had responded that this was not deliverable.

A response had been received from DfE about failed Academies. This stated that DfE expected to pick up the first tranche of liabilities. The Chair noted that the National Scheme Advisory Board had issued a tender for a review of the funding and status of Academies; there is a suggestion that all new Academies should be allocated to a single LGPS fund. The Head of Business, Finance and Pensions said that the future of Academies needs to be debated; individual Academies differ in their liabilities. Responding to a Member he clarified that it was only the non-teaching staff in Academies who could be members of the LGPS.

### Pooling

The Chair reminded Members that the Board did not have a specific remit in relation to pooling yet, because the revised Investment Regulations had not been issued and there were no TPR requirements relating to it. It was, however, covered by the Board's general duty to monitor the Fund's processes and procedures. A Member noted that pooling was included in the Risk Register.

The Head of Business, Finance and Pensions said that the Government's response to the Project Brunel proposal was awaited. The proposal to establish an investment company would have to be approved by each of the Councils in Project Brunel and by their pensions committees. It was expected that the APF Committee would be invited to approve business case before the proposal before it was submitted to B&NES Council on 17<sup>th</sup> November. It was hoped that sign-off by all the Councils would be achieved by the end of the year before annual budget setting and county elections. Developments after that would depend on the Government issuing the revised Investment Regulations.

A Member wondered whether transition costs would be likely to pressure on contribution rates, and whether the Committee and Panel should be alerted to this risk. The Head of Business, Finance and Pensions said that there were significant transition costs. There would also be ongoing additional operating costs, because the Government had insisted that the company must be FCA regulated. There was some concern among officers of the funds in Project Brunel about the savings that might be achieved. At the moment the break-even point was estimated to be in 2020/22. There would be pressure on pay grades because the staff working for the investment company would have to be FCA-accredited; the savings that could be made on investment managers' fees were hard to estimate. The Committee was fully aware of the uncertainties. However, the important point was that the Government was insisting on pooling. The Strategic Director of Resources asked whether this initiative might have a lower priority with the new Prime Minister and Cabinet. The Head of Business, Finance and Pensions replied that DCLG seemed to be keen to maintain momentum. In reply to a question from the Chair he said that the business case prepared by PwC would be subject to independent scrutiny.

Members asked whether there was scope for savings on the administration of the payment of benefits and whether there were any plans to merge funds. The Head of Business, Finance and Pensions replied that there were no plans to pool the administration of funds. Members' benefits were guaranteed by statute so the risk of a shortfall arising from pooling would be borne by employers. The cost structure of the LGPS was being reviewed by GAD. The merging of funds had been discussed a few years ago, and the Government had concluded that there were greater savings to be made on investment costs than on administration. If pooling was a success, the idea of merging funds might well be revived.

In reply to a question from a Member about the Oversight Board, he said that it had already been established in shadow form and comprised an independent Chair and the Chairs of each of the pension committees in Project Brunel. Its role would be to manage the contracts with the investment managers. In time it might have delegated to it some of the powers of the administering authorities as shareholders.

It was noted that Tom Renhard would be attending an LGA training event on 10th August; he agreed to circulate a note about this to Members.

The Head of Business, Finance and Pensions said that it was hoped to have a joint workshop in October on the structure of Project Brunel to which Pension Board Members would be invited.

**RESOLVED** to note the report and latest LGPS developments.

## **80 COMMUNICATIONS STRATEGY**

The Communications and Public Relations Manager gave a presentation. A copy of his PowerPoint slides is attached.

The Chair said that the Fund was making good progress with communications and that he thought the Board should review APF's communication strategy once a year.

**RESOLVED** to note the Avon Pension Fund's communication strategy.

## **81 RISK REGISTER**

The Acting Pensions Manager presented the report. He said that he hoped the new template used in Appendix 1 for the top ten risks made things easier to follow. It indicated the risk status as red, amber or green together with previous risk levels for each item. A new item had been added for risks arising from the Brunel Pension Partnership. The Head of Audit West said that giving the risk level for the three previous quarters would enable Members to monitor trends. The new presentation was also more focused on actions to minimise the risks.

A Member asked whether Brexit should be listed as a risk. The Head of Business, Finance and Pensions referred back to his earlier comments about the impact of Brexit and about the Fund being a long-term investor, and said that he thought it inappropriate to list it as separate risk as a knee-jerk reaction. The Chair said that he

felt that the impact of Brexit was something for the Committee and Panel to keep under review as part of their general role in monitoring the Fund's investments.

The Chair suggested that the creation of Brunel Pension Partnership would give rise to the risk of losing senior staff to the investment company and that thought needed to be given to recruitment and retention of staff in the Fund. The Head of Business, Finance and Pensions said that it was difficult to judge the impact at this stage. The company would be a new entity, and as it developed it would become part of a competitive market with other organisations created by pooling. The Chair suggested that vacancies in the Fund arising in the short term could be filled on short-term contract. The Head of Business, Finance and Pensions said that if recruitment problems arose in the future, it might be necessary to review the terms and conditions of APF staff.

**RESOLVED** to note the report.

## **82 COMPLIANCE REPORT**

The Acting Pensions Manager introduced this item. He said that the reports contained in the appendices were being reviewed as part of the Task Workflow Project; it was expected that new and updated versions would be presented to the APF Committee in the Autumn.

He commented on the report and the appendices.

The Chair asked whether outstanding issues could be categorised as to whether delays were due to the employee, the employer or the Fund. The Acting Pensions Manager said that reports were being reviewed and he would consider how far this was possible.

A Member asked why some targets in the key performance indicators in Appendix 3A were set at 75%; a cynic might suggest that this indicated a willingness to accept a 25% failure rate. The Head of Business, Finance and Pensions said that the really low scores, e.g. 59% for transfers in, related to tasks where there was a multi-stage process, and delays occurred when information was awaited from the scheme member or from GAD, for example. The reduced control that the Fund's officers had over the speed of the process was reflected in a lower performance target.

The Chair asked whether the actuaries were happy with the information being supplied for the valuation. The Acting Pensions Manager said that they had sent a list of queries, which had been received the previous day, but were generally happy with the data. The queries received were minimal and related mainly to the smaller employers.

**RESOLVED** to note the report and Performance Indicators and Customer Satisfaction feedback for 3 months to 30 June 2016 and progress on the Data Improvement Plan.

## **83 ANNUAL REPORT**

The Head of Audit West presented the report. He reminded Members that there was a statutory requirement for the Board to publish an annual report. He invited them to comment on the structure and content of the draft report.

A Member queried the phrase “securing compliance” (paragraph 6, agenda page 86). He suggested that the Board could only monitor and advise and that it could not actually “secure” compliance. He also felt that the description of the Board as “sitting alongside” the Committee (paragraph 9, agenda page 87) was misleading. He noted that table giving details of Members’ attendance at Board meetings on page 87 did not include the employee representatives and suggested that it should also include Members’ dates of appointment. The Chair agreed that “secure compliance”, unless it was the wording of the statute, should be replaced by “monitor” and “advise” and that “sitting alongside” should be replaced by “works with”.

The Head of Business, Finance and Pensions referred to the third paragraph on page 90:

“In summary compliance was high and there were only a small number of recommended actions to take in relation to the Fund and meeting best practice...”

and said that this could be understood to mean that the Fund was not compliant, when in fact it was intended to state that the Board was compliant with its own codes. The Chair said that it should state that the Board was compliant with its code and guidance and that when the Board had assessed the Fund’s compliance it had recommended some actions to enable the Fund to achieve best practice. The Head of Business, Finance and Pensions noted that the Breaches Policy, which the Board had reviewed before it was submitted to the APF Committee, was not mentioned. The Head of Audit West explained that the list of items page 90 was taken directly from TPR’s benchmarking exercise. The Fund was compliant on all of these, but the Board had identified a few actions that could be taken for the Fund to achieve best practice. The Chair said that the wording would be reviewed and that the Annual Report should state that there had been no breaches to report to TPR.

A Member asked whether it was planned to issue the report as plain monochrome text or whether it would be in colour with illustrations. The Chair said that the plan was to issue it as a plain PDF file. The Head of Audit West said that he assumed that people would want to read the Annual Report because they were interested in the contents, though he would be happy to take advice about design from the Communications team.

**RESOLVED** to approve the Annual Report subject to comments made.

## **84 TRAINING PLAN**

The Head of Audit West presented the report. He drew attention to the high level summary of skills and knowledge on page 103, in which he had amalgamated Members’ self-assessments to produce an average rating for the Board in each of the eight knowledge areas. He had then had looked at the different types of training that might be used. Pages 104 and 105 listed Members’ specific requests for additional briefing.

Two Members said that that they would prefer interactive training, e.g. at seminars, than just receiving briefing papers.

The Chair suggested Members could be invited to training events arranged for the Committee and the Investment Panel. He advised Members to keep an eye on training offered by the LGA and TPR and to apply to go to relevant events. He also advised Members to keep their training logs up to date.

**RESOLVED** to note the report and high-level plan and comments made by Members.

**85 WORK PLAN**

The Head of Audit West presented the report.

**RESOLVED** to note the report and endorse the work plan outlined in Appendix A.

**86 DATE OF NEXT MEETING**

**RESOLVED** to note that the next meeting is scheduled to be held at 2 p.m. on Wednesday, 2<sup>nd</sup> November 2016 in Keynsham.

The meeting ended at 4.04 pm

Chair(person) .....

Date Confirmed and Signed .....

**Prepared by Democratic Services**

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# Avon Pension Fund



# Communications Strategy overview

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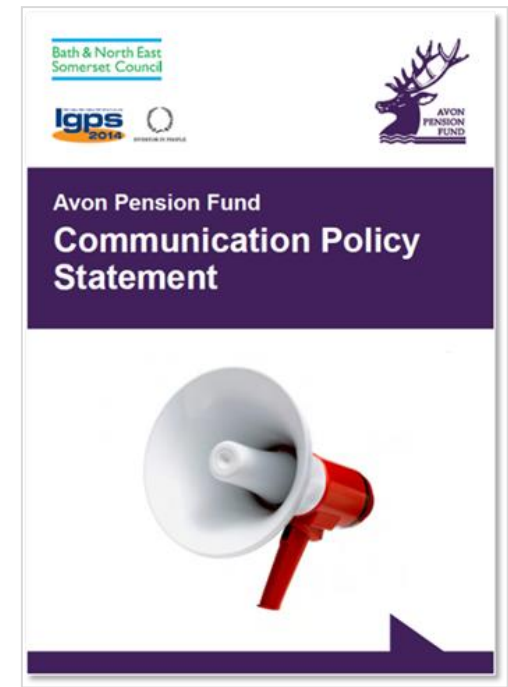
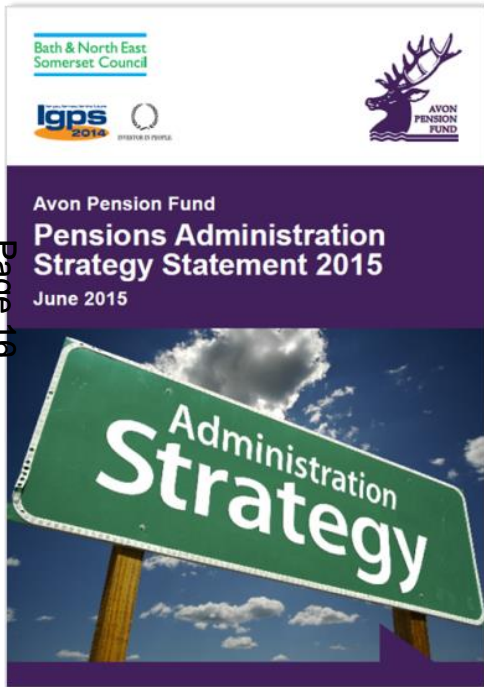


Stephen Makin

Communications and Public Relations Manager

# Communications Strategy

## Communications Policy Statement





# Communication aims



- Clear, relevant, accurate, accessible and timely information for all our audiences & stakeholders
- Use communication channels which best fit the audience & the info being passed on
- Use plain language & avoid unnecessary jargon
- Be a more digital communication-based Fund, embracing new technology (web, email, social media)
- Provide stakeholders with a secure access point to relevant services / information
- Listen & respond to feedback
- Be compliant with all legislative requirements

# Who we communicate with



## Members

Active - 37,000

Deferred - 40,500

Pensioner - 24,000

Pension Committee

Pension Board

Trade Unions

Employers

230 +

Pensions Regulator

Govt bodies

Local Govt Assoc

Fund Actuary

CIPFA

Investment  
managers

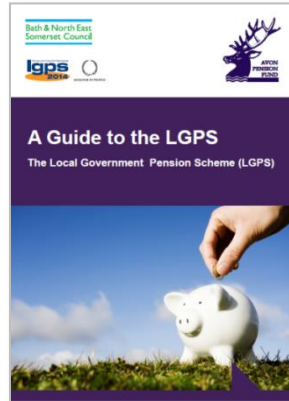
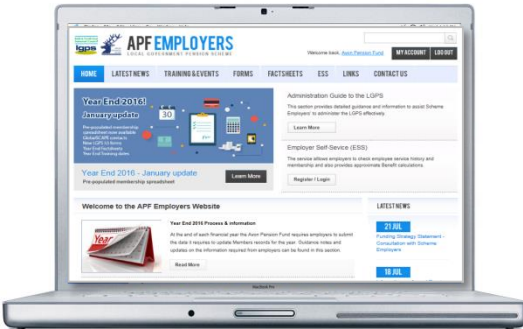
Other funds

Brunel Pension Partnership

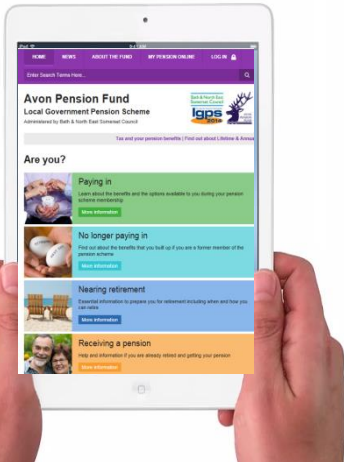
The media



# How we communicate



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| Annual Pension Statement 2016  |                     |
|--|---------------------|
| <b>Your personal information</b>   |                     |
| Name:  | Lynnda Marie Keegan |
| Date of birth:   | 08/11/1957          |
| N.I. Number:   | 989275278           |
| Partnership status:  | Married             |
| Email address:   | Not held            |
| <b>Employment details as at 31/03/2016</b>   |                     |
| Employer:  | University Of Bath  |
| Post number ref.:  | 20055202            |
| Section of Scheme:   | Man                 |
| <b>Your Pensionable Pay</b>  |                     |
| CARE Pensionable Pay as at 31/03/2016  | £ 13209.44          |
| (This is used to calculate CARE pension in 2016/17)  |                     |
| Pensionable pay in Main section:   | £ 13209.44          |
| Pensionable pay in 50/50 section (if applicable):  | £ 0.00              |
| Final Salary Pensionable Pay as at 31/03/2016  | £ 20400.03          |
| (This is used to calculate Final Salary Pension benefits built up to 31/03/2016, if any)   |                     |
| <b>Summary of your total pension benefits as at 31/03/2016</b>   |                     |
| Annual pension:  | £ 9454.23           |
| Automatic tax-free lump sum:   | £ 5802.21           |
| Death in service lump sum (if member before 31/03/2016 see website notes):   | £ 40138.32          |
| Annual survivor (spouse/beneficiary's) pension:  | £ 2337.02           |
| <b>Tax-free cash lump sum</b>  |                     |
| You may be able to take a tax-free cash lump sum for every £1 of pension grant up to you £12 of lump sum. You can calculate your maximum lump sum and annual pension if you want to take this option by logging into avonpensionfund.org.uk/avonpensionfund/apply-taxfreecashlumpsum |                     |
| Expression of wish nomination forms held (for your death grant):   | No                  |
| If you want to update your expression of wish nomination sign up to "My pension online" at www.avonpensionfund.org.uk or contact us.   |                     |



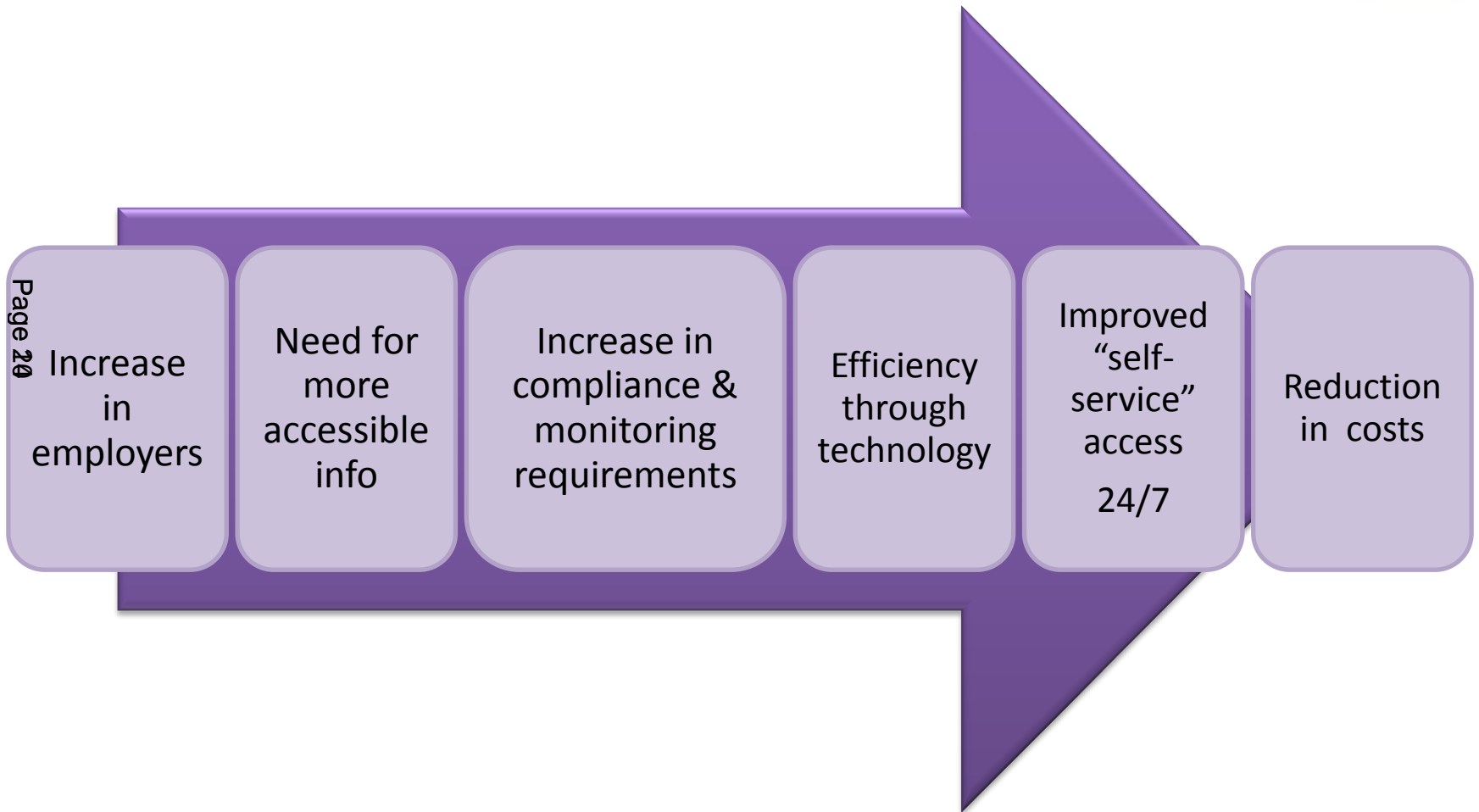
POST OFFICE



my pension online



# Drivers for change



PROFESSIONAL PENSIONS  
**PENSION  
SCHEME  
OF THE YEAR  
AWARDS  
2016  
FINALIST**

# Websites



# my pension online (MSS)



- Online pension account
- View & update details
- Estimates – self service
- ABS
- Need to integrate into admin process – sign up by default
- New “user friendly” version by 2017

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|                    |        |
|--------------------|--------|
| Eligible MSS Users | 87087  |
| Current MSS Users  | 11359  |
| MSS Users Percent  | 13.04% |

## MSS User Statistics - Status

|                           |        |
|---------------------------|--------|
| Eligible Active MSS Users | 32908  |
| Current Active MSS Users  | 5574   |
| MSS Active Users Percent  | 16.94% |

|                             |        |
|-----------------------------|--------|
| Eligible Deferred MSS Users | 34540  |
| Current Deferred MSS Users  | 3618   |
| MSS Deferred Users Percent  | 10.47% |

|                              |        |
|------------------------------|--------|
| Eligible Pensioner MSS Users | 26088  |
| Current Pensioner MSS Users  | 3409   |
| MSS Pensioner Users Percent  | 13.07% |

# Future developments



- Getting set up for digital delivery
- Member website – better feedback mechanisms
- New MSS – future-proofing for increased self-service
- MSS default sign-up to build volume
- Bulk email ‘vehicle’ - MailChimp
- Development of employers’ website – supporting employers (streamlining, self-service, automation, training tools and a knowledge “hub”)
- Fire Fighters – website and MSS (2018)

# Thank you

## Any questions?



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## Bath & North East Somerset Council

|   |  |
|---|--|
| MEETING:                                    | <b>LOCAL PENSION BOARD</b>                 |
| MEETING DATE:                               | <b>2<sup>nd</sup> November 2016</b>        |
| TITLE:                                      | <b>LGPS Update – Latest Developments</b>   |
| WARD:                                       | <b>ALL</b>                                 |
| <b>AN OPEN PUBLIC ITEM</b>                  |  |
| <b>List of attachments to this report:-</b> |  |
| Appendix 1                                  | Summary of Consultations and Surveys       |
| Appendix 2                                  | TPR COP14 Communication/Information Update |
| Appendix 3                                  | State Street Annual League Tables          |

### 1 THE ISSUE

1.1 This report summarises key developments within the Local Government Pension Fund sector, the most significant of these being the proposal for pooling of investments. (Separate Presentation will be given on this item)

### 2 RECOMMENDATION

#### That the Pension Board

2.1 Notes the report and latest developments and considers the issues in light of their own work plan.

### 3. FINANCIAL IMPLICATIONS

3.1 There are no direct implications related to the Pension Board in connection with this report.

3.2 With regard to the Pension Fund there will be costs associated with setting up a pooled arrangement. These are a matter for the Pension Fund and will be costed once there is a decision as to the pooling arrangements to be established.

### 4 REPORT

4.1 In May the Board was updated on key national developments regarding the future of Local Government Pension Funds and detail on the proposed pooling arrangements. The implications in this area are highly significant and could lead to major changes to future governance structures with regard to Local government pension Funds.

4.2 The Head of Pensions will verbally update the Board on the latest position with regard to these significant changes and also refer to the key developments and consultations outlined in Appendix 1.

4.3 Appendices 2 & 3 also summarise our benchmarking position in relation to communication/information and the State Street Annual League Tables and are attached for information and comment.

**5. RISK MANAGEMENT**

5.1 A proportionate risk assessment has been undertaken and there are no significant issues to report, as this is an information report.

**6 EQUALITIES**

6.1 An equalities impact assessment is not necessary.

**7 CONSULTATION**

7.1 Report has been subject to consultation with S151 Officer.

|  |   |
|--|---|
| <b>Contact person</b>  | Tony Bartlett; Head of Business Finance & Pensions 01225 477302<br>Liz Woodyard; Investments Manager 01225 395306<br>Alan South; Technical & Compliance Manager 01225 395283<br>Jeff Wring; Head of Audit West 01225 477323 |
| <b>Background papers</b>   | Various Statistical Records   |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |   |

| ~Body Involved              | Subject   | Description   | Current Position   | APF Response   | Follow up   |
|-----------------------------|---|---|--|--|---|
| H M Treasury<br><br>Page 29 | Consultations on a Public Sector Exit Payments Cap            | Recovery of exit payment if member is re-employed within public sector within 1 year where earning on leaving exceeded £80,000  | Originally to be operational from 1 4 2016 but regulations not in place so date delayed  | Closed Jan 2016  | By end of year?   |
|                             |   | To set out maximum cap for the total cost of all forms of exit payments available to individuals leaving employment at £95,000.   | Amendments to LGPS incorporated with the Enterprise Act [Royal assent given on 4/5/2016]   | Awaiting HM Treasury to pass regulations to implement  | Communicate amendments to Scheme employers                          |
|                             |   | Comment requested on suggested possible changes to  | Consultation closed 3 May 2016   | More consultation so now expect movement in early 2017 | Await government response to comments                               |
|                             |   | 3 <sup>rd</sup> consultation has just had responses from Government to comments on consultation   | Not expected to be operative until at least June2017   | Yes  |   |
| DCLG                        | Amendment regulations   | Changing anomalies from scheme Changing the way service is aggregated between LGPS Employers  | Draft Local Government Pension Scheme Regulations  |  |   |
|                             | Consultation on Best Value and staff transfer direction Order | The government published guidance for Fair Deal on outsourcing from public Sector schemes excluding local government in Oct 2013<br><br>DCLG are to set out how this will affect Best Value employers | <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/526538/Consultation_on_Local_Government_Pension_Scheme_Regulations.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/526538/Consultation_on_Local_Government_Pension_Scheme_Regulations.pdf</a><br><br>Awaiting responses from DCLG on comments raised |  | Response sent 19/8//2016 from Avon Pension Fund Committee in Sept16 |
| DCLG                        | Consultation on   | 1. A package of reforms that  | Local Government   |  | Regulations   |

|         |   |   |  |  |  |
|---------|---|---|--|--|--|
| Page 30 | proposals to revoke and replace the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 | propose to remove some of the existing prescribed means of securing a diversified investment strategy and instead place the onus on authorities to determine the balance of their investments and take account of risk.<br>2. The introduction of safeguards to ensure that the more flexible legislation proposed is used appropriately and that the guidance on pooling assets is adhered to. This includes a suggested power to allow the Secretary of State to intervene in the investment function of an administering authority when necessary. | Pension Scheme (Management and Investment of Funds) Regulations 2016..<br>Operational<br>From 1 November 2016<br><br><a href="http://www.legislation.gov.uk/ukxi/2016/946/content/s/made">http://www.legislation.gov.uk/ukxi/2016/946/content/s/made</a>   |  | currently being laid do not have material changes to the draft regulations, other than removal of clause regarding investing contrary to UK foreign policy.<br><br>Investment Strategy Statement required by 31 March 2017 |
| DCLG    | Local Government Pension Scheme: Investment Reform Criteria and Guidance  | Guidance on Pooling investments: this provided the criteria to LGPS funds on the government's expectations for pooling assets. There was no formal consultation by government.  | Avon one of 10 funds participating in Brunel Pension Partnership (BPP)<br><br>BPP submitted July proposal. No formal feedback as yet.<br><br>Full business case to be approved by each fund is in progress.<br><br>Laying of 2016 Regulations permits pooling and gives power to government to intervene | Committee being briefed regularly on developments. | Shadow Oversight Board, comprising the Chairs of local committees, established to provide oversight to the project   |

|                              |   |   |   |   |  |
|------------------------------|---|---|---|---|--|
| HM Treasury/<br>DCLG         | Local Democracy, Economic Development and Construction Act 2009, as amended by the Cities and Local Government Devolution Act 2016. | Setting up of Mayoral Combined Authority [B&NES/Bristol CC and S Gloucestershire]<br><br>Effect of Legislation on LGPS pensions<br>And Avon Pension Fund  | Proposed operation<br>1 April 2017            | Employees will have access to the LGPS as Combined Authorities are included as a scheduled body under Schedule 2 Part 1 of the LGPS Regulations para 24 | Awaiting confirmation of commencement date |
| The Pensions Regulator (TPR) | Publishing Scheme Information   | TPR has requested schemes to check information about their LPB is published to avoid failing their governance duties. Scheme managers are required to publish and keep updated key information about the board's members, its representation, TOR appointment process and what matters it is responsible for.   |   | The outcome of APF's review is shown at Appendix 1  |  |
| Scheme Advisory Board (SAB)  | Academies' Review   | The Scheme Advisory Board has commissioned PWC to investigate the implications for the LGPS of a significant increase in academy employers and to develop options to manage those implications. They will present their findings to the SAB in March 2017 in the form of a comprehensive report covering the administrative, actuarial, legal and investment issues relating to the implications identified and options proposed. | Awaiting communication & Instruction from PWC |   | Response due by end of year?               |

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**Annex A – Publishing scheme information**

| What information to publish:  | APF compliance | Commentary/notes   |
|---|----------------|--|
| <ul style="list-style-type: none"> <li>who the pension board members are</li> </ul>   | 100%           | Available via member website: <a href="http://www.avonpensionfund.org.uk/pension-board">www.avonpensionfund.org.uk/pension-board</a><br>Available via employer website: <a href="http://www.apfemployers.org.uk">www.apfemployers.org.uk</a> |
| <ul style="list-style-type: none"> <li>representation on the pension board</li> </ul>   | 100%           | As above   |
| <ul style="list-style-type: none"> <li>matters for which the pension board is responsible</li> </ul>  | 100%           | As above   |
| <ul style="list-style-type: none"> <li>the pension board's terms of reference</li> </ul>  | 100%           | As above   |
| <ul style="list-style-type: none"> <li>the pension board appointment process</li> </ul>   | 100%           | As above   |
| <ul style="list-style-type: none"> <li>who each pension board member represents</li> </ul>  | 100%           | As above   |
| <ul style="list-style-type: none"> <li>employment and job title (where relevant) and any other relevant position held by each board member</li> </ul>   | 100%           | As above   |
| <ul style="list-style-type: none"> <li>any specific roles and responsibilities of individual pension board members</li> </ul>   | Not applicable |  |
| <ul style="list-style-type: none"> <li>information such as pension board papers, agendas and meeting minutes (with confidential information removed)</li> </ul>   | 100%           | As above   |
| <ul style="list-style-type: none"> <li>when applicable other information about governance and administration (HM Treasury directions may require specific scheme information to be published).</li> </ul> | 100%           | Published on web or in newsletters when applicable   |
| <b>How to provide the information:</b>  |                |  |
| <ul style="list-style-type: none"> <li>maintaining information on a website that members can access</li> </ul>  | 100%           | Available via member website: <a href="http://www.avonpensionfund.org.uk/pension-board">www.avonpensionfund.org.uk/pension-board</a><br>Available via employer website: <a href="http://www.apfemployers.org.uk">www.apfemployers.org.uk</a> |
| <ul style="list-style-type: none"> <li>including information in regular communication to members</li> </ul>   | 100%           | Two newsletters to members per year (One newsletter to pensioner members per year). Scheme info also included in Annual Benefit Statements   |
| <b>Who to make information available to:</b>  |                |  |

|   |      |  |
|---|------|--|
| <ul style="list-style-type: none"> <li>all scheme members and all staff who are eligible to be automatically enrolled into the scheme without them needing to ask for it.</li> </ul>                                  | 100% |  |
| <ul style="list-style-type: none"> <li>other interested parties when they ask for it.</li> </ul>  | 100% |  |
| <ul style="list-style-type: none"> <li>including the contact name on the scheme website</li> </ul>  | 100% |  |
| <ul style="list-style-type: none"> <li>including this information in any document that sets out what information the scheme manager holds and how this information is made available to the public</li> </ul>         | 100% | Details Included in all scheme documentation   |
| <b>Keeping information up to date:</b>  |      |  |
| The scheme manager should ensure that the scheme has processes in place to review information published about the pension board on an ongoing basis and must ensure that the information published is kept up to date | 100% | Ongoing review of information to be published. Website updated on an ongoing basis and full review twice a year. |

## Annex B – Communication to members

### Key information to be provided to members of public service pension schemes

| Information                               | TPR requirement  | APF compliance       | Commentary/notes   |
|---|--|----------------------|--|
| Annual benefit statement – active members | Statements to be issued annually   | 100% for 2015/16 ABS | ABS statement (paper version) posted to all active members with complete data set by 31 August<br><br>ABS statement available online to members signed up to “my pension online” (member self-service) |
| Benefit statement (upon request)          | Within two months of the request, if not already provided within the previous 12 months upon request | 100%                 | Benefits statement provided in post within two months of request<br><br>Online self-service “my pension online” facility allow members to do their own projections statements/calculations/estimates   |

|  |   |      |   |
|--|---|------|---|
|  |   |      |   |
| Deferred (upon request)                        | Within two months of the request, if not already provided within the previous 12 months   | 100% | As above  |
| Pension credit (upon request)                  | Within two months of the request, if not already provided within the previous 12 months   | 100% | As above  |
| Basic scheme information (upon request)        | Members and prospective members: where the managers have received jobholder information, the information must be provided within one month of receiving that information. Where they have not received jobholder information, it must be provided within two months of the date the person became an active member. Where a request is received information must be provided within two months, if it has not already been provided within the previous 12 months | 100% | Scheme guides and factsheets available as hard copies and online via the APF website – these cover all the required elements outlined<br><br>Information also provided in correspondence (letter/email) upon request<br><br>Newsletters are posted twice a year to active members containing regulation updates and scheme information. |
| Scheme information that has materially altered | Before or as soon as possible after the change takes effect, and within three months of the change taking effect at the latest  | 100% | Scheme changes update on APF website<br><br>Member newsletters (twice a year) also contain scheme change information.<br><br>Direct communication (usually via post) available if any change relating to specific member's rights – for example a mailshot re: joining of records   |
| Constitution of the scheme (upon request)      | Within two months of the request  | 100% | Full guides to the LGPS scheme available online via APF website or as hard copy on request  |
| Transfer credits (upon request)                | Within two months, if it has not already been provided within the previous 12 months  | 100% | Providing all relevant information received and legislation/guidance in place   |

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# Local Authority Annual League Tables

31/03/2015 – 31/03/2016

A Global Services Performance Services UKMEA Report



## Local Authority Annual League Tables

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Reporting Currency: STERLING

| CATEGORY                                | UK EQUITIES |      | OVERSEAS EQUITIES |      | GLOBAL POOLED INC. UK EQUITIES |      | POOLED MULTI-ASSET |      |
|---|-------------|------|-------------------|------|--------------------------------|------|--------------------|------|
|   | RETURN      | RANK | RETURN            | RANK | RETURN                         | RANK | RETURN             | RANK |
| Weighted Average                        | -3.8        |      | -1.3              |      | -1.6                           |      | -2.5               |      |
| Median                                  | -0.4        |      | 2.6               |      | 2.0                            |      | -0.1               |      |
| LANCASHIRE COUNTY COUNCIL               | 6.2         | 1    | 3.4               | 6    | -                              | -    | -14.6              | 100  |
| LONDON BOROUGH OF NEWHAM                | -5.5        | 86   | 3.5               | 5    | -                              | -    | -                  | -    |
| LB OF ENFIELD - COMBINED                | -           | -    | -                 | -    | -1.4                           | 51   | -                  | -    |
| ENVIRONMENT AGENCY-ACTIVE FUND          | -5.8        | 88   | 4.1               | 2    | -                              | -    | -                  | -    |
| WEST MIDLANDS PENSION FUND              | -3.9        | 46   | -3.7              | 87   | -                              | -    | -                  | -    |
| ENVIRONMENT AGENCY -CLOSED FUND         | -           | -    | -                 | -    | -                              | -    | -                  | -    |
| ESSEX COUNTY COUNCIL                    | -1.4        | 8    | 0.8               | 29   | -                              | -    | 0.0                | 14   |
| THE STRATHCLYDE FUND                    | -3.4        | 28   | -0.3              | 36   | -                              | -    | -                  | -    |
| CUMBRIA COUNTY COUNCIL                  | -4.6        | 71   | 4.3               | 1    | n/a                            | -    | n/a                | -    |
| LONDON BOROUGH OF BEXLEY                | -3.8        | 41   | 3.4               | 6    | -                              | -    | -4.6               | 85   |
| LONDON BOROUGH OF CROYDON               | -           | -    | -                 | -    | -0.9                           | 48   | -                  | -    |
| WARWICKSHIRE COUNTY COUNCIL             | 0.3         | 2    | -0.4              | 37   | -                              | -    | -                  | -    |
| RB OF KENSINGTON & CHELSEA PENSION FUND | -2.4        | 13   | 1.3               | 16   | -                              | -    | 1.2                | 5    |
| LONDON BOROUGH OF HILLINGDON            | -4.7        | 77   | -1.2              | 45   | -                              | -    | -                  | -    |
| RHONDDA CYNON TAFF C.C.                 | -1.7        | 12   | 2.5               | 10   | -                              | -    | -                  | -    |
| EAST SUSSEX COUNTY COUNCIL              | -3.9        | 46   | 1.2               | 20   | 0.4                            | 27   | -2.6               | 58   |
| CYNGOR GWYNEDD C.C. SUP'N FUND          | -3.9        | 46   | -6.2              | 94   | 1.2                            | 18   | -                  | -    |
| KENT COUNTY COUNCIL INC GTAA            | -3.4        | 28   | 2.7               | 9    | -2.4                           | 65   | -                  | -    |
| MERSEYSIDE PENSION FUND                 | -0.8        | 6    | -2.1              | 62   | -                              | -    | -                  | -    |
| LONDON BOROUGH OF BARKING               | -           | -    | n/a               | -    | 0.0                            | 34   | -                  | -    |
| SHETLAND ISLANDS SUPERANNUATION         | -3.9        | 46   | 0.7               | 31   | 2.3                            | 11   | 1.4                | 2    |
| LONDON BOROUGH OF SOUTHWARK             | -1.5        | 10   | 1.2               | 20   | -                              | -    | n/a                | -    |
| LONDON BOROUGH OF HARINGEY              | -3.9        | 46   | -1.3              | 48   | -                              | -    | -                  | -    |
| SCOTTISH BORDERS COUNCIL                | -3.7        | 38   | -                 | -    | 2.9                            | 6    | -                  | -    |
| STRATHCLYDE NO. 3 ACCOUNT               | -4.0        | 57   | -3.1              | 81   | -                              | -    | -                  | -    |
| LONDON BOROUGH OF LEWISHAM              | -4.0        | 57   | -0.8              | 44   | -                              | -    | -                  | -    |
| SUFFOLK COUNTY COUNCIL                  | -1.5        | 10   | -0.7              | 41   | -2.4                           | 65   | -                  | -    |
| LEICESTERSHIRE COUNTY COUNCIL           | -3.5        | 35   | -1.3              | 48   | 0.7                            | 23   | -2.4               | 55   |
| POWYS C.C. SUPERANNUATION FUND          | -2.8        | 18   | -0.4              | 37   | -2.0                           | 58   | -                  | -    |

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| CATEGORY                         | UK EQUITIES |      | OVERSEAS EQUITIES |      | GLOBAL POOLED INC. UK EQUITIES |      | POOLED MULTI-ASSET |      |
|----------------------------------|-------------|------|-------------------|------|--------------------------------|------|--------------------|------|
|                                  | RETURN      | RANK | RETURN            | RANK | RETURN                         | RANK | RETURN             | RANK |
| EAST RIDING PENSION FUND         | -3.8        | 41   | -1.8              | 59   | -                              | -    | -                  | -    |
| SOUTH YORKSHIRE PENSIONS AUTH.   | -3.3        | 25   | -2.0              | 60   | -                              | -    | -                  | -    |
| NORTH YORKSHIRE COUNTY COUNCIL   | -3.9        | 46   | -1.6              | 54   | -0.3                           | 41   | -2.3               | 52   |
| LINCOLNSHIRE COUNTY COUNCIL      | -4.5        | 68   | 0.9               | 28   | 0.3                            | 32   | -                  | -    |
| STH YORKS PASSENGER TRANSPORT    | -4.1        | 60   | 1.1               | 24   | -                              | -    | -                  | -    |
| LONDON BOROUGH OF BROMLEY SUPN.  | -16.0       | 100  | 1.3               | 16   | 0.9                            | 20   | -2.7               | 64   |
| DORSET COUNTY SUPN. FUND         | -2.9        | 20   | 0.0               | 34   | -                              | -    | -3.6               | 76   |
| CARMARTHENSHIRE COUNTY COUNCIL   | -3.9        | 46   | -2.8              | 77   | 2.1                            | 13   | -                  | -    |
| LONDON BOROUGH OF ISLINGTON      | -2.9        | 20   | 1.0               | 25   | n/a                            | -    | n/a                | -    |
| NORTHAMPTONSHIRE C.C.            | -6.0        | 93   | -                 | -    | 0.6                            | 25   | -                  | -    |
| BLINTSHIRE C.C.                  | -           | -    | -7.8              | 98   | -3.0                           | 72   | -6.2               | 94   |
| NORFOLK COUNTY COUNCIL           | -3.4        | 28   | -3.8              | 87   | -2.1                           | 60   | -                  | -    |
| LONDON BORO HAMMERSMITH FULHAM   | -0.6        | 5    | 1.9               | 13   | -                              | -    | -                  | -    |
| BEDFORDSHIRE COUNTY COUNCIL      | -3.1        | 22   | -2.8              | 77   | -                              | -    | 1.2                | 5    |
| AVON PENSION FUND                | -1.0        | 7    | -2.4              | 67   | -1.5                           | 53   | -2.0               | 47   |
| LONDON BOROUGH OF RICHMOND       | -3.8        | 41   | -1.4              | 51   | -                              | -    | -1.3               | 26   |
| LONDON BOROUGH OF REDBRIDGE      | -3.3        | 25   | 1.1               | 24   | 1.8                            | 16   | -                  | -    |
| BUCKINGHAMSHIRE C C SUPN         | -3.0        | 21   | -5.0              | 90   | -4.2                           | 81   | -2.6               | 58   |
| ISLE OF WIGHT COUNTY COUNCIL     | -5.8        | 88   | -                 | -    | 2.4                            | 9    | -1.7               | 44   |
| WEST YORKSHIRE PENSION FUND      | -3.3        | 25   | -2.1              | 62   | -                              | -    | -                  | -    |
| NOTTINGHAMSHIRE CC               | -5.0        | 80   | -0.7              | 41   | -                              | -    | -                  | -    |
| SOMERSET COUNTY COUNCIL          | -5.8        | 88   | 1.2               | 20   | -0.4                           | 44   | -                  | -    |
| SURREY COUNTY COUNCIL            | -5.0        | 80   | 2.2               | 12   | -                              | -    | -3.4               | 70   |
| DEVON COUNTY COUNCIL             | -4.1        | 60   | -3.1              | 81   | 3.3                            | 4    | -2.0               | 47   |
| WEST SUSSEX CC                   | -7.8        | 97   | -1.6              | 54   | -                              | -    | -                  | -    |
| ORKNEY ISLANDS COUNCIL           | -3.2        | 23   | 1.0               | 25   | -                              | -    | -0.9               | 20   |
| ROYAL BOROUGH OF KINGSTON        | -8.8        | 98   | -1.4              | 51   | 0.4                            | 27   | -1.5               | 32   |
| OXFORDSHIRE COUNTY COUNCIL       | -3.7        | 38   | -3.3              | 83   | -5.1                           | 83   | -6.2               | 94   |
| DERBYSHIRE COUNTY COUNCIL        | -3.5        | 35   | -2.7              | 74   | -                              | -    | -                  | -    |
| GREATER MANCHESTER PF-DESIGNATED | -           | -    | -                 | -    | -                              | -    | -                  | -    |
| NORTHUMBERLAND C.C. PENS. FUND   | -3.9        | 46   | -3.3              | 83   | -3.4                           | 76   | -                  | -    |

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| CATEGORY                                | UK EQUITIES |      | OVERSEAS EQUITIES |      | GLOBAL POOLED INC. UK EQUITIES |      | POOLED MULTI-ASSET |      |
|---|-------------|------|-------------------|------|--------------------------------|------|--------------------|------|
|   | RETURN      | RANK | RETURN            | RANK | RETURN                         | RANK | RETURN             | RANK |
| LONDON BOROUGH OF GREENWICH COMB        | -4.2        | 62   | -1.6              | 54   | -                              | -    | -                  | -    |
| GREATER MANCHESTER P.F. - MAIN          | -6.0        | 93   | -2.6              | 72   | -5.1                           | 83   | -                  | -    |
| LONDON BOROUGH OF BARNET                | n/a         | -    | -0.1              | 35   | n/a                            | -    | -1.5               | 32   |
| LONDON BOROUGH OF HAVERING              | -4.5        | 68   | -                 | -    | -3.6                           | 79   | -1.4               | 29   |
| LONDON BOROUGH OF WANDSWORTH            | -5.0        | 80   | 1.3               | 16   | 1.8                            | 16   | -                  | -    |
| WILTSHIRE COUNTY COUNCIL                | -2.7        | 15   | 0.7               | 31   | -1.6                           | 55   | -3.7               | 79   |
| LONDON BOROUGH OF TOWER HAMLETS         | -4.2        | 62   | -6.4              | 95   | -0.8                           | 46   | -2.7               | 64   |
| LONDON BOROUGH OF EALING                | -5.8        | 88   | n/a               | -    | n/a                            | -    | -                  | -    |
| GLOUCESTERSHIRE COUNTY COUNCIL          | -3.4        | 28   | -8.7              | 100  | -3.3                           | 74   | -3.9               | 82   |
| LONDON BOROUGH OF CAMDEN                | -4.6        | 71   | -2.7              | 74   | n/a                            | -    | -3.6               | 76   |
| CARDIFF & VALE OF GLAMORGAN P.F.        | -3.5        | 35   | -2.3              | 66   | -                              | -    | -                  | -    |
| CORPORATION OF LONDON PENSION           | -4.6        | 71   | -                 | -    | -2.4                           | 65   | -1.2               | 23   |
| CITY AND COUNTY OF SWANSEA              | -5.5        | 86   | -2.4              | 67   | -                              | -    | -                  | -    |
| LONDON BOROUGH OF MERTON                | -4.6        | 71   | -2.5              | 71   | -                              | -    | -                  | -    |
| LONDON BOROUGH OF HARROW                | -           | -    | -6.6              | 97   | -2.1                           | 60   | -5.5               | 91   |
| WORCESTERSHIRE CC PEN FUND              | -4.2        | 62   | -3.4              | 86   | 4.4                            | 2    | -                  | -    |
| DUMFRIES & GALLOWAY COUNCIL             | -3.9        | 46   | -                 | -    | -5.5                           | 88   | -1.6               | 38   |
| LONDON BOROUGH OF HACKNEY               | -3.8        | 41   | n/a               | -    | -6.3                           | 95   | -4.6               | 85   |
| TORFAEN COUNTY BOROUGH COUNCIL          | -5.3        | 85   | -1.2              | 45   | -5.5                           | 88   | -                  | -    |
| TEESSIDE PENSION FUND                   | -4.2        | 62   | -2.9              | 79   | -                              | -    | -                  | -    |
| CAMBRIDGESHIRE COUNTY COUNCIL           | -5.1        | 82   | -4.3              | 89   | -6.8                           | 97   | -                  | -    |
| CORNWALL COUNTY COUNCIL                 | -7.5        | 96   | -0.5              | 40   | -                              | -    | -3.4               | 70   |
| CITY OF WESTMINSTER SUPERANNUATION FUNC | -4.2        | 62   | 3.9               | 4    | -                              | -    | -                  | -    |
| LONDON BOROUGH OF HOUNSLOW              | -4.7        | 77   | -5.9              | 91   | -5.7                           | 93   | -0.5               | 17   |
| LONDON BOROUGH OF WALTHAM FOREST        | -3.4        | 28   | n/a               | -    | -12.2                          | 100  | -                  | -    |
| LONDON BOROUGH OF BRENT                 | -2.7        | 15   | -1.6              | 54   | -                              | -    | -0.2               | 14   |



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| CATEGORY                                | UK BONDS |      | OVERSEAS BONDS |      | TOTAL INDEX-LINKED BONDS |      | POOLED BONDS |      |
|---|----------|------|----------------|------|--------------------------|------|--------------|------|
|   | RETURN   | RANK | RETURN         | RANK | RETURN                   | RANK | RETURN       | RANK |
| Weighted Average                        | -2.5     |      | 4.2            |      | 2.1                      |      | -0.2         |      |
| Median                                  | -0.1     |      | 6.7            |      | 6.5                      |      | 0.3          |      |
| LANCASHIRE COUNTY COUNCIL               | 1.6      | 28   | 3.2            | 55   | 8.2                      | 1    | -            | -    |
| LONDON BOROUGH OF NEWHAM                | -6.6     | 98   | 0.1            | 82   | -                        | -    | -            | -    |
| LB OF ENFIELD - COMBINED                | 0.6      | 68   | 2.0            | 65   | 1.0                      | 84   | -            | -    |
| ENVIRONMENT AGENCY-ACTIVE FUND          | 1.1      | 50   | n/a            | -    | 2.4                      | 23   | -            | -    |
| WEST MIDLANDS PENSION FUND              | 3.0      | 8    | 7.1            | 14   | 1.9                      | 50   | -            | -    |
| ENVIRONMENT AGENCY -CLOSED FUND         | -        | -    | -              | -    | 2.3                      | 25   | -            | -    |
| ESSEX COUNTY COUNCIL                    | -0.2     | 86   | 4.4            | 37   | 1.8                      | 63   | -            | -    |
| THE STRATHCLYDE FUND                    | 0.2      | 75   | 6.3            | 20   | 1.9                      | 50   | -            | -    |
| CUMBRIA COUNTY COUNCIL                  | 1.0      | 57   | -0.3           | 85   | 2.0                      | 32   | -            | -    |
| LONDON BOROUGH OF BEXLEY                | -        | -    | -              | -    | -                        | -    | -1.0         | 78   |
| LONDON BOROUGH OF CROYDON               | -        | -    | -              | -    | -                        | -    | 0.8          | 26   |
| WARWICKSHIRE COUNTY COUNCIL             | 1.6      | 28   | -              | -    | -                        | -    | -            | -    |
| RB OF KENSINGTON & CHELSEA PENSION FUND | -        | -    | -              | -    | -                        | -    | -            | -    |
| LONDON BOROUGH OF HILLINGDON            | 1.1      | 50   | 3.8            | 47   | 2.3                      | 25   | -            | -    |
| RHONDDA CYNON TAFF C.C.                 | 1.8      | 26   | 6.8            | 15   | n/a                      | -    | -            | -    |
| EAST SUSSEX COUNTY COUNCIL              | 0.2      | 75   | -              | -    | 1.9                      | 50   | -            | -    |
| CYNGOR GWYNEDD C.C. SUP'N FUND          | 0.7      | 65   | -              | -    | -                        | -    | -            | -    |
| KENT COUNTY COUNCIL INC GTAA            | n/a      | -    | -2.9           | 95   | -                        | -    | 1.0          | 21   |
| MERSEYSIDE PENSION FUND                 | 2.5      | 14   | -              | -    | 1.8                      | 63   | -            | -    |
| LONDON BOROUGH OF BARKING               | 3.3      | 5    | -              | -    | -                        | -    | -8.3         | 100  |
| SHETLAND ISLANDS SUPERANNUATION         | -        | -    | -              | -    | -                        | -    | -0.4         | 63   |
| LONDON BOROUGH OF SOUTHWARK             | n/a      | -    | n/a            | -    | 2.0                      | 32   | n/a          | -    |
| LONDON BOROUGH OF HARINGEY              | 2.8      | 11   | -              | -    | -                        | -    | -            | -    |
| SCOTTISH BORDERS COUNCIL                | 1.5      | 34   | -              | -    | -                        | -    | -0.4         | 63   |
| STRATHCLYDE NO. 3 ACCOUNT               | -1.3     | 95   | 4.3            | 42   | -                        | -    | -            | -    |
| LONDON BOROUGH OF LEWISHAM              | 2.3      | 18   | -              | -    | 2.0                      | 32   | -            | -    |
| SUFFOLK COUNTY COUNCIL                  | n/a      | -    | 1.5            | 70   | 2.0                      | 32   | n/a          | -    |
| LEICESTERSHIRE COUNTY COUNCIL           | 3.4      | 4    | 5.6            | 30   | 3.4                      | 11   | 5.8          | 5    |
| POWYS C.C. SUPERANNUATION FUND          | -1.0     | 94   | -              | -    | 1.8                      | 63   | 0.5          | 42   |

Table 10

Local Authority Annual League Tables

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Reporting Currency: STERLING

| CATEGORY                         | UK BONDS |      | OVERSEAS BONDS |      | TOTAL INDEX-LINKED BONDS |      | POOLED BONDS |      |
|----------------------------------|----------|------|----------------|------|--------------------------|------|--------------|------|
|                                  | RETURN   | RANK | RETURN         | RANK | RETURN                   | RANK | RETURN       | RANK |
| EAST RIDING PENSION FUND         | 2.5      | 14   | 5.5            | 32   | 2.9                      | 15   | -            | -    |
| SOUTH YORKSHIRE PENSIONS AUTH.   | 1.2      | 46   | 4.4            | 37   | 2.0                      | 32   | -0.6         | 73   |
| NORTH YORKSHIRE COUNTY COUNCIL   | 2.9      | 8    | -              | -    | -                        | -    | -            | -    |
| LINCOLNSHIRE COUNTY COUNCIL      | 2.7      | 13   | 1.7            | 67   | 4.0                      | 5    | -3.9         | 94   |
| STH YORKS PASSENGER TRANSPORT    | 0.5      | 71   | -              | -    | 0.9                      | 88   | -            | -    |
| LONDON BOROUGH OF BROMLEY SUPN.  | 1.1      | 50   | n/a            | -    | -                        | -    | -            | -    |
| DORSET COUNTY SUPN. FUND         | -6.9     | 100  | -              | -    | -                        | -    | -            | -    |
| CARMARTHENSHIRE COUNTY COUNCIL   | 0.5      | 71   | -              | -    | 2.0                      | 32   | -            | -    |
| LONDON BOROUGH OF ISLINGTON      | 0.2      | 75   | -              | -    | -                        | -    | -            | -    |
| NORTHAMPTONSHIRE C.C.            | -0.8     | 92   | -              | -    | 5.9                      | 3    | -            | -    |
| FLINTSHIRE C.C.                  | -        | -    | -              | -    | -                        | -    | -3.2         | 89   |
| NORFOLK COUNTY COUNCIL           | 0.0      | 84   | -              | -    | 2.0                      | 32   | n/a          | -    |
| LONDON BORO HAMMERSMITH FULHAM   | 4.2      | 1    | -1.0           | 92   | 0.0                      | 94   | -            | -    |
| NORFOLK COUNTY COUNCIL           | 1.9      | 24   | -              | -    | 1.5                      | 76   | 0.3          | 47   |
| AVON PENSION FUND                | 1.2      | 46   | n/a            | -    | 1.9                      | 50   | -            | -    |
| LONDON BOROUGH OF RICHMOND       | 1.4      | 39   | -              | -    | -                        | -    | -            | -    |
| LONDON BOROUGH OF REDBRIDGE      | n/a      | -    | n/a            | -    | -4.6                     | 100  | -            | -    |
| BUCKINGHAMSHIRE C C SUPN         | 1.0      | 57   | n/a            | -    | 2.8                      | 19   | -            | -    |
| ISLE OF WIGHT COUNTY COUNCIL     | 2.3      | 18   | -              | -    | -                        | -    | -            | -    |
| WEST YORKSHIRE PENSION FUND      | 0.6      | 68   | 5.8            | 27   | 0.6                      | 92   | -            | -    |
| NOTTINGHAMSHIRE CC               | 1.5      | 34   | 7.4            | 10   | n/a                      | -    | -            | -    |
| SOMERSET COUNTY COUNCIL          | 0.4      | 73   | 1.5            | 70   | 2.1                      | 30   | -            | -    |
| SURREY COUNTY COUNCIL            | -0.5     | 89   | -3.7           | 97   | 1.6                      | 75   | -            | -    |
| DEVON COUNTY COUNCIL             | n/a      | -    | 1.5            | 70   | -                        | -    | n/a          | -    |
| WEST SUSSEX CC                   | 0.9      | 60   | -              | -    | -                        | -    | -            | -    |
| ORKNEY ISLANDS COUNCIL           | 1.1      | 50   | 2.8            | 57   | 1.4                      | 78   | -            | -    |
| ROYAL BOROUGH OF KINGSTON        | 0.1      | 82   | -              | -    | -                        | -    | 0.7          | 36   |
| OXFORDSHIRE COUNTY COUNCIL       | 2.9      | 8    | -4.4           | 98   | 2.0                      | 32   | -            | -    |
| DERBYSHIRE COUNTY COUNCIL        | 2.1      | 23   | n/a            | -    | 1.0                      | 84   | n/a          | -    |
| GREATER MANCHESTER PF-DESIGNATED | -        | -    | -              | -    | -0.4                     | 96   | -            | -    |
| NORTHUMBERLAND C.C. PENS. FUND   | -        | -    | -0.3           | 85   | 1.9                      | 50   | -            | -    |

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Reporting Currency: STERLING

| CATEGORY                                | UK BONDS |      | OVERSEAS BONDS |      | TOTAL INDEX-LINKED BONDS |      | POOLED BONDS |      |
|---|----------|------|----------------|------|--------------------------|------|--------------|------|
|   | RETURN   | RANK | RETURN         | RANK | RETURN                   | RANK | RETURN       | RANK |
| LONDON BOROUGH OF GREENWICH COMB        | 1.4      | 39   | -              | -    | -                        | -    | n/a          | -    |
| GREATER MANCHESTER P.F. - MAIN          | 1.2      | 46   | 7.3            | 12   | 3.6                      | 9    | -            | -    |
| LONDON BOROUGH OF BARNET                | 0.2      | 75   | -0.4           | 90   | -                        | -    | n/a          | -    |
| LONDON BOROUGH OF HAVERING              | 1.3      | 44   | -4.5           | 100  | 3.4                      | 11   | -            | -    |
| LONDON BOROUGH OF WANDSWORTH            | 0.8      | 62   | 4.1            | 45   | 3.7                      | 7    | n/a          | -    |
| WILTSHIRE COUNTY COUNCIL                | n/a      | -    | n/a            | -    | -1.0                     | 98   | -            | -    |
| LONDON BOROUGH OF TOWER HAMLETS         | -        | -    | -              | -    | 1.9                      | 50   | n/a          | -    |
| LONDON BOROUGH OF EALING                | 0.0      | 84   | -              | -    | -                        | -    | -            | -    |
| GLOUCESTERSHIRE COUNTY COUNCIL          | 1.4      | 39   | 5.9            | 22   | 1.7                      | 73   | -2.9         | 84   |
| LONDON BOROUGH OF CAMDEN                | n/a      | -    | -              | -    | 1.9                      | 50   | -0.1         | 52   |
| CARDIFF & VALE OF GLAMORGAN P.F.        | 1.4      | 39   | 5.9            | 22   | -                        | -    | -            | -    |
| CORPORATION OF LONDON PENSION           | -        | -    | -              | -    | -                        | -    | -            | -    |
| CITY AND COUNTY OF SWANSEA              | 3.3      | 5    | 9.8            | 2    | 1.8                      | 63   | 1.6          | 15   |
| LONDON BOROUGH OF MERTON                | 2.4      | 17   | 6.6            | 17   | 2.2                      | 28   | -            | -    |
| LONDON BOROUGH OF HARROW                | -0.6     | 91   | -              | -    | 2.0                      | 32   | -            | -    |
| WORCESTERSHIRE CC PEN FUND              | 1.1      | 50   | -              | -    | -                        | -    | -            | -    |
| DUMFRIES & GALLOWAY COUNCIL             | 2.2      | 21   | 1.5            | 70   | 1.1                      | 82   | -            | -    |
| LONDON BOROUGH OF HACKNEY               | 0.7      | 65   | 8.9            | 7    | 1.9                      | 50   | -            | -    |
| TORFAEN COUNTY BOROUGH COUNCIL          | 1.6      | 28   | -              | -    | -                        | -    | -            | -    |
| TEESSIDE PENSION FUND                   | 1.5      | 34   | 5.4            | 35   | 0.9                      | 88   | -            | -    |
| CAMBRIDGESHIRE COUNTY COUNCIL           | -1.2     | 95   | -              | -    | n/a                      | -    | 3.3          | 10   |
| CORNWALL COUNTY COUNCIL                 | -8.2     | 100  | -              | -    | -                        | -    | -            | -    |
| CITY OF WESTMINSTER SUPERANNUATION FUNC | 1.8      | 26   | 0.8            | 80   | -                        | -    | -            | -    |
| LONDON BOROUGH OF HOUNSLOW              | -0.3     | 88   | n/a            | -    | 2.7                      | 21   | -            | -    |
| LONDON BOROUGH OF WALTHAM FOREST        | -        | -    | -              | -    | -                        | -    | 0.8          | 26   |
| LONDON BOROUGH OF BRENT                 | -        | -    | -              | -    | -                        | -    | 0.7          | 36   |

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Reporting Currency: STERLING

| CATEGORY                                | CASH   |      | ALTERNATIVES |      | TOTAL PROPERTY |      | TOTAL ASSETS |      |
|---|--------|------|--------------|------|----------------|------|--------------|------|
|   | RETURN | RANK | RETURN       | RANK | RETURN         | RANK | RETURN       | RANK |
| Weighted Average                        | 2.2    |      | 8.7          |      | 10.5           |      | 0.2          |      |
| Median                                  | 0.2    |      | 2.5          |      | 1.3            |      | 1.6          |      |
| LANCASHIRE COUNTY COUNCIL               | -0.4   | 86   | 14.8         | 17   | 5.0            | 100  | 4.5          | 1    |
| LONDON BOROUGH OF NEWHAM                | -0.9   | 89   | 35.2         | 1    | 8.6            | 85   | 3.5          | 2    |
| LB OF ENFIELD - COMBINED                | 0.5    | 52   | 11.1         | 25   | 6.0            | 98   | 2.5          | 4    |
| ENVIRONMENT AGENCY-ACTIVE FUND          | 0.5    | 52   | 2.0          | 76   | 10.8           | 51   | 2.5          | 4    |
| WEST MIDLANDS PENSION FUND              | 1.4    | 31   | 11.1         | 25   | 11.3           | 42   | 2.4          | 5    |
| ENVIRONMENT AGENCY -CLOSED FUND         | 0.4    | 58   | 0.0          | 82   | -              | -    | 2.3          | 6    |
| ESSEX COUNTY COUNCIL                    | 21.3   | 1    | 19.6         | 6    | 6.9            | 97   | 2.2          | 7    |
| THE STRATHCLYDE FUND                    | 2.2    | 18   | 15.8         | 12   | 15.8           | 1    | 2.2          | 7    |
| CUMBRIA COUNTY COUNCIL                  | 4.4    | 12   | 9.9          | 34   | 10.9           | 48   | 2.1          | 10   |
| LONDON BOROUGH OF BEXLEY                | 0.7    | 45   | 9.8          | 35   | 10.9           | 48   | 1.9          | 11   |
| LONDON BOROUGH OF CROYDON               | 0.2    | 74   | 10.9         | 28   | 11.8           | 32   | 1.9          | 11   |
| WARWICKSHIRE COUNTY COUNCIL             | -1.3   | 93   | 3.9          | 64   | 12.2           | 20   | 1.9          | 11   |
| RB OF KENSINGTON & CHELSEA PENSION FUND | 1.8    | 24   | 15.2         | 15   | 10.6           | 55   | 1.8          | 13   |
| LONDON BOROUGH OF HILLINGDON            | 3.3    | 13   | 7.7          | 46   | 15.1           | 2    | 1.7          | 14   |
| RHONDDA CYNON TAFF C.C.                 | 0.3    | 69   | -            | -    | 12.1           | 23   | 1.7          | 14   |
| EAST SUSSEX COUNTY COUNCIL              | 1.0    | 35   | 11.1         | 25   | 11.2           | 42   | 1.6          | 18   |
| CYNGOR GWYNEDD C.C. SUP'N FUND          | 0.5    | 52   | 20.7         | 4    | 12.1           | 23   | 1.3          | 20   |
| KENT COUNTY COUNCIL INC GTAA            | 0.3    | 69   | 10.5         | 32   | 11.8           | 32   | 1.2          | 21   |
| MERSEYSIDE PENSION FUND                 | 1.6    | 26   | 5.7          | 59   | 10.6           | 55   | 1.2          | 21   |
| LONDON BOROUGH OF BARKING               | n/a    | -    | 3.8          | 67   | 8.7            | 84   | 1.1          | 24   |
| SHETLAND ISLANDS SUPERANNUATION         | 1.7    | 25   | -            | -    | 11.6           | 34   | 1.0          | 26   |
| LONDON BOROUGH OF SOUTHWARK             | 0.6    | 47   | -            | -    | 11.5           | 35   | 0.9          | 27   |
| LONDON BOROUGH OF HARINGEY              | -1.5   | 96   | 8.6          | 43   | 10.8           | 51   | 0.9          | 27   |
| SCOTTISH BORDERS COUNCIL                | 0.4    | 58   | -1.6         | 85   | 10.7           | 53   | 0.9          | 27   |
| STRATHCLYDE NO. 3 ACCOUNT               | 0.6    | 47   | -            | -    | 0.0            | 100  | 0.8          | 30   |
| LONDON BOROUGH OF LEWISHAM              | 1.9    | 21   | 3.9          | 64   | 15.1           | 2    | 0.7          | 31   |
| SUFFOLK COUNTY COUNCIL                  | 1.3    | 31   | 4.9          | 62   | 10.6           | 55   | 0.7          | 31   |
| LEICESTERSHIRE COUNTY COUNCIL           | 0.8    | 40   | -1.8         | 87   | 12.7           | 16   | 0.6          | 33   |
| POWYS C.C. SUPERANNUATION FUND          | 0.4    | 58   | 0.8          | 79   | 7.2            | 96   | 0.5          | 34   |

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Reporting Currency: STERLING

| CATEGORY                         | CASH   |      | ALTERNATIVES |      | TOTAL PROPERTY |      | TOTAL ASSETS |      |
|----------------------------------|--------|------|--------------|------|----------------|------|--------------|------|
|                                  | RETURN | RANK | RETURN       | RANK | RETURN         | RANK | RETURN       | RANK |
| EAST RIDING PENSION FUND         | 1.3    | 31   | 6.0          | 54   | 10.5           | 61   | 0.5          | 34   |
| SOUTH YORKSHIRE PENSIONS AUTH.   | 0.4    | 58   | 8.8          | 40   | 8.0            | 92   | 0.5          | 34   |
| NORTH YORKSHIRE COUNTY COUNCIL   | 2.6    | 17   | -0.5         | 84   | 12.1           | 23   | 0.4          | 39   |
| LINCOLNSHIRE COUNTY COUNCIL      | 0.0    | 79   | 0.9          | 78   | 8.6            | 85   | 0.3          | 40   |
| STH YORKS PASSENGER TRANSPORT    | 1.0    | 35   | -            | -    | 14.6           | 6    | 0.1          | 41   |
| LONDON BOROUGH OF BROMLEY SUPN.  | 12.1   | 2    | -            | -    | -              | -    | 0.1          | 41   |
| DORSET COUNTY SUPN. FUND         | 5.5    | 7    | 19.0         | 7    | 12.4           | 18   | 0.1          | 41   |
| CARMARTHENSHIRE COUNTY COUNCIL   | n/a    | -    | -            | -    | 10.5           | 61   | 0.0          | 44   |
| LONDON BOROUGH OF ISLINGTON      | -0.1   | 85   | 3.0          | 75   | 11.9           | 28   | -0.1         | 46   |
| NORTHAMPTONSHIRE C.C.            | 0.2    | 74   | 15.3         | 14   | 11.9           | 28   | -0.1         | 46   |
| FLINTSHIRE C.C.                  | 0.3    | 69   | 6.0          | 54   | 11.2           | 42   | -0.1         | 46   |
| NORFOLK COUNTY COUNCIL           | 4.7    | 8    | 3.8          | 67   | 9.8            | 71   | -0.1         | 46   |
| LONDON BORO HAMMERSMITH FULHAM   | -1.2   | 91   | 3.2          | 71   | -              | -    | -0.2         | 49   |
| BEDFORDSHIRE COUNTY COUNCIL      | 8.5    | 4    | -10.4        | 98   | 10.3           | 66   | -0.2         | 49   |
| AVON PENSION FUND                | 0.2    | 74   | 0.5          | 81   | 8.3            | 91   | -0.2         | 49   |
| LONDON BOROUGH OF RICHMOND       | 0.3    | 69   | -            | -    | 12.3           | 19   | -0.2         | 49   |
| LONDON BOROUGH OF REDBRIDGE      | 5.3    | 7    | -6.9         | 96   | 10.6           | 55   | -0.3         | 55   |
| BUCKINGHAMSHIRE C C SUPN         | 9.4    | 3    | 3.3          | 70   | 11.2           | 42   | -0.3         | 55   |
| ISLE OF WIGHT COUNTY COUNCIL     | 0.1    | 78   | -            | -    | 12.2           | 20   | -0.3         | 55   |
| WEST YORKSHIRE PENSION FUND      | 0.8    | 40   | 10.6         | 29   | 9.6            | 76   | -0.3         | 55   |
| NOTTINGHAMSHIRE CC               | -1.7   | 97   | 13.7         | 20   | 11.1           | 47   | -0.3         | 55   |
| SOMERSET COUNTY COUNCIL          | 6.1    | 6    | 7.6          | 48   | 9.1            | 82   | -0.4         | 61   |
| SURREY COUNTY COUNCIL            | 2.0    | 19   | 17.4         | 9    | 13.5           | 12   | -0.5         | 62   |
| DEVON COUNTY COUNCIL             | 0.4    | 58   | 8.8          | 40   | 11.5           | 35   | -0.5         | 62   |
| WEST SUSSEX CC                   | 0.0    | 79   | 7.4          | 50   | 9.7            | 74   | -0.5         | 62   |
| ORKNEY ISLANDS COUNCIL           | 1.0    | 35   | -            | -    | -              | -    | -0.6         | 65   |
| ROYAL BOROUGH OF KINGSTON        | 2.7    | 15   | -            | -    | 10.5           | 61   | -0.6         | 65   |
| OXFORDSHIRE COUNTY COUNCIL       | 3.2    | 14   | 9.8          | 35   | 13.9           | 11   | -0.6         | 65   |
| DERBYSHIRE COUNTY COUNCIL        | 0.8    | 40   | 14.2         | 18   | 14.6           | 6    | -0.7         | 69   |
| GREATER MANCHESTER PF-DESIGNATED | -1.2   | 91   | -            | -    | -              | -    | -0.7         | 69   |
| NORTHUMBERLAND C.C. PENS. FUND   | 0.0    | 79   | 9.4          | 39   | 11.4           | 38   | -0.7         | 69   |

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| CATEGORY                                | CASH   |      | ALTERNATIVES |      | TOTAL PROPERTY |      | TOTAL ASSETS |      |
|---|--------|------|--------------|------|----------------|------|--------------|------|
|   | RETURN | RANK | RETURN       | RANK | RETURN         | RANK | RETURN       | RANK |
| LONDON BOROUGH OF GREENWICH COMB        | 0.5    | 52   | -3.4         | 93   | 13.0           | 15   | -0.7         | 69   |
| GREATER MANCHESTER P.F. - MAIN          | 0.8    | 40   | 10.6         | 29   | 10.2           | 70   | -0.8         | 73   |
| LONDON BOROUGH OF BARNET                | 0.6    | 47   | -            | -    | -              | -    | -0.9         | 74   |
| LONDON BOROUGH OF HAVERING              | 0.7    | 45   | -1.8         | 87   | 11.4           | 38   | -1.0         | 75   |
| LONDON BOROUGH OF WANDSWORTH            | 1.0    | 35   | -            | -    | 8.6            | 85   | -1.1         | 77   |
| WILTSHIRE COUNTY COUNCIL                | 1.9    | 21   | 5.1          | 60   | 12.5           | 17   | -1.2         | 78   |
| LONDON BOROUGH OF TOWER HAMLETS         | 1.6    | 26   | -            | -    | 11.2           | 42   | -1.3         | 79   |
| LONDON BOROUGH OF EALING                | 2.0    | 19   | -            | -    | 8.0            | 92   | -1.5         | 81   |
| GLOUCESTERSHIRE COUNTY COUNCIL          | 0.4    | 58   | 6.5          | 53   | 11.9           | 28   | -1.6         | 82   |
| LONDON BOROUGH OF CAMDEN                | -1.0   | 90   | -2.2         | 90   | 14.5           | 8    | -1.6         | 82   |
| CARDIFF & VALE OF GLAMORGAN P.F.        | n/a    | -    | 10.7         | 28   | 9.7            | 74   | -1.7         | 84   |
| CORPORATION OF LONDON PENSION           | 0.0    | 79   | n/a          | -    | -              | -    | -1.7         | 84   |
| CITY AND COUNTY OF SWANSEA              | -0.5   | 87   | 3.2          | 71   | 14.0           | 1    | -1.7         | 84   |
| LONDON BOROUGH OF MERTON                | 1.6    | 26   | -            | -    | 10.5           | 61   | -1.8         | 88   |
| LONDON BOROUGH OF HARROW                | 0.0    | 79   | 18.6         | 7    | 9.3            | 80   | -1.9         | 89   |
| WORCESTERSHIRE CC PEN FUND              | n/a    | -    | n/a          | -    | n/a            | -    | -2.0         | 90   |
| DUMFRIES & GALLOWAY COUNCIL             | 0.0    | 79   | -            | -    | 10.3           | 66   | -2.0         | 90   |
| LONDON BOROUGH OF HACKNEY               | -1.9   | 98   | -            | -    | 13.2           | 14   | -2.0         | 90   |
| TORFAEN COUNTY BOROUGH COUNCIL          | 0.4    | 58   | -2.9         | 92   | 11.4           | 38   | -2.2         | 93   |
| TEESSIDE PENSION FUND                   | 0.4    | 58   | -6.2         | 95   | 9.8            | 71   | -2.3         | 94   |
| CAMBRIDGESHIRE COUNTY COUNCIL           | 4.7    | 8    | 16.2         | 10   | 10.6           | 55   | -2.4         | 95   |
| CORNWALL COUNTY COUNCIL                 | 1.5    | 30   | -0.2         | 82   | 9.6            | 76   | -2.6         | 96   |
| CITY OF WESTMINSTER SUPERANNUATION FUNC | -1.3   | 93   | -            | -    | 9.6            | 76   | -2.8         | 97   |
| LONDON BOROUGH OF HOUNSLOW              | 0.6    | 47   | 6.0          | 54   | 12.1           | 23   | -2.9         | 98   |
| LONDON BOROUGH OF WALTHAM FOREST        | 0.0    | 79   | 1.5          | 78   | 9.1            | 82   | -3.6         | 99   |
| LONDON BOROUGH OF BRENT                 | 4.1    | 13   | -17.1        | 100  | 13.7           | 12   | -4.6         | 100  |

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Asset Distribution

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Reporting Currency: STERLING

| CATEGORY                                | UK EQUITIES |        | OVERSEAS EQUITIES |        | GLOBAL POOLED INC. UK EQUITIES |        | POOLED MULTI-ASSET |        |
|---|-------------|--------|-------------------|--------|--------------------------------|--------|--------------------|--------|
|   | Mar-15      | Mar-16 | Mar-15            | Mar-16 | Mar-15                         | Mar-16 | Mar-15             | Mar-16 |
| Weighted Average                        | 21.3        | 20.0   | 33.6              | 32.5   | 6.8                            | 7.6    | 2.8                | 2.8    |
| Median                                  | 22.0        | 20.5   | 28.5              | 27.3   | -                              | 6.9    | -                  | -      |
| LANCASHIRE COUNTY COUNCIL               | 3.8         | 3.4    | 40.3              | 39.1   | -                              | -      | 2.6                | 2.1    |
| LONDON BOROUGH OF NEWHAM                | 15.8        | 11.0   | 48.9              | 46.2   | -                              | -      | -                  | -      |
| LB OF ENFIELD - COMBINED                | -           | -      | -                 | -      | 38.7                           | 37.0   | -                  | -      |
| ENVIRONMENT AGENCY-ACTIVE FUND          | 32.5        | 6.6    | 28.5              | 43.7   | -                              | -      | -                  | -      |
| WEST MIDLANDS PENSION FUND              | 9.3         | 7.8    | 30.7              | 33.9   | 7.5                            | 7.1    | -                  | -      |
| ENVIRONMENT AGENCY -CLOSED FUND         | -           | -      | -                 | -      | -                              | -      | -                  | -      |
| ESSEX COUNTY COUNCIL                    | 8.7         | 7.7    | 53.9              | 54.6   | -                              | -      | -                  | -      |
| THE STRATHCLYDE FUND                    | 19.4        | 17.7   | 47.2              | 46.4   | -                              | -      | -                  | -      |
| CUMBRIA COUNTY COUNCIL                  | 19.1        | 14.9   | 27.5              | 29.3   | -                              | 6.9    | 6.9                | -      |
| LONDON BOROUGH OF BEXLEY                | 14.3        | 18.5   | 46.0              | 39.7   | -                              | -      | 10.0               | 9.4    |
| LONDON BOROUGH OF CROYDON               | -           | -      | -                 | -      | 56.6                           | 58.1   | -                  | -      |
| WARWICKSHIRE COUNTY COUNCIL             | 31.4        | 31.4   | 27.9              | 25.4   | -                              | -      | -                  | -      |
| RB OF KENSINGTON & CHELSEA PENSION FUND | 5.4         | 2.8    | 67.0              | 69.3   | -                              | -      | 11.2               | 11.2   |
| LONDON BOROUGH OF HILLINGDON            | 22.5        | 21.4   | 33.3              | 33.0   | -                              | -      | -                  | -      |
| RHONDDA CYNON TAFF C.C.                 | 20.9        | 20.5   | 47.9              | 48.5   | -                              | -      | -                  | -      |
| EAST SUSSEX COUNTY COUNCIL              | 11.5        | 10.4   | 20.7              | 13.9   | 16.9                           | 23.9   | 17.6               | 17.7   |
| CYNGOR GWYNEDD C.C. SUP'N FUND          | 16.7        | 15.4   | 9.9               | 9.4    | 43.7                           | 42.1   | -                  | -      |
| KENT COUNTY COUNCIL INC GTAA            | 31.5        | 29.4   | 25.0              | 25.3   | 10.2                           | 10.3   | -                  | -      |
| MERSEYSIDE PENSION FUND                 | 21.8        | 20.5   | 33.1              | 31.8   | -                              | -      | -                  | -      |
| LONDON BOROUGH OF BARKING               | -           | -      | -                 | 0.7    | 48.9                           | 47.0   | -                  | -      |
| SHETLAND ISLANDS SUPERANNUATION         | 19.1        | 17.8   | 21.9              | 21.2   | 19.6                           | 19.5   | 19.2               | 19.5   |
| LONDON BOROUGH OF SOUTHWARK             | 4.9         | 4.4    | 59.6              | 49.2   | -                              | -      | -                  | 9.4    |
| LONDON BOROUGH OF HARINGEY              | 16.1        | 15.5   | 50.1              | 48.4   | -                              | -      | -                  | -      |
| SCOTTISH BORDERS COUNCIL                | 19.2        | 18.6   | -                 | -      | 46.7                           | 46.8   | -                  | -      |
| STRATHCLYDE NO. 3 ACCOUNT               | 22.0        | 21.1   | 5.3               | 5.3    | -                              | -      | -                  | -      |
| LONDON BOROUGH OF LEWISHAM              | 18.6        | 18.3   | 45.7              | 45.7   | -                              | -      | -                  | -      |
| SUFFOLK COUNTY COUNCIL                  | 17.5        | 17.2   | 24.7              | 23.3   | 10.1                           | 9.6    | -                  | -      |
| LEICESTERSHIRE COUNTY COUNCIL           | 12.1        | 8.3    | 29.9              | 32.9   | 8.1                            | 7.9    | 6.7                | 6.6    |
| POWYS C.C. SUPERANNUATION FUND          | 1.7         | 1.1    | 34.5              | 30.6   | 15.3                           | 15.3   | -                  | -      |

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| CATEGORY                         | UK EQUITIES |        | OVERSEAS EQUITIES |        | GLOBAL POOLED INC. UK EQUITIES |        | POOLED MULTI-ASSET |        |
|----------------------------------|-------------|--------|-------------------|--------|--------------------------------|--------|--------------------|--------|
|                                  | Mar-15      | Mar-16 | Mar-15            | Mar-16 | Mar-15                         | Mar-16 | Mar-15             | Mar-16 |
| EAST RIDING PENSION FUND         | 37.4        | 33.7   | 27.0              | 25.9   | -                              | -      | -                  | -      |
| SOUTH YORKSHIRE PENSIONS AUTH.   | 19.1        | 17.5   | 41.2              | 40.6   | -                              | -      | -                  | -      |
| NORTH YORKSHIRE COUNTY COUNCIL   | 13.8        | 10.8   | 18.4              | 11.2   | 28.6                           | 40.3   | 8.3                | 10.2   |
| LINCOLNSHIRE COUNTY COUNCIL      | 19.9        | 19.2   | 20.8              | 21.0   | 20.7                           | 20.8   | -                  | -      |
| STH YORKS PASSENGER TRANSPORT    | 15.6        | 14.6   | 26.2              | 23.7   | -                              | -      | -                  | -      |
| LONDON BOROUGH OF BROMLEY SUPN.  | 2.3         | 1.9    | 30.7              | 30.7   | 40.2                           | 40.4   | 10.1               | 9.8    |
| DORSET COUNTY SUPN. FUND         | 26.8        | 27.4   | 27.0              | 25.5   | -                              | -      | 4.8                | 4.7    |
| NORTHAMPTONSHIRE C.C.            | 24.3        | 23.8   | 25.5              | 25.3   | 20.5                           | 20.9   | -                  | -      |
| LONDON BOROUGH OF ISLINGTON      | 32.5        | 24.2   | 27.7              | 18.6   | -                              | 6.9    | -                  | 9.0    |
| FLINTSHIRE C.C.                  | 23.4        | 22.1   | -                 | -      | 42.4                           | 42.6   | 7.7                | 7.6    |
| CHESHIRE COUNTY COUNCIL          | -           | -      | 6.8               | 7.5    | 11.1                           | 7.6    | 4.4                | 12.0   |
| NORFOLK COUNTY COUNCIL           | 17.0        | 16.7   | 27.9              | 27.3   | 9.5                            | 9.2    | -                  | -      |
| LONDON BORO HAMMERSMITH FULHAM   | 25.4        | 47.4   | 31.2              | 27.4   | -                              | -      | -                  | -      |
| BEDFORDSHIRE COUNTY COUNCIL      | 25.0        | 23.4   | 31.8              | 32.1   | -                              | -      | 5.9                | 6.0    |
| AVON PENSION FUND                | 15.2        | 13.5   | 33.5              | 29.3   | 6.7                            | 6.7    | 9.6                | 9.6    |
| LONDON BOROUGH OF RICHMOND       | 23.1        | 22.8   | 36.2              | 35.3   | -                              | -      | 13.6               | 13.4   |
| LONDON BOROUGH OF REDBRIDGE      | 23.8        | 42.7   | 27.9              | 17.7   | 0.3                            | 6.7    | -                  | -      |
| BUCKINGHAMSHIRE C C SUPN         | 11.2        | 10.7   | 12.4              | 12.0   | 7.9                            | 7.7    | 28.2               | 27.7   |
| ISLE OF WIGHT COUNTY COUNCIL     | 23.8        | 21.7   | -                 | -      | 35.6                           | 36.6   | 14.9               | 14.7   |
| WEST YORKSHIRE PENSION FUND      | 34.5        | 33.0   | 35.3              | 35.6   | -                              | -      | -                  | -      |
| NOTTINGHAMSHIRE CC               | 33.0        | 31.1   | 37.6              | 35.2   | -                              | -      | -                  | -      |
| SOMERSET COUNTY COUNCIL          | 23.9        | 22.8   | 21.3              | 21.1   | 25.3                           | 24.1   | -                  | -      |
| SURREY COUNTY COUNCIL            | 28.6        | 27.6   | 34.3              | 33.9   | -                              | -      | 9.4                | 9.7    |
| DEVON COUNTY COUNCIL             | 24.8        | 24.1   | 28.7              | 24.4   | 5.6                            | 7.9    | 14.7               | 14.5   |
| WEST SUSSEX CC                   | 9.0         | 8.5    | 59.4              | 58.8   | -                              | -      | -                  | -      |
| ORKNEY ISLANDS COUNCIL           | 24.5        | 23.3   | 48.8              | 46.4   | -                              | -      | 11.0               | 11.8   |
| ROYAL BOROUGH OF KINGSTON        | 1.9         | 1.7    | 25.8              | 25.1   | 32.7                           | 32.3   | 22.7               | 22.0   |
| OXFORDSHIRE COUNTY COUNCIL       | 28.2        | 27.1   | 19.6              | 18.8   | 13.9                           | 13.2   | 4.6                | 4.3    |
| DERBYSHIRE COUNTY COUNCIL        | 32.4        | 31.0   | 35.7              | 34.9   | -                              | -      | -                  | -      |
| GREATER MANCHESTER PF-DESIGNATED | -           | -      | -                 | -      | -                              | -      | -                  | -      |
| NORTHUMBERLAND C.C. PENS. FUND   | 23.8        | 25.1   | 27.4              | 28.6   | 11.5                           | 11.4   | -                  | -      |



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| CATEGORY                                | UK EQUITIES |        | OVERSEAS EQUITIES |        | GLOBAL POOLED INC. UK EQUITIES |        | POOLED MULTI-ASSET |        |
|---|-------------|--------|-------------------|--------|--------------------------------|--------|--------------------|--------|
|   | Mar-15      | Mar-16 | Mar-15            | Mar-16 | Mar-15                         | Mar-16 | Mar-15             | Mar-16 |
| LONDON BOROUGH OF GREENWICH COMB        | 29.2        | 28.1   | 34.8              | 34.5   | -                              | -      | -                  | -      |
| GREATER MANCHESTER P.F. - MAIN          | 22.7        | 23.2   | 39.6              | 38.7   | 4.5                            | 3.7    | -                  | -      |
| LONDON BOROUGH OF BARNET                | -           | 1.3    | 5.7               | 17.7   | -                              | 18.8   | 61.0               | 28.8   |
| LONDON BOROUGH OF HAVERING              | 0.0         | 0.0    | -                 | -      | 27.4                           | 29.4   | 13.4               | 13.2   |
| LONDON BOROUGH OF WANDSWORTH            | 32.1        | 30.1   | 25.1              | 12.3   | 17.5                           | 32.5   | -                  | -      |
| WILTSHIRE COUNTY COUNCIL                | 26.0        | 16.5   | 16.6              | 24.2   | 19.9                           | 19.4   | 10.7               | 10.4   |
| LONDON BOROUGH OF TOWER HAMLETS         | 22.3        | 20.7   | 21.3              | 20.0   | 19.1                           | 18.6   | 8.9                | 9.8    |
| LONDON BOROUGH OF EALING                | 41.3        | 34.3   | 24.5              | -      | -                              | 29.5   | -                  | -      |
| GLOUCESTERSHIRE COUNTY COUNCIL          | 18.9        | 18.4   | 3.4               | 3.8    | 44.0                           | 42.7   | 4.6                | 4.5    |
| LONDON BOROUGH OF CAMDEN                | 31.7        | 23.0   | 27.8              | 24.9   | -                              | 10.6   | 8.8                | 8.6    |
| CARDIFF & VALE OF GLAMORGAN P.F.        | 35.6        | 34.8   | 36.6              | 36.2   | -                              | -      | -                  | -      |
| CORPORATION OF LONDON PENSION           | 20.2        | 18.7   | -                 | -      | 46.1                           | 43.2   | 33.6               | 34.2   |
| CITY AND COUNTY OF SWANSEA              | 32.4        | 30.7   | 39.9              | 39.5   | -                              | -      | -                  | -      |
| LONDON BOROUGH OF MERTON                | 42.9        | 42.0   | 29.7              | 29.0   | -                              | -      | -                  | -      |
| LONDON BOROUGH OF HARROW                | -           | -      | 11.4              | 10.8   | 55.4                           | 55.4   | 8.8                | 8.5    |
| WORCESTERSHIRE CC PEN FUND              | 35.9        | 28.6   | 44.9              | 43.9   | 12.4                           | 12.5   | -                  | -      |
| DUMFRIES & GALLOWAY COUNCIL             | 28.7        | 28.0   | -                 | -      | 36.3                           | 35.0   | 9.6                | 9.7    |
| LONDON BOROUGH OF HACKNEY               | 26.9        | 23.4   | -                 | 4.7    | 38.1                           | 31.2   | 7.6                | 11.9   |
| TORFAEN COUNTY BOROUGH COUNCIL          | 35.2        | 34.6   | 34.3              | 35.5   | 9.0                            | 6.9    | -                  | -      |
| TEESSIDE PENSION FUND                   | 36.8        | 35.7   | 46.9              | 48.1   | -                              | -      | -                  | -      |
| CAMBRIDGESHIRE COUNTY COUNCIL           | 26.2        | 21.7   | 28.2              | 4.1    | 14.1                           | 40.3   | -                  | -      |
| CORNWALL COUNTY COUNCIL                 | 2.3         | 2.2    | 27.6              | 28.2   | -                              | -      | 0.5                | 0.4    |
| CITY OF WESTMINSTER SUPERANNUATION FUND | 65.5        | 62.3   | 10.0              | 10.8   | -                              | -      | -                  | -      |
| LONDON BOROUGH OF HOUNSLOW              | 29.2        | 28.2   | 35.5              | 32.4   | 2.9                            | 3.6    | 4.0                | 4.1    |
| LONDON BOROUGH OF WALTHAM FOREST        | 40.5        | 39.7   | -                 | -      | 28.2                           | 24.4   | -                  | -      |
| LONDON BOROUGH OF BRENT                 | 17.8        | 16.8   | 31.1              | 29.7   | -                              | -      | 10.5               | 10.2   |

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| CATEGORY                                | UK BONDS |        | OVERSEAS BONDS |        | TOTAL INDEX-LINKED BONDS |        | POOLED BONDS |        |
|---|----------|--------|----------------|--------|--------------------------|--------|--------------|--------|
|   | Mar-15   | Mar-16 | Mar-15         | Mar-16 | Mar-15                   | Mar-16 | Mar-15       | Mar-16 |
| Weighted Average                        | 9.2      | 8.6    | 2.6            | 2.2    | 4.2                      | 4.1    | 1.1          | 1.5    |
| Median                                  | 9.7      | 8.9    | 0.1            | -      | 2.5                      | 2.2    | -            | -      |
| LANCASHIRE COUNTY COUNCIL               | 3.6      | 3.2    | 19.2           | 11.2   | 5.5                      | 0.9    | -            | -      |
| LONDON BOROUGH OF NEWHAM                | 12.1     | 0.2    | 0.4            | 10.9   | -                        | -      | -            | -      |
| LB OF ENFIELD - COMBINED                | 14.2     | 14.0   | 1.8            | 1.8    | 8.4                      | 8.3    | -            | -      |
| ENVIRONMENT AGENCY-ACTIVE FUND          | 19.2     | 24.7   | 0.0            | -      | 9.7                      | 9.7    | -            | -      |
| WEST MIDLANDS PENSION FUND              | 9.1      | 9.8    | 2.6            | 2.6    | 6.2                      | 5.5    | -            | -      |
| ENVIRONMENT AGENCY -CLOSED FUND         | -        | -      | -              | -      | 94.1                     | 93.5   | -            | -      |
| ESSEX COUNTY COUNCIL                    | 4.8      | 4.8    | 6.0            | 6.2    | 4.4                      | 2.8    | -            | -      |
| THE STRATHCLYDE FUND                    | 10.9     | 10.7   | 0.0            | 0.0    | 1.4                      | 1.4    | -            | -      |
| CUMBRIA COUNTY COUNCIL                  | 7.4      | 7.4    | 0.2            | 0.6    | 18.6                     | 18.7   | -            | -      |
| LONDON BOROUGH OF BEXLEY                | -        | -      | -              | -      | -                        | -      | 8.5          | 8.2    |
| LONDON BOROUGH OF CROYDON               | -        | -      | -              | -      | -                        | -      | 21.1         | 21.0   |
| WARWICKSHIRE COUNTY COUNCIL             | 17.7     | 17.8   | -              | -      | -                        | -      | -            | -      |
| RB OF KENSINGTON & CHELSEA PENSION FUND | -        | -      | -              | -      | -                        | -      | -            | -      |
| LONDON BOROUGH OF HILLINGDON            | 6.8      | 7.0    | 5.9            | 2.1    | 4.2                      | 6.4    | -            | -      |
| RHONDDA CYNON TAFF C.C.                 | 19.8     | 18.7   | 1.8            | 2.2    | -                        | 0.1    | -            | -      |
| EAST SUSSEX COUNTY COUNCIL              | 4.6      | 4.4    | -              | -      | 5.3                      | 5.3    | -            | -      |
| CYNGOR GWYNEDD C.C. SUP'N FUND          | 13.3     | 13.1   | -              | -      | -                        | -      | -            | -      |
| KENT COUNTY COUNCIL INC GTAA            | 2.8      | -      | 2.5            | 5.0    | -                        | -      | 7.2          | 7.2    |
| MERSEYSIDE PENSION FUND                 | 7.4      | 7.6    | -              | -      | 9.3                      | 8.9    | -            | -      |
| LONDON BOROUGH OF BARKING               | 4.4      | 4.4    | -              | -      | -                        | -      | 9.2          | 8.1    |
| SHETLAND ISLANDS SUPERANNUATION         | -        | -      | -              | -      | -                        | -      | 9.3          | 9.0    |
| LONDON BOROUGH OF SOUTHWARK             | 12.5     | -      | 0.7            | 0.5    | 7.6                      | 9.6    | -            | 9.4    |
| LONDON BOROUGH OF HARINGEY              | 14.2     | 14.6   | -              | -      | -                        | -      | -            | -      |
| SCOTTISH BORDERS COUNCIL                | 3.4      | 3.4    | -              | -      | -                        | -      | 7.3          | 7.4    |
| STRATHCLYDE NO. 3 ACCOUNT               | 16.2     | 16.0   | 46.5           | 48.0   | -                        | -      | -            | -      |
| LONDON BOROUGH OF LEWISHAM              | 12.6     | 12.9   | -              | -      | 5.8                      | 5.9    | -            | -      |
| SUFFOLK COUNTY COUNCIL                  | 14.0     | -      | 1.9            | 2.0    | 4.2                      | 4.0    | -            | 15.8   |
| LEICESTERSHIRE COUNTY COUNCIL           | 3.0      | 3.8    | 2.4            | 2.5    | 7.3                      | 7.4    | 3.7          | 4.1    |
| POWYS C.C. SUPERANNUATION FUND          | 9.0      | 10.1   | -              | -      | 12.2                     | 13.2   | 7.1          | 3.1    |

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| CATEGORY                         | UK BONDS |        | OVERSEAS BONDS |        | TOTAL INDEX-LINKED BONDS |        | POOLED BONDS |        |
|----------------------------------|----------|--------|----------------|--------|--------------------------|--------|--------------|--------|
|                                  | Mar-15   | Mar-16 | Mar-15         | Mar-16 | Mar-15                   | Mar-16 | Mar-15       | Mar-16 |
| EAST RIDING PENSION FUND         | 4.3      | 4.4    | 4.5            | 5.7    | 0.7                      | 0.6    | -            | -      |
| SOUTH YORKSHIRE PENSIONS AUTH.   | 5.0      | 5.0    | 2.6            | 2.8    | 11.5                     | 11.7   | 1.4          | 1.4    |
| NORTH YORKSHIRE COUNTY COUNCIL   | 17.3     | 14.2   | -              | -      | -                        | -      | -            | -      |
| LINCOLNSHIRE COUNTY COUNCIL      | 3.3      | 3.4    | 1.3            | 1.4    | 2.0                      | 2.0    | 6.4          | 6.2    |
| STH YORKS PASSENGER TRANSPORT    | 16.3     | 17.2   | -              | -      | 37.5                     | 42.7   | -            | -      |
| LONDON BOROUGH OF BROMLEY SUPN.  | 15.9     | 15.2   | -              | 0.8    | -                        | -      | -            | -      |
| DORSET COUNTY SUPN. FUND         | 24.2     | 23.0   | -              | -      | -                        | -      | -            | -      |
| NORTHAMPTONSHIRE C.C.            | 9.7      | 9.4    | -              | -      | 9.7                      | 9.4    | -            | -      |
| LONDON BOROUGH OF ISLINGTON      | 20.5     | 20.6   | -              | -      | -                        | -      | -            | -      |
| FLINTSHIRE C.C.                  | 15.0     | 9.3    | -              | -      | 3.0                      | 9.0    | -            | -      |
| DERBYSHIRE COUNTY COUNCIL        | -        | -      | -              | -      | -                        | -      | 36.4         | 35.2   |
| NORFOLK COUNTY COUNCIL           | 8.6      | 8.4    | -              | -      | 2.0                      | 2.2    | -            | 2.1    |
| LONDON BORO HAMMERSMITH FULHAM   | 8.6      | 1.5    | 1.8            | 9.9    | 16.1                     | 0.5    | -            | -      |
| BEDFORDSHIRE COUNTY COUNCIL      | 12.0     | 11.4   | -              | -      | 6.2                      | 5.5    | 8.1          | 9.6    |
| AVON PENSION FUND                | 11.6     | 9.4    | 3.0            | -      | 6.2                      | 11.5   | -            | -      |
| LONDON BOROUGH OF RICHMOND       | 16.5     | 16.3   | -              | -      | -                        | -      | -            | -      |
| LONDON BOROUGH OF REDBRIDGE      | 27.6     | -      | 4.3            | -      | 0.5                      | 11.9   | -            | -      |
| BUCKINGHAMSHIRE C C SUPN         | 10.8     | 11.1   | -              | -      | 4.0                      | 4.1    | -            | -      |
| ISLE OF WIGHT COUNTY COUNCIL     | 20.0     | 20.5   | -              | -      | -                        | -      | -            | -      |
| WEST YORKSHIRE PENSION FUND      | 8.1      | 8.1    | 2.5            | 2.6    | 4.5                      | 4.5    | -            | -      |
| NOTTINGHAMSHIRE CC               | 9.9      | 10.1   | 0.4            | 0.4    | -                        | -      | -            | -      |
| SOMERSET COUNTY COUNCIL          | 10.8     | 11.3   | 2.8            | 2.7    | 4.1                      | 4.1    | -            | -      |
| SURREY COUNTY COUNCIL            | 7.8      | 8.1    | 2.9            | 2.8    | 5.1                      | 5.2    | -            | -      |
| DEVON COUNTY COUNCIL             | 1.0      | -      | 10.6           | 12.0   | -                        | -      | 0.1          | -      |
| WEST SUSSEX CC                   | 16.1     | 16.1   | -              | -      | -                        | -      | -            | -      |
| ORKNEY ISLANDS COUNCIL           | 7.7      | 7.7    | 3.5            | 3.6    | 3.4                      | 3.4    | -            | -      |
| ROYAL BOROUGH OF KINGSTON        | 9.0      | 8.8    | -              | -      | -                        | -      | 3.7          | 4.8    |
| OXFORDSHIRE COUNTY COUNCIL       | 8.6      | 8.9    | 2.2            | 2.5    | 5.1                      | 5.1    | -            | -      |
| DERBYSHIRE COUNTY COUNCIL        | 10.7     | 11.8   | 0.5            | -      | 7.9                      | 6.8    | -            | 0.3    |
| GREATER MANCHESTER PF-DESIGNATED | -        | -      | -              | -      | 51.3                     | 55.2   | -            | -      |
| NORTHUMBERLAND C.C. PENS. FUND   | -        | -      | 8.9            | 9.2    | 18.2                     | 15.8   | -            | -      |

## Local Authority Annual League Tables

Asset Distribution

Periods to end March 2016  
Reporting Currency: STERLING

| CATEGORY                                | UK BONDS |        | OVERSEAS BONDS |        | TOTAL INDEX-LINKED BONDS |        | POOLED BONDS |        |
|---|----------|--------|----------------|--------|--------------------------|--------|--------------|--------|
|   | Mar-15   | Mar-16 | Mar-15         | Mar-16 | Mar-15                   | Mar-16 | Mar-15       | Mar-16 |
| LONDON BOROUGH OF GREENWICH COMB        | 19.0     | 9.7    | -              | -      | -                        | -      | -            | 9.4    |
| GREATER MANCHESTER P.F. - MAIN          | 9.7      | 9.4    | 3.5            | 2.5    | 4.5                      | 4.6    | -            | -      |
| LONDON BOROUGH OF BARNET                | 31.9     | 22.6   | 0.8            | 0.3    | -                        | -      | -            | 9.9    |
| LONDON BOROUGH OF HAVERING              | 14.4     | 13.1   | 0.2            | 1.8    | 6.2                      | 6.2    | -            | -      |
| LONDON BOROUGH OF WANDSWORTH            | 18.7     | 13.4   | 1.8            | 0.9    | 3.2                      | 1.1    | -            | 8.2    |
| WILTSHIRE COUNTY COUNCIL                | 0.1      | -      | 7.5            | -      | 6.0                      | 16.7   | -            | -      |
| LONDON BOROUGH OF TOWER HAMLETS         | -        | -      | -              | -      | 5.2                      | 5.4    | 8.7          | -      |
| LONDON BOROUGH OF EALING                | 25.6     | 25.5   | -              | -      | -                        | -      | -            | -      |
| GLOUCESTERSHIRE COUNTY COUNCIL          | 9.3      | 9.5    | 2.1            | 2.2    | 5.2                      | 5.5    | 4.3          | 4.6    |
| LONDON BOROUGH OF CAMDEN                | 0.0      | 0.0    | -              | -      | 2.5                      | 2.6    | 9.8          | 10.0   |
| CARDIFF & VALE OF GLAMORGAN P.F.        | 8.9      | 9.9    | 6.0            | 5.3    | -                        | -      | -            | -      |
| CORPORATION OF LONDON PENSION           | -        | -      | -              | -      | -                        | -      | -            | -      |
| CITY AND COUNTY OF SWANSEA              | 3.8      | 3.8    | 1.0            | 1.0    | 1.7                      | 1.8    | 7.3          | 7.5    |
| LONDON BOROUGH OF MERTON                | 6.1      | 6.2    | 5.9            | 6.3    | 12.1                     | 12.3   | -            | -      |
| LONDON BOROUGH OF HARROW                | 10.3     | 10.5   | -              | -      | 2.5                      | 2.7    | -            | -      |
| WORCESTERSHIRE CC PEN FUND              | 6.7      | 6.8    | -              | -      | -                        | -      | -            | -      |
| DUMFRIES & GALLOWAY COUNCIL             | 10.4     | 10.9   | 2.0            | 2.1    | 3.2                      | 3.4    | -            | -      |
| LONDON BOROUGH OF HACKNEY               | 10.7     | 9.9    | 2.1            | 2.9    | 4.3                      | 4.4    | -            | -      |
| TORFAEN COUNTY BOROUGH COUNCIL          | 15.1     | 16.0   | -              | -      | -                        | -      | -            | -      |
| TEESSIDE PENSION FUND                   | 1.6      | 1.7    | 1.8            | 0.8    | 1.7                      | 0.5    | -            | -      |
| CAMBRIDGESHIRE COUNTY COUNCIL           | 12.6     | 9.7    | -              | -      | -                        | 2.7    | 2.3          | 2.4    |
| CORNWALL COUNTY COUNCIL                 | 34.4     | 32.4   | -              | -      | -                        | -      | -            | -      |
| CITY OF WESTMINSTER SUPERANNUATION FUNC | 9.2      | 10.1   | 5.6            | 5.6    | -                        | -      | -            | -      |
| LONDON BOROUGH OF HOUNSLOW              | 13.8     | 16.5   | -              | 0.5    | 5.1                      | 4.6    | -            | -      |
| LONDON BOROUGH OF WALTHAM FOREST        | -        | -      | -              | -      | -                        | -      | 14.6         | 14.5   |
| LONDON BOROUGH OF BRENT                 | -        | -      | -              | -      | -                        | -      | 13.1         | 12.8   |

## Local Authority Annual League Tables

Asset Distribution

Periods to end March 2016  
Reporting Currency: STERLING

| CATEGORY                                | CASH   |        | ALTERNATIVES |        | TOTAL PROPERTY |        |
|---|--------|--------|--------------|--------|----------------|--------|
|   | Mar-15 | Mar-16 | Mar-15       | Mar-16 | Mar-15         | Mar-16 |
| Weighted Average                        | 2.7    | 2.9    | 7.8          | 8.7    | 8.1            | 9.1    |
| Median                                  | 1.8    | 1.8    | 4.1          | 5.1    | 7.8            | 9.1    |
| LANCASHIRE COUNTY COUNCIL               | 1.1    | 3.6    | 11.7         | 20.5   | 12.3           | 16.0   |
| LONDON BOROUGH OF NEWHAM                | 4.6    | 14.4   | 9.1          | 8.7    | 9.3            | 8.5    |
| LB OF ENFIELD - COMBINED                | 6.1    | 4.0    | 24.0         | 27.2   | 6.8            | 7.8    |
| ENVIRONMENT AGENCY-ACTIVE FUND          | 1.4    | 2.1    | 3.9          | 7.1    | 4.7            | 6.1    |
| WEST MIDLANDS PENSION FUND              | 4.8    | 5.2    | 21.5         | 19.8   | 8.3            | 8.4    |
| ENVIRONMENT AGENCY -CLOSED FUND         | 5.9    | 6.5    | -            | -      | -              | -      |
| ESSEX COUNTY COUNCIL                    | 2.5    | 2.9    | 9.3          | 9.9    | 10.8           | 11.5   |
| THE STRATHCLYDE FUND                    | 2.5    | 2.5    | 8.0          | 9.2    | 10.7           | 12.1   |
| CUMBRIA COUNTY COUNCIL                  | 2.2    | 2.3    | 6.9          | 7.8    | 11.1           | 12.1   |
| LONDON BOROUGH OF BEXLEY                | 3.3    | 2.1    | 7.6          | 9.9    | 10.3           | 12.2   |
| LONDON BOROUGH OF CROYDON               | 1.2    | 0.0    | 11.8         | 9.8    | 9.3            | 11.1   |
| WARWICKSHIRE COUNTY COUNCIL             | 1.5    | 0.9    | 11.5         | 13.3   | 10.1           | 11.2   |
| RB OF KENSINGTON & CHELSEA PENSION FUND | 5.9    | 5.7    | 5.5          | 5.8    | 4.9            | 5.1    |
| LONDON BOROUGH OF HILLINGDON            | 3.5    | 2.1    | 12.8         | 14.7   | 11.1           | 13.3   |
| RHONDDA CYNON TAFF C.C.                 | 4.0    | 3.4    | -            | -      | 5.6            | 6.6    |
| EAST SUSSEX COUNTY COUNCIL              | 2.6    | 2.1    | 10.3         | 10.3   | 10.5           | 12.0   |
| CYNGOR GWYNEDD C.C. SUP'N FUND          | 2.4    | 4.5    | 4.3          | 5.1    | 9.7            | 10.5   |
| KENT COUNTY COUNCIL INC GTAA            | 2.0    | 1.5    | 6.3          | 6.9    | 12.5           | 14.5   |
| MERSEYSIDE PENSION FUND                 | 1.5    | 1.7    | 18.7         | 20.8   | 8.1            | 8.7    |
| LONDON BOROUGH OF BARKING               | 0.1    | 0.4    | 30.0         | 31.9   | 7.3            | 7.4    |
| SHETLAND ISLANDS SUPERANNUATION         | 0.1    | 0.1    | -            | -      | 10.7           | 12.8   |
| LONDON BOROUGH OF SOUTHWARK             | 0.7    | 0.7    | -            | -      | 14.0           | 16.8   |
| LONDON BOROUGH OF HARINGEY              | 0.9    | 1.1    | 9.5          | 10.7   | 9.2            | 9.8    |
| SCOTTISH BORDERS COUNCIL                | 1.1    | 0.7    | 17.1         | 17.1   | 5.3            | 6.0    |
| STRATHCLYDE NO. 3 ACCOUNT               | 10.0   | 9.6    | -            | -      | -              | -      |
| LONDON BOROUGH OF LEWISHAM              | 3.2    | 4.6    | 6.1          | 3.3    | 8.0            | 9.4    |
| SUFFOLK COUNTY COUNCIL                  | 1.2    | 1.1    | 16.5         | 15.6   | 10.0           | 11.2   |
| LEICESTERSHIRE COUNTY COUNCIL           | 1.3    | 0.3    | 16.6         | 16.9   | 9.0            | 9.3    |
| POWYS C.C. SUPERANNUATION FUND          | 0.2    | 0.8    | 12.9         | 11.8   | 7.2            | 14.1   |

## Local Authority Annual League Tables

Asset Distribution

Periods to end March 2016  
Reporting Currency: STERLING

| CATEGORY                         | CASH   |        | ALTERNATIVES |        | TOTAL PROPERTY |        |
|----------------------------------|--------|--------|--------------|--------|----------------|--------|
|                                  | Mar-15 | Mar-16 | Mar-15       | Mar-16 | Mar-15         | Mar-16 |
| EAST RIDING PENSION FUND         | 3.4    | 3.6    | 13.4         | 14.6   | 9.1            | 11.5   |
| SOUTH YORKSHIRE PENSIONS AUTH.   | 1.7    | 2.1    | 6.7          | 7.5    | 10.8           | 11.3   |
| NORTH YORKSHIRE COUNTY COUNCIL   | 1.9    | 0.7    | 5.4          | 5.4    | 6.3            | 7.3    |
| LINCOLNSHIRE COUNTY COUNCIL      | 0.4    | 0.3    | 14.2         | 14.3   | 11.0           | 11.5   |
| STH YORKS PASSENGER TRANSPORT    | 0.2    | 0.3    | -            | -      | 4.2            | 1.4    |
| LONDON BOROUGH OF BROMLEY SUPN.  | 0.7    | 1.2    | -            | -      | -              | -      |
| DORSET COUNTY SUPN. FUND         | 3.2    | 4.3    | 4.1          | 4.2    | 9.8            | 10.8   |
| NORTHAMPTONSHIRE C.C.            | 0.5    | 0.1    | -            | -      | 9.8            | 11.1   |
| LONDON BOROUGH OF ISLINGTON      | 1.6    | 1.1    | 3.8          | 3.5    | 13.9           | 16.2   |
| FLINTSHIRE C.C.                  | 0.6    | 0.4    | 0.1          | 0.1    | 7.8            | 9.0    |
| CARMARTHENSHIRE COUNTY COUNCIL   | 3.4    | 1.0    | 28.6         | 26.9   | 9.2            | 9.7    |
| NORFOLK COUNTY COUNCIL           | 6.7    | 1.4    | 16.5         | 19.5   | 11.8           | 13.3   |
| LONDON BORO HAMMERSMITH FULHAM   | 11.0   | 5.8    | 6.0          | 7.5    | -              | -      |
| BEDFORDSHIRE COUNTY COUNCIL      | 0.8    | 0.7    | 0.1          | 0.0    | 10.1           | 11.3   |
| AVON PENSION FUND                | 1.9    | 5.5    | 4.2          | 5.1    | 8.2            | 9.4    |
| LONDON BOROUGH OF RICHMOND       | 1.1    | 1.5    | -            | -      | 9.6            | 10.6   |
| LONDON BOROUGH OF REDBRIDGE      | 5.1    | 0.3    | 1.1          | 11.6   | 9.5            | 9.1    |
| BUCKINGHAMSHIRE C C SUPN         | 1.9    | 1.3    | 16.0         | 16.7   | 7.5            | 8.7    |
| ISLE OF WIGHT COUNTY COUNCIL     | 0.3    | 0.4    | -            | -      | 5.5            | 6.1    |
| WEST YORKSHIRE PENSION FUND      | 2.2    | 1.6    | 8.6          | 9.6    | 4.3            | 4.9    |
| NOTTINGHAMSHIRE CC               | 6.1    | 7.4    | 1.8          | 3.0    | 11.2           | 12.7   |
| SOMERSET COUNTY COUNCIL          | 0.9    | 1.1    | 1.2          | 1.5    | 9.7            | 11.4   |
| SURREY COUNTY COUNCIL            | 2.2    | 1.6    | 3.6          | 4.1    | 6.3            | 7.2    |
| DEVON COUNTY COUNCIL             | 1.6    | 1.8    | 2.8          | 4.2    | 10.1           | 11.1   |
| WEST SUSSEX CC                   | 2.3    | 2.3    | 6.0          | 5.3    | 7.3            | 9.1    |
| ORKNEY ISLANDS COUNCIL           | 1.0    | 3.8    | -            | -      | -              | -      |
| ROYAL BOROUGH OF KINGSTON        | 0.7    | 0.7    | -            | -      | 3.6            | 4.6    |
| OXFORDSHIRE COUNTY COUNCIL       | 2.5    | 2.9    | 9.1          | 9.3    | 6.2            | 7.8    |
| DERBYSHIRE COUNTY COUNCIL        | 6.2    | 5.2    | 1.6          | 3.4    | 4.9            | 6.6    |
| GREATER MANCHESTER PF-DESIGNATED | 48.7   | 44.8   | -            | -      | -              | -      |
| NORTHUMBERLAND C.C. PENS. FUND   | 0.0    | 0.0    | 5.6          | 4.9    | 4.5            | 5.0    |

## Local Authority Annual League Tables

Asset Distribution

Periods to end March 2016  
Reporting Currency: STERLING

| CATEGORY                                | CASH   |        | ALTERNATIVES |        | TOTAL PROPERTY |        |
|---|--------|--------|--------------|--------|----------------|--------|
|   | Mar-15 | Mar-16 | Mar-15       | Mar-16 | Mar-15         | Mar-16 |
| LONDON BOROUGH OF GREENWICH COMB        | 5.1    | 5.1    | 2.1          | 1.8    | 9.8            | 11.4   |
| GREATER MANCHESTER P.F. - MAIN          | 3.9    | 5.1    | 5.9          | 6.9    | 5.7            | 6.0    |
| LONDON BOROUGH OF BARNET                | 0.6    | 0.7    | -            | -      | -              | -      |
| LONDON BOROUGH OF HAVERING              | 3.5    | 3.4    | 30.4         | 27.0   | 4.6            | 5.8    |
| LONDON BOROUGH OF WANDSWORTH            | 1.5    | 1.4    | -            | -      | 0.1            | 0.1    |
| WILTSHIRE COUNTY COUNCIL                | 0.5    | 1.1    | 2.6          | 1.5    | 9.7            | 10.1   |
| LONDON BOROUGH OF TOWER HAMLETS         | 4.1    | 13.7   | -            | -      | 10.5           | 11.8   |
| LONDON BOROUGH OF EALING                | 1.8    | 1.3    | -            | -      | 6.8            | 9.5    |
| GLOUCESTERSHIRE COUNTY COUNCIL          | 0.8    | 0.8    | 0.3          | 0.3    | 7.0            | 7.8    |
| LONDON BOROUGH OF CAMDEN                | 1.2    | 4.2    | 8.8          | 5.1    | 9.3            | 11.0   |
| CARDIFF & VALE OF GLAMORGAN P.F.        | 1.8    | 1.7    | 5.3          | 5.1    | 6.0            | 7.2    |
| CORPORATION OF LONDON PENSION           | -      | -      | -            | 3.9    | -              | -      |
| CITY AND COUNTY OF SWANSEA              | 2.9    | 4.3    | 6.3          | 5.9    | 4.7            | 5.5    |
| LONDON BOROUGH OF MERTON                | 0.4    | 0.2    | -            | -      | 2.9            | 4.0    |
| LONDON BOROUGH OF HARROW                | 1.1    | 1.8    | 3.4          | 3.1    | 7.5            | 8.1    |
| WORCESTERSHIRE CC PEN FUND              | 0.2    | 0.4    | -            | 3.3    | -              | 4.6    |
| DUMFRIES & GALLOWAY COUNCIL             | 0.0    | 0.0    | -            | -      | 9.8            | 11.0   |
| LONDON BOROUGH OF HACKNEY               | 0.8    | 0.8    | -            | -      | 9.5            | 10.8   |
| TORFAEN COUNTY BOROUGH COUNCIL          | 0.5    | 0.9    | 3.3          | 3.2    | 2.6            | 2.9    |
| TEESSIDE PENSION FUND                   | 2.9    | 4.0    | 1.8          | 2.0    | 6.5            | 7.2    |
| CAMBRIDGESHIRE COUNTY COUNCIL           | 2.2    | 2.3    | 7.1          | 8.2    | 7.2            | 8.6    |
| CORNWALL COUNTY COUNCIL                 | 9.2    | 2.0    | 19.6         | 27.5   | 6.3            | 7.3    |
| CITY OF WESTMINSTER SUPERANNUATION FUND | 1.2    | 1.2    | -            | -      | 8.5            | 10.1   |
| LONDON BOROUGH OF HOUNSLOW              | 3.0    | 3.0    | 1.4          | 1.3    | 5.2            | 5.9    |
| LONDON BOROUGH OF WALTHAM FOREST        | 1.0    | 5.6    | 10.3         | 8.5    | 5.4            | 7.4    |
| LONDON BOROUGH OF BRENT                 | 2.6    | 10.8   | 19.3         | 18.9   | 5.7            | 0.8    |

**Local Authority Quarterly League Tables**

Periods to end March 2016  
Reporting Currency: STERLING

The League Tables are produced by GS Performance Services, part of State Street Bank and Trust. We have more than 35 years of experience providing performance evaluation for a wide range of asset owners and managers.

We provide exclusive and unique information to support the decision-making of institutional investors. Our innovative range of performance and risk services combined with our industry-leading fund databases bring transparency to the entire investment process, enabling owners and managers to measure, evaluate, interpret and objectively report their performance.

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| <b>Bath &amp; North East Somerset Council</b> |  |
|---|--|
| MEETING:                                      | <b>LOCAL PENSION BOARD</b>   |
| MEETING DATE:                                 | <b>2 November 2016</b>   |
| TITLE:  | <b>PENSION FUND ADMINISTRATION – COMPLIANCE REPORT</b><br><b>(1) SUMMARY PERFORMANCE REPORT to 30 September 2016</b><br><b>(2) PERFORMANCE INDICATORS 30 September 2016</b><br><b>(3) TPR COMPLIANCE</b> |
| WARD:   | <b>ALL</b>   |
| <b>AN OPEN PUBLIC ITEM</b>                    |  |
| <b>List of attachments to this report:-</b>   |  |
| Appendix 1                                    | Membership data as at September 2016   |
| Appendix 2                                    | Late payers report – to 31 <sup>st</sup> August 2016   |
| Appendix 3                                    | KPIs - 3 months to 30 September 2016   |
| Appendix 3A                                   | Annex 1 & 2 Admin case workload as at 30 September 2016  |
| Appendix 4                                    | TPR – Data Improvement Plan – to 30 September 2016 – Annex 1: Data & Annex 2: Charts   |

## **1 THE ISSUE**

- 1.1 The purpose of this report is to inform the Pension Board of Performance Indicators and Customer Satisfaction feedback for 3 months to 30 September 2016.
- 1.2 Further to the introduction of The Pension Regulator (TPR) Code of Practise 14 and The Public Service Pensions (Record Keeping & Miscellaneous Amendments) Regulations 2014 this report also includes progress on the Data Improvement Plan plus level of employer compliance.

## **2 RECOMMENDATION**

### **That the Pension Board notes:**

- 2.1 Performance Indicators & Customer Satisfaction feedback for 3 months to 30 September 2016.
- 2.2 Progress on the Data Improvement Plan

## **3. FINANCIAL IMPLICATIONS**

- 3.1 There are no direct implications related to this report as it is an information report.

## 4. REPORT

### 4.1 Trends in Membership

**4.2 Appendix 1& 1a** provides a detailed breakdown of employer/member ratio and split between whole time and part-time membership as well as a snapshot of individual employer and member make up. The increasing number of new smaller employers to the Fund as part of the fragmentation of the employer base (newly created Academies and Transferee Admitted Bodies) has a direct impact on the administration workload with increased movement between employers, especially within the education sector. Continued development of data reporting going forward will enable further understanding of the demographic nature of employer type and associated member make up as employers continue to evolve.

### 4.3 Late Payers Report

**4.4** The Fund is required to monitor the receipt of contributions and report materially significant late payments to the Pensions Regulator.

**4.5** The Fund maintains a record of all late payments, showing the days late, the amount of payment and reason for delay and whether the amount is of significance.

**4.6 Appendix 2** reports late payers in the period to 31<sup>st</sup> August 2016. There were a small number of late payments in the reporting period, none of which were of material significance and therefore recorded internally but not reported to TPR. The Fund has taken mitigating action in each case to ensure employers are aware of their responsibilities going forward.

### 4.7 Avon Pension Fund – Administration Performance

#### 4.8 Balanced Scorecard detailing Key Performance Indicators for the 3 Months to 30<sup>th</sup> September 2016

**4.9** The information provided in this report is based on the Avon Pension Fund's Service Level Agreement which falls in line with the industry standards set out by the LGPC & used in CIPFA benchmarking. All standards fall within the regulatory guidelines set out in The Occupational & Personal Pension Schemes (Disclosure of Information) Regulations 2015 which require provision of information to members.

**4.10** Full details of *performance against target*, in tabular and graph format, are shown in **Appendix 3**. Reports are currently being reviewed as part of the Task Workflow Project and it is expected that new versions will be available from the next reporting period.

### 4.11 Admin Case Workload

**4.12** The level of work outstanding from tasks set up (Item C4 and associated annex 1 & 2) in the 3 month period is reported in **Appendix 3A** by showing what *percentage* of the work is outstanding. As a snapshot, at 30<sup>th</sup> September 2016 there were 6559 cases outstanding of which 73% represents actual workable cases and 27% represents cases that are part complete, pending a third party response.

**4.13** The increase in workable cases is due to a combination of events:

- The checking of leaver forms was moved from the Data Quality Team to the Benefits Team at the start of September. Although the forms are now being checked the same day, the Team have had less resource available to work on other outstanding cases. 2 team members have now moved from the

Data Quality Team to the Benefits Team to help reduce the outstanding work.

- The volume of incoming work has increased due to the ongoing impact of employers' clearing up outstanding leaver forms at year end.
- App 2000 linking tasks have been set up. A process for dealing with all new linking cases has been rolled out to the Benefits Team and a monthly report will now be run to pick up new cases. The 2000 cases includes the remaining backlog of cases built up between April 2014 and September 2016 which were not cleared as part of the project. Heywood only updated Altair to allow correct processing of these cases in May 2016.
- A project has started to reduce the number of cases held at 'reply due' stage. As at the end of June 2900 cases were at 'reply due'. At the end of September this had reduced to 1767 cases.

4.14 All reports are being reviewed as part of the Task Workflow Project and it is expected that new and updated versions will be available for approval by the Committee in Spring 2017. The majority of workflow tasks and processes have now been reviewed and the project is due to end on 4 November. The ongoing maintenance of the workflows and procedures will form part of the new Quality Assurance Team following the re-structure.

## **TASK WORKFLOW**

4.15 A new member leaver form checking process has been introduced from March which immediately flags employer data submission errors and omissions. It also addresses any issues at point of receipt enabling a prompt communication back with employers where necessary.

4.16 During the period from 1 July to 30 September a total of 2147 leaver forms were received with an average error rate of 25.57%. Reporting on types of errors and by employer is now possible. This has enabled the Fund to analyse the data and work with employers to improve the quality of their leaver forms. This improvement is now evident with a reduction from 34.21% error rate for the period April to June to 25.57% error rate for the period July to September.

4.17 For this period the biggest percentage of errors is from incorrect pay calculations and National Insurance / Contribution figures.

4.18 The new leaver form has now been implemented with positive feedback from employers. A training course has been put together to guide employers through the leaver form in more detail and includes comprehensive training on pay calculations. The new form and the training session were piloted with Banes & North Somerset Payroll Departments. An ongoing programme of training courses has now been set up.

## **4.19 CUSTOMER FEEDBACK – Retirements**

4.20 Following the launch of the online questionnaire for recent retirees, we have had a small number of responses, allowing us to report initial levels of customer satisfaction with the APF to 30 September 2016.

83% of respondents indicated that they were very satisfied (67%) or fairly satisfied (16%) with service they received from the Avon Pension Fund. Comments included:

*“The service I received was perfect! Everything was explained very clearly. Thank you!” and “The staff at the Keynsham Civic Centre were very helpful”*

We are continuing to explore ways to gather more customer feedback and will report back to the Board on progress.

#### 4.21 2016 ABS PROCESS

4.22 The statutory deadline for members (both deferred and active) to be sent their Annual Benefit Statement (ABS) was 31 August. By this date 100% of active ABSs with complete data set (appx 32,000) were sent. 92.43% of deferred members (around 30,500) were sent by 31 July, with the remaining 7.57% (2,500) by 2 September.

4.23 The two day delay in sending the 2,500 deferred members was due to them leaving and deferring their pension in 2015/16 and having to highlight on their statement that, due to negative revaluation, their figures would be subject to a slight amendment. The calculation software is not yet available for this calculation to be made. Affected members will be updated as soon as this calculation is available.

4.24 The fund can only provide an accurate ABS based on the data currently held. The TPR improvement plan identifies areas where data from the employer is missing or incomplete (and therefore an ABS cannot be produced). For the 2015/16 ABS run data was not available for approximately 1,400 members (4.18% of active members). This figure represents a mixture of Year End CARE data and leaver forms still outstanding from the employer and leavers with our admin section, awaiting calculation or a response from the member.

4.25 The table below highlights the % of members where CARE data was not submitted by 31/03/16 by key employers

| Employer                              | BANES | BCC   | NSC   | SGLOS | Others |
|---------------------------------------|-------|-------|-------|-------|--------|
| % of members where CARE not submitted | 7.14% | 2.18% | 0.87% | 1.17% | 6.90%  |

4.26 These queries are being dealt with as part of our ongoing TPR data improvement plan.

#### 4.27 The Pensions Regulator Data Improvement Plan

4.28 Summary of Data Improvement Plan Data as at 30 September 2016 is shown below with a comprehensive breakdown attached in **Appendix 4**

| Data type    | Cases brought forward | New cases  | Completed   | Outstanding  | Completeness as % of membership |
|--------------|-----------------------|------------|-------------|--------------|---------------------------------|
| Actives      | 2,144                 | 296        | 763         | 1,677        | 99.65%                          |
| Deferreds    | 4,777                 | 151        | 286         | 4,642        | 98.88%                          |
| Pensioners   | 170                   | 4          | 78          | 96           | 99.94%                          |
| Dependants   | 66                    | 23         | 78          | 11           | 99.96%                          |
| <b>Total</b> | <b>7,157</b>          | <b>474</b> | <b>1205</b> | <b>6,426</b> | <b>99.61%</b>                   |

4.29 All the year end queries have now been requested from employers along with any other TPR queries for active members. Therefore it is expected that the active member TPR queries will reduce over the next few months. Work is still continuing to establish

all queries for Banes and North Somerset with a view to working with a dedicated resource at APF and at the employer sites to resolve all queries before the end of the year and before they resume data provision via IConnect.

4.30 Following the year end process contact is being made with all employers who had over 10% errors to arrange further training on responsibilities and data provision.

4.31 The Pension Payroll Team have considerably reduced the queries in respect of out of date addresses. So far searches for missing addresses have been mainly on an individual basis using Tracesmart (Lexis Nexis) and therefore progress has been slow. In order to reduce the missing addresses for deferred members a bulk request of 100 addresses a time will be made using Accurate Data Services Ltd (Heirtrace)

4.32 As at 30 September 95.66% of active members had CARE pay loaded and 94.63% of members had pension remuneration figures posted.

#### **4.33 BREACHES - Year End 2015/16 employer breaches**

4.34 The following employers breached the deadline of 30 April set by APF for submission of their Year End data. The employers did eventually supply the required data to enable the Annual Benefit Statements for members to be produced and for the Actuarial Valuation. However this was a number of weeks/months after the deadline date and despite a number of recorded attempts by APF to request the information. Therefore these five employers will be invoiced for the penalty fine amounts indicated below.

| <b>Employer</b> | <b>Year</b> | <b>Breach type</b> | <b>Breach description</b>             | <b>Penalty</b> |
|-----------------|-------------|--------------------|---------------------------------------|----------------|
| Employer A      | 2015/16     | Year End 2015/16   | 30/04 data submission deadline missed | £250           |
| Employer B      | 2015/16     | Year End 2015/16   | 30/04 data submission deadline missed | £250           |
| Employer C      | 2015/16     | Year End 2015/16   | 30/04 data submission deadline missed | £250           |
| Employer D      | 2015/16     | Year End 2015/16   | 30/04 data submission deadline missed | £250           |
| Employer E      | 2015/16     | Year End 2015/16   | 30/04 data submission deadline missed | £250           |

4.35 A further 30 employers breached the data queries exceeding 10% of membership levels set by the APF. We will communicate with these offering them the option of taking up a bespoke training workshop to improve performance or if they decline this, the penalty fine (£250) will be levied. These letters/emails will be sent in the next few weeks and the breaches control spreadsheet will be updated according to the employer's response. We will update the Board accordingly.

4.36 The above breaches are not considered material breaches. They will be reported to the Pensions Board and Pensions Committee, but are not considered of a significant nature to be reported to the Pensions Regulator.

4.37 The number of breaches for 2015/16 are significantly lower than previous years, indicating that promotion to all employers of their Year End responsibilities, the

breaches policy, potential penalty fines as well as training opportunities and support from APF are proving effective.

## **5 EQUALITIES**

- 5.1 No items in this Report give rise to the need to have an equalities impact assessment.

## **6 CONSULTATION**

- 6.1 Report and Issues have been subject to consultation with the Strategic Director of Resources.

|  |  |
|--|--|
| <b>Contact person</b>  | Geoff Cleak, Acting Pensions Manager Tel: 01225 395277 |
| <b>Background papers</b>   | Various Statistical Records                            |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |  |



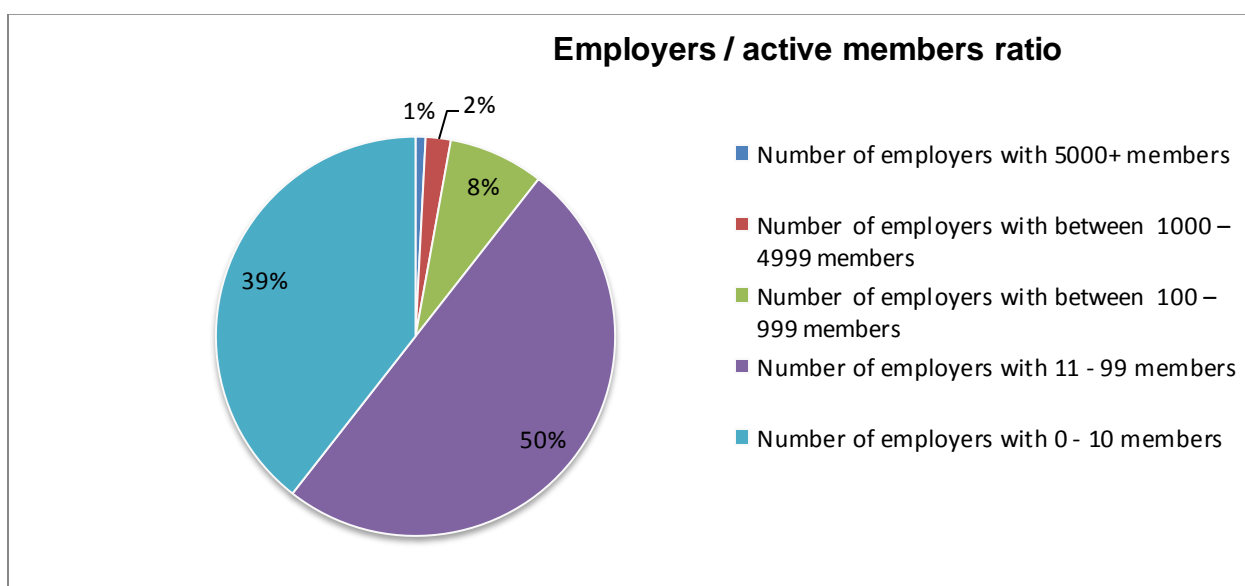
Annex 1 - Active membership

|   |        |
|---|--------|
| <b>Active membership</b>                |        |
| Full time records                       | 13,685 |
| Part-time records/members total         | 24,361 |
| Part-time members                       | 20,778 |
| Part-time members with 1 record         | 17,838 |
| Part-time members with multiple records | 2,940  |



Annex 2 - Employers / active member ratio

|  |            |
|--|------------|
| <b>Employers / active members ratio</b>              |            |
| Number of employers with 5000+ members               | 2          |
| Number of employers with between 1000 – 4999 members | 5          |
| Number of employers with between 100 – 999 members   | 19         |
| Number of employers with 11 - 99 members             | 123        |
| Number of employers with 0 - 10 members              | 97         |
| <b>Total</b>   | <b>246</b> |



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**APPENDIX 4**

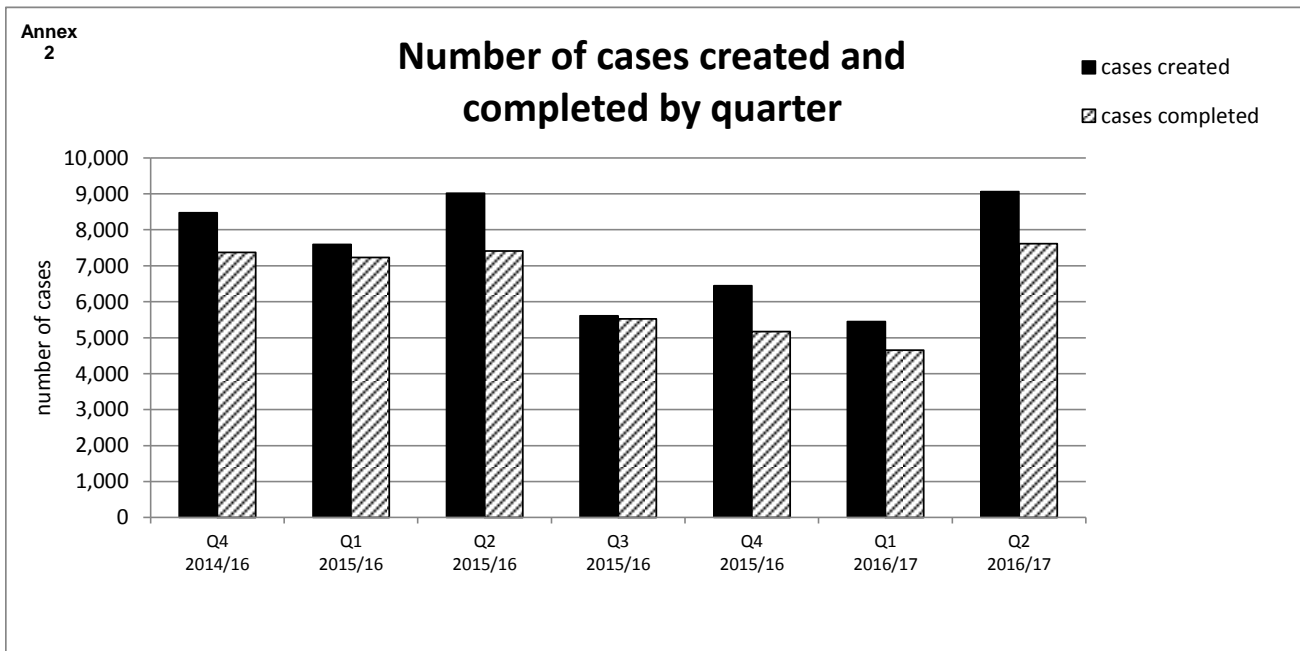
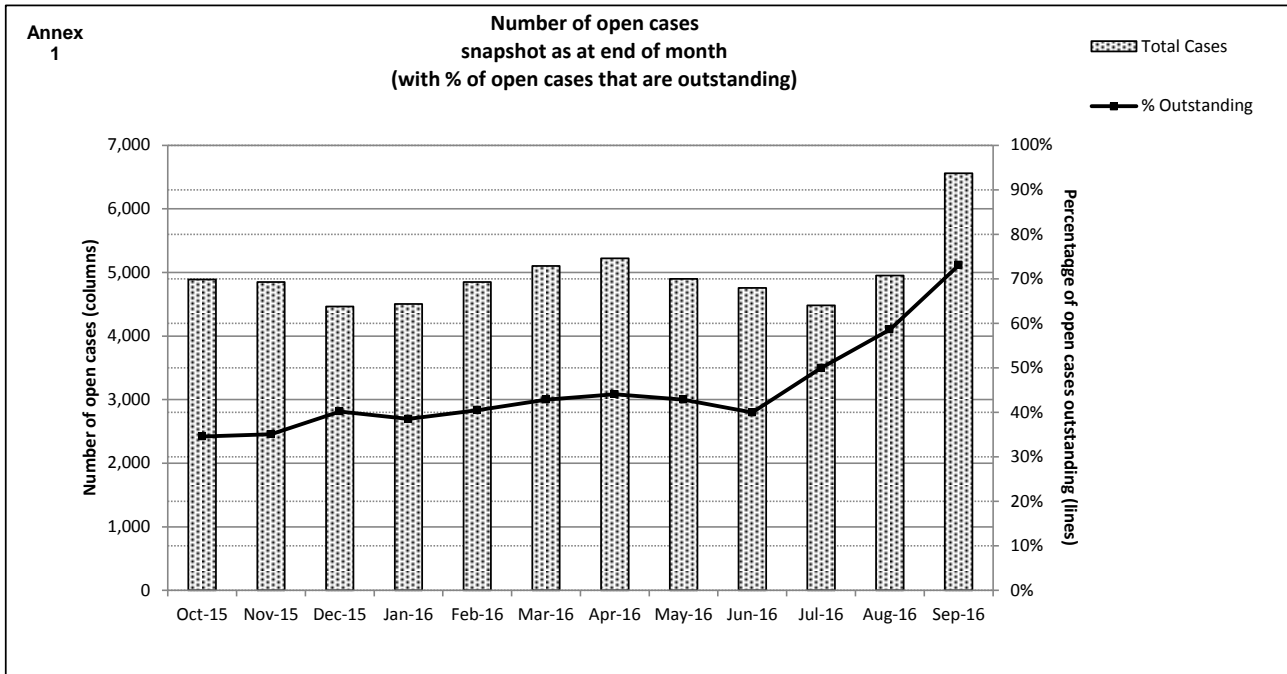
| <b>Employer</b>  | <b>Payroll Month</b> | <b>Days late</b> | <b>Cumulative occasions</b> | <b>Amount</b>     | <b>Significance</b>  | <b>Reason / Action</b>   |
|--|----------------------|------------------|-----------------------------|-------------------|--|--|
| Patchway Town Council  | May                  | <b>8</b>         | 1                           | 3,227.95          | Significant days late.   | Late payment was due to staff being on leave. The Council are adjusting their procedure to allow for this in future. June contributions were all paid on time.                             |
| Clifton Suspension Bridge Trust  | June                 | <b>6</b>         | 1                           | 4,631.66          | Significant days late.   | July contributions were all paid early.  |
| Bristol Waste Company  | June                 | <b>9</b>         | 1                           | 27,660.64         | Significant days late.   | Late payment was due to staff being on leave. The Company is adjusting its procedure to allow for this in future. July contributions were all paid early.                                  |
| Aspens 608 (CLF Hanham Woods)  | June                 | <b>18</b>        | 2                           | 479.98            | Significant days late.   | The employer entered the wrong payment date in to their system due to an administrative error.   |
| Bristol Futures Academy  | July                 | <b>4</b>         | 1                           | 697.52            | Value/days late not material   | } Delayed payment due to problems with new payroll system  |
| North Somerset Enterprise & Technology College   | July                 | <b>4</b>         | 1                           | 3503.87           | Value/days late not material   |  |
| St Katherine's School  | July                 | <b>4</b>         | 1                           | 20636.97          | Significant value  |  |
| Bristol Waste Company  | August               | <b>5</b>         | 2                           | 26543.87          | Significant value  | Previous issues have been corrected. August's payment was set up in time but there was an oversight in approving the bank transfer. September's contributions were paid three weeks early. |
| <b>Total Days</b>  |                      | <b>58</b>        |                             | <b>87,382.46</b>  |  |  |
| <b>Total Contributions in Period</b>   |                      |                  |                             | <b>43,837,061</b> | <b>Late Payments as Percentage of total = 0.2%. Late Payments from 8 out of a total of 245 employers</b> |  |
| All late payers are contacted and reminded of their obligations regarding the timing of payments. Where appropriate they are advised on alternative, more efficient methods of payment. Where material, interest will be charged on late payments at base rate plus 1% in accordance with the regulations. |                      |                  |                             |                   |  |  |

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| #       | Indicator  | Current<br>Red<br>Amber<br>Green | Periods ago |   |   | 2015/16<br>actual | 2016/17<br>target | Actual 3<br>months to<br>30/09/16 | Comments   |
|---------|--|----------------------------------|-------------|---|---|-------------------|-------------------|-----------------------------------|--|
|         |  |                                  | 1           | 2 | 3 |                   |                   |                                   |  |
| 1       | Service standards - processing tasks within internal targets (SLAs):                         |                                  |             |   |   |                   |                   |                                   |  |
|         | a) Deaths  | A                                | A           | A | G | 91%               | 92%               | 58%                               | 7 of 12 tasks completed within target                      |
|         | b) Retirements   | A                                | A           | A | G | 89%               | 90%               | 67%                               | 461 of 688 tasks completed within target                   |
|         | c) Leavers (Deferreds)   | G                                | G           | G | A | 81%               | 75%               | 79%                               | 265 of 334 tasks completed within target                   |
|         | d) Refunds   | G                                | G           | G | A | 82%               | 80%               | 87%                               | 809 of 931 tasks completed within target                   |
|         | e) Transfers In  | A                                | A           | A | G | 74%               | 75%               | 21%                               | 8 of 39 tasks completed within target                      |
|         | f) Transfers Out   | A                                | A           | A | A | 77%               | 75%               | 9%                                | 0 of 12 tasks completed within target                      |
|         | g) Estimates   | A                                | A           | A | G | 95%               | 90%               | 77%                               | 102 of 191 tasks completed within target                   |
| 2       | Pensions paid on time  | G                                | G           | G | G | 100%              | 100%              | 100%                              | All paid on time   |
| 3       | Number of complaints   | G                                | G           | G | G |                   |                   |                                   | Nil  |
| 4       | Maintain work outstanding at below (40%)   | A                                | A           | G | G |                   | 40%               | 84%                               | 9,063 created / 7,611 cleared                              |
| 5       | % telephone calls answered with 20 seconds   | G                                | G           | G | G | 97%               | 95%               | 98.9%                             | 7,509 calls, 7,428 answered within target                  |
| 6       | Digital service delivery (employers)   |                                  |             |   |   |                   |                   |                                   |  |
|         | a) % of active membership covered by employer electronic self-service (ESS)                  | A                                |             |   |   | 72%               | 90%               | 75%                               |  |
|         | b) % of employers submitting electronic data   | A                                |             |   |   | 58%               | 70%               | 60%                               |  |
| Page 69 | Digital service delivery (Members) % of total members signed up to member self-service (MSS) | G                                |             |   |   |                   |                   | 14%                               | 12,238 members signed up                                   |
|         | Annual Benefit Statements issued by 31 August deadline                                       | G                                |             |   |   | 99.7%             | 100%              | 100%                              | All with complete data set issued by 31 Aug deadline       |
|         | % Sickness absence:  |                                  |             |   |   |                   |                   |                                   |  |
|         | a) Short term  |                                  |             |   |   |                   |                   |                                   |  |
|         | b) Long term   |                                  |             |   |   |                   |                   |                                   |  |
| 10      | Temp staff levels (% of workforce)   |                                  |             |   |   |                   |                   |                                   |  |
| 11      | Customer service satisfaction (retirees)   | G                                |             |   |   |                   | 65%               | 83%                               | New online survey – level of satisfaction with APF service |
| 12      | Communications:  |                                  |             |   |   |                   |                   |                                   |  |
|         | a) Member new sletters issued  | G                                |             |   |   | 2                 | 2                 | 1                                 | New sletter issued with ABS in Aug                         |
|         | b) Employer new sletter /bulletins   | G                                |             |   |   | 4                 | 4                 | 2                                 | 2 new sletter bulletins issued                             |
|         | c) Member website sessions   | G                                | G           | G | G | 51,511 (4292 p/m) | 4,000             | 16,646                            | 5548 per calendar month for reporting period               |

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# Pension Fund Administration report: Appendix 3A



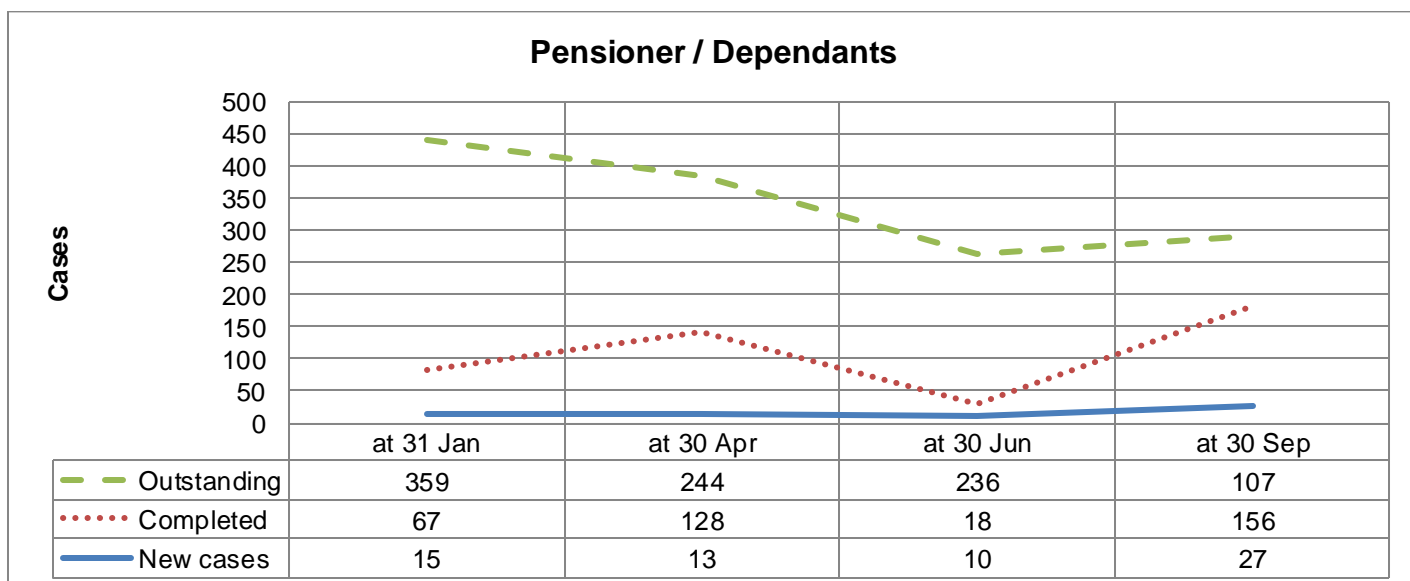
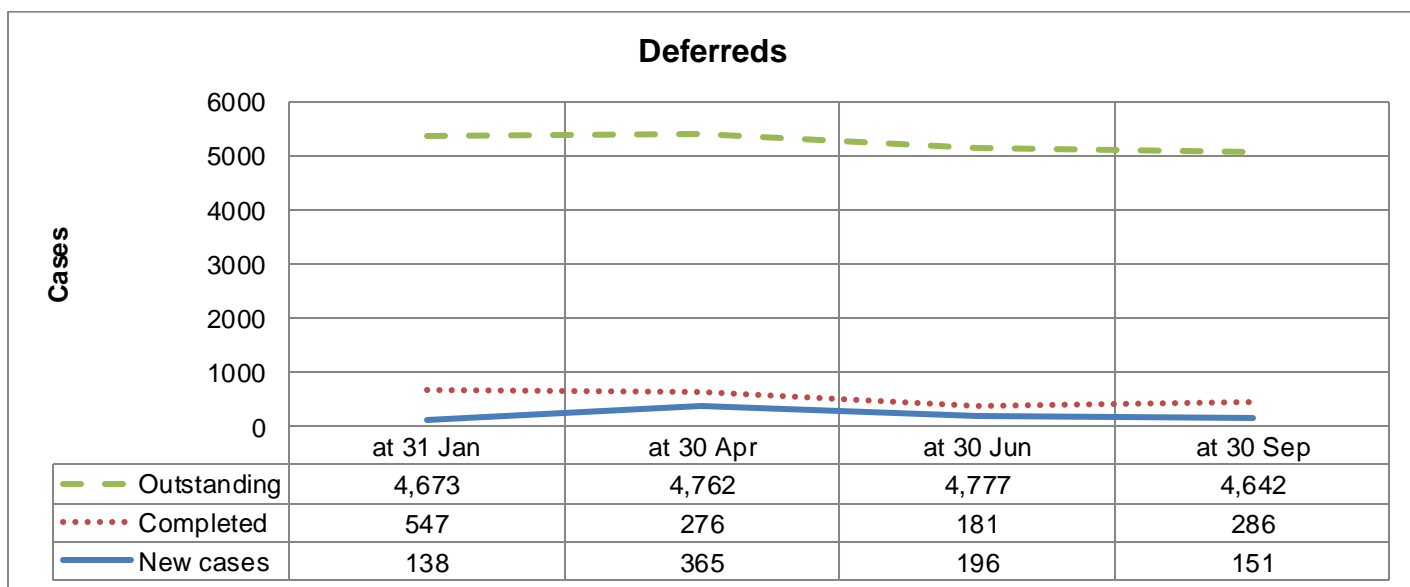
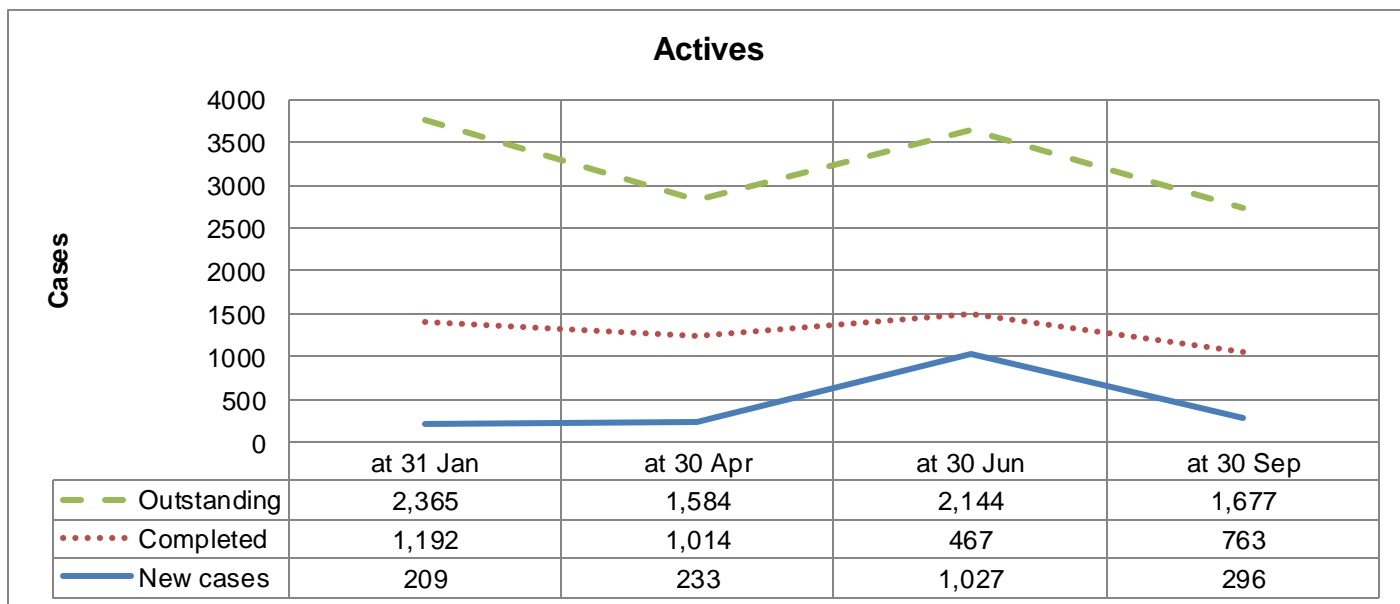
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## Annex 1 – Data

| Data type                | Cases brought forward | New cases  | Completed  | Outstanding  | Completeness as % of membership |
|--------------------------|-----------------------|------------|------------|--------------|---------------------------------|
| <b>ACTIVES</b>           |                       |            |            |              |                                 |
| <b>37,350</b>            |                       |            |            |              |                                 |
| Addresses                | 405                   | 70         | 91         | 384          | 98.97%                          |
| Forename                 | 2                     | 1          | 3          | 0            | 100.00%                         |
| Surname                  | 0                     | 0          | 0          | 0            | 100%                            |
| Date of birth            | 4                     | 3          | 6          | 1            | 99.99%                          |
| NI number                | 54                    | 5          | 6          | 53           | 99.86%                          |
| Title                    | 0                     | 14         | 1          | 13           | 99.97%                          |
| Sex mismatch             | 30                    | 5          | 23         | 12           | 99.97%                          |
| Format of hours          | 15                    | 39         | 34         | 20           | 99.95%                          |
| Date joined Fund missing | 0                     | 0          | 0          | 0            | 100%                            |
| Payroll ref missing      | 38                    | 18         | 31         | 25           | 99.93%                          |
| Casual hours missing     | 451                   | 2          | 44         | 409          | 98.90%                          |
| Leaver forms missing     | 746                   | 139        | 195        | 690          | 98.15%                          |
| Starters missing         | 399                   | 0          | 329        | 70           | 99.81%                          |
| <b>Total</b>             | <b>2,144</b>          | <b>296</b> | <b>763</b> | <b>1,677</b> | <b>99.63%</b>                   |
| <b>DEFERREDS</b>         |                       |            |            |              |                                 |
| <b>41,328</b>            |                       |            |            |              |                                 |
| Addresses                | 4,006                 | 150        | 192        | 3,964        | 90.41%                          |
| Forename                 | 8                     | 0          | 7          | 1            | 99.99%                          |
| Surname                  | 0                     | 0          | 0          | 0            | 100%                            |
| Date of birth            | 2                     | 0          | 0          | 2            | 99.99%                          |
| NI number                | 3                     | 1          | 3          | 1            | 99.99%                          |
| Title                    | 0                     | 0          | 0          | 0            | 100%                            |
| Sex mismatch             | 0                     | 0          | 0          | 0            | 100%                            |
| Format of hours          | 0                     | 0          | 0          | 0            | 100%                            |
| Date joined Fund missing | 0                     | 0          | 0          | 0            | 100%                            |
| Historic refunds         | 758                   | 0          | 84         | 674          | 98.37%                          |
| <b>Total</b>             | <b>4,777</b>          | <b>151</b> | <b>286</b> | <b>4,642</b> | <b>98.88%</b>                   |
| <b>PENSIONERS</b>        |                       |            |            |              |                                 |
| <b>24,957</b>            |                       |            |            |              |                                 |
| Addresses                | 167                   | 4          | 76         | 95           | 99.62%                          |
| Forename                 | 2                     | 0          | 2          | 0            | 100.00%                         |
| Surname                  | 0                     | 0          | 0          | 0            | 100%                            |
| Date of birth            | 0                     | 0          | 0          | 0            | 100%                            |
| NI number                | 1                     | 0          | 0          | 1            | 99.99%                          |
| Title                    | 0                     | 0          | 0          | 0            | 100%                            |
| Sex mismatch             | 0                     | 0          | 0          | 0            | 100%                            |
| <b>Total</b>             | <b>170</b>            | <b>4</b>   | <b>78</b>  | <b>96</b>    | <b>99.94%</b>                   |
| <b>DEPENDANTS</b>        |                       |            |            |              |                                 |
| <b>3,801</b>             |                       |            |            |              |                                 |
| Addresses                | 40                    | 1          | 40         | 1            | 99.99%                          |
| Forename                 | 0                     | 1          | 1          | 0            | 100%                            |
| Surname                  | 0                     | 0          | 0          | 0            | 100%                            |
| Date of birth            | 0                     | 0          | 0          | 0            | 100%                            |
| NI number                | 26                    | 19         | 35         | 10           | 99.74%                          |
| Title                    | 0                     | 2          | 2          | 0            | 100%                            |
| Sex mismatch             | 0                     | 0          | 0          | 0            | 100%                            |
| <b>Total</b>             | <b>66</b>             | <b>23</b>  | <b>78</b>  | <b>11</b>    | <b>99.96%</b>                   |

## Annex 2 - Quarterly performance charts



| <b>Bath &amp; North East Somerset Council</b> |  |
|---|--|
| MEETING:                                      | <b>LOCAL PENSION BOARD</b>                         |
| MEETING DATE:                                 | <b>2<sup>nd</sup> November 2016</b>                |
| TITLE:  | <b>Compliance with TPR COP 14 – Update Report</b>  |
| WARD:   | <b>ALL</b>   |
| <b>AN OPEN PUBLIC ITEM</b>                    |  |
| <b>List of attachments to this report:-</b>   |  |
| Appendix 1                                    | TPR Compliance Update Review – October             |
| Appendix 2                                    | Internal Audit Brief – Pension Governance (COP 14) |

## **1 THE ISSUE**

- 1.1 The purpose of this report is to update the Board with the current position relation to the outstanding areas of compliance identified in the initial assessment in May 2016 relating to the high level assessment on compliance with the Pension regulator (tPR) Code of Practice No.14 undertaken by officers of Avon Pension Fund.
- 1.2 **For information the Internal Audit brief relating to a review of certain aspects of COP 14 is also attached for comment from the Board. This review follows on from the review carried out in 2015/16 of the initial aspects of the Code.**

## **2 RECOMMENDATION**

### **That the Pension Board**

- 2.1 Notes the outcome of the review of TPRs Code of Practice No 14 and latest position against best practice.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial costs from undertaking this review. Costs relating to the Internal Audit of the Pension Fund and Pension Board are contained within existing budgets.

## **4 BACKGROUND**

- 4.1 From 1<sup>st</sup> April 2015 TPR have assumed responsibility for the governance and administration of all public sector schemes. To assist schemes in understanding TPR's expectations they have issued a Code of Practice No. 14 that applies specifically to the governance and administration of public service pension schemes setting out the legal requirements in these specific matters.

4.2 It also provides practical guidance and sets out standards of conduct and practice expected of those who exercise functions in relation to those requirements. This guidance can be viewed on the following link:

<http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-public-service-pension-schemes.aspx>

4.3 The practical examples in the Code are only guidance, although Funds must ensure the legal requirements are met.

## 5. REPORT

5.1 In July 2015 officers completed a Public Service Governance & Administration Survey issued by TPR. Results from this survey were published in December 2015 and set the direction of travel in the short term of ensuring all public sector schemes attain a basic level of compliance as well as looking at the effectiveness of processes in areas identified as being of greatest risk, including scheme record keeping, internal controls and high quality communications.

5.2 Officers carried out a further assessment of each area of the Code of Practice in terms of both the legal requirements and the practical guidance and this was reported to LPB at its meeting in May 2016.

5.3 The Appendix to this report covers items where further actions have been identified to mitigate any risks of non-compliance with the Code.

5.4 All public sector pension schemes should be assessing their compliance with TPR Code of Practice and this review provides an initial evaluation and actions identified to ensure the Fund achieves this.

## 6 EQUALITIES

6.1 An equalities impact assessment is not necessary.

## 7 CONSULTATION

7.1 Report has been subject to consultation with S151 Officer.

|  |   |
|--|---|
| <b>Contact person</b>  | Geoff Cleak; Acting Pensions Manager 01225 395277<br>Alan South; Technical & Compliance Manager 01225 395283<br>Jeff Wring; Head of Audit West 01225 477323 |
| <b>Background papers</b>   | <i>Scheme data, Officers Analysis of TPR Code of Practice</i>   |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |   |

| Notes from TPR Code   | Officer Assessment  | Action  | Due Date      | Red | Amber | Green |
|---|---|---|---------------|-----|-------|-------|
| <p>59 - The regulator has provided an e-learning programme to help meet the needs of pension board members, whether or not they have access to other learning.</p> <p>If schemes choose alternative learning programmes they should be confident that those programmes:</p> <ul style="list-style-type: none"> <li>- cover the type and degree of knowledge and understanding required</li> <li>- reflect the legal requirements, and</li> <li>- are delivered within an appropriate timescale.</li> </ul>  | <p>Members have been asked to complete this by July 2016 which will be 12 months from appointment.</p>  | <p>Members to complete TPR trustee toolkit.</p>   | <p>Jul-16</p> |     |       |       |
| <p>79 - Pension board members, and people who are proposed to be appointed to a pension board, must provide scheme managers with information that they reasonably require to be satisfied that pension board members and proposed members do not have a conflict of interest.</p>   | <p>One Register of Interest outstanding. The Member with an outstanding RoI is bound by the Conflict of Interest Policy to disclose potential conflicts as they arise and has a separate Register of Interest in respect of their appointment to the Administering Authority therefore officers are satisfied this does not pose a high risk. Prospective candidates are made aware of the responsibility to disclose potential interests upon appointment.</p> | <p>Follow up the outstanding Register of Interest form and formalise the pre-appointment process for registering potential conflicts of interest.</p> | <p>Jul-16</p> |     |       |       |
| <p>80 - Schemes should ensure that pension board members are appointed under procedures that require them to disclose any interests, including other responsibilities, which could become conflicts of interest and which may adversely affect their suitability for the role, before they are appointed.</p> <p>81 - All terms of engagement, for example appointment letters, should include a clause requiring disclosure of all interests, including any other responsibilities, which have the potential to become conflicts of interest, as soon as they arise. All interests disclosed should be recorded. See the section of this code on 'Monitoring potential conflicts'.</p> <p>82 - Schemes should take time to consider what important matters or decisions are likely to be considered during, for example, the year ahead and identify and consider any potential or actual conflicts of interest that may arise in the future. Pension board members should be notified as soon as practically possible and mitigations should be put in place to prevent these conflicts from materialising.</p> | <p>Prospective candidates are made aware of the responsibility to disclose any potential interests upon appointment via the Board Terms of Reference. Board members are updated on forthcoming agenda items and the process for managing potential conflicts of interest is outlined in the Authority's Conflict of Interest Policy for Board Members.</p>  | <p>Formalise the pre-appointment process for registering potential conflicts of interest.</p>   | <p>Jul-16</p> |     |       |       |
| <p>200 - Managers must disclose certain basic information about the scheme and the benefits it provides to a prospective member (if practicable to do so) or a new member. Where the manager has received jobholder information for the member or prospective member they must provide the information within a month of the jobholder information being received. Where they have not received jobholder information, they must provide the information within two months of the date the person became an active member of the scheme.</p> <p>201 - Managers must also provide the information on request to a relevant person within two months of the request being made, except where the same information was provided to the same person or trade union in the 12 months before the request.</p>   | <p>Each employer has been given the relevant information to issue to new and prospective members (available from APF website). Difficult to resolve with the number of employers but suggestion that APF periodically (annually) sends out a questionnaire to employers on their duties and responsibilities.</p>   | <p>Questionnaire to be sent to employers.</p>   | <p>Dec-16</p> |     |       |       |
| <p>200 - As per Regulation 6 of the Disclosure Regulations 2013.</p>  | <p>As per H7 - difficult to resolve with the number of employers but suggestion that APF periodically (annually) sends out a questionnaire to employers on their duties and responsibilities.</p>   | <p>Questionnaire to be sent to employers</p>  | <p>Dec-16</p> |     |       |       |

|   |   |  |               |  |  |
|---|---|--|---------------|--|--|
| <p>196 - Under the Disclosure Regulations 2013, managers of a scheme must provide other information to members and others in certain circumstances (for example, on request). The Regulations set out the information which must be given, the timescales for providing such information and the methods that may be used. Not all information must be provided in respect of all public service pension schemes (there are some exemptions for specified public service schemes or according to the type of benefit offered), but information which scheme managers may need to provide includes:</p> <ul style="list-style-type: none"> <li>- information about the scheme that has materially altered</li> <li>- information about the constitution of the scheme</li> <li>- information about transfer credits</li> <li>- information about life styling (this requirement will not apply in respect of DB benefits in public service pension schemes)</li> <li>- information about accessing benefits, and</li> <li>- information about benefits in payment.</li> </ul> <p>197 - The detail of the information that must be provided to scheme members and others and any exemptions are set out in the Disclosure Regulations 2013. Managers must provide the required information, along with confirmation that members may request further information and the postal and email addresses to which a person should send those requests and enquiries</p>  | <p>Information is provided within the legal timescales. There were some enforced delays regarding transfers pending revised factors from GAD. However these have now been received.</p>   |  |               |  |  |
| <p>213 - Scheme managers must make and implement dispute resolution arrangements that comply with the requirements of the law and help resolve pensions disputes between the scheme manager and a person with an interest in the scheme.</p>  | <p>Yes</p>  |  |               |  |  |
| <p>214 - Section 50(9) of the 1995 Pensions Act states that a dispute is exempt if:</p> <ul style="list-style-type: none"> <li>- proceedings have commenced in a court or tribunal</li> <li>- the Pensions Ombudsman has started an investigation</li> <li>- it is prescribed by regulations made by the Secretary of State.</li> </ul>   | <p>It is unlikely that the Fund would be unaware of cases where this applied as evidence and views are usually sought. TPO will not review until a case has first been reviewed under IDRP</p>  | <p>Review application forms to include a notification check box. Original planned action for September 2016 but not undertaken due to workload</p>   | <p>Nov-16</p> |  |  |
| <p>215 - A person has an interest in the scheme if they:</p> <ul style="list-style-type: none"> <li>- are a member or surviving non-dependant beneficiary of a deceased member of the scheme</li> <li>- are a widow, widower, surviving civil partner or surviving dependant of a deceased member of the scheme</li> <li>- are a prospective member of the scheme</li> <li>- have ceased to be a member, beneficiary or prospective member or</li> <li>- claim to be in one of the categories mentioned above and the dispute relates to whether they are such a person.</li> </ul> <p>216 - Dispute resolution arrangements may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. The specified person's decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters.</p> <p>225 - If schemes decide to specify time limits, they should publish and make those time limits readily available to ensure that those with an interest in the scheme are aware that they must submit an application within a prescribed time limit.</p> <p>237 - Scheme managers must also provide the postal or email address and job title of the person to contact in order to make use of the internal dispute arrangements.</p> <p>239 - Schemes can decide what information they need from applicants to reach a decision on a disputed matter and how applications should be submitted. Schemes should ensure they make this information available to applicants.</p> | <p>Information is available on APF website or by request.</p> <p>The documentation and ewebsite details relates specifically to the requirements under the regulation as regards to who can apply</p> <p>The process by which decisions are made are carried out in accordance with the regulations.</p> <p>Adjudicators are required to specify the process which will be specifically related to the case</p> | <p>APF is undertaking a review of IDRP. Training to be given to employers on the process from 'making initial decision to TPO'. The process will be documented and will incorporate discretions.</p> | <p>Mar-17</p> |  |  |

|   |   |  |        |  |  |  |
|---|---|--|--------|--|--|--|
|   | Included within training arrangements for [I13]   | Included on employer questionnaire [see H7]  | Dec-16 |  |  |  |
| Note - For the LGPS, the timescales must be in accordance with the LGPS regulations.<br><br>231 - Applicants must be notified of the decision made by a scheme manager and specified person (where applicable) within a reasonable time period after the decision has been made.<br><br>230 - The regulator recognises that the circumstances of each dispute are different and decision times may vary. Schemes should be satisfied that the time taken to reach a decision is appropriate to the situation and be able to demonstrate this, if necessary.<br><br>232 - Schemes should provide the applicant with regular updates on the progress of their investigation. They should notify the applicant where the time period for a decision is expected to be shorter or longer than the reasonable time period and let them know when they are likely to receive an outcome.<br><br>239 - Schemes should send an acknowledgement once an application has been received. | Yes, a list of IDRPs are maintained by the Technical & Compliance Manager.<br><br>The specific timescales are set out in the IDRPs<br><br>Applicants will be informed of progress and any delays with relevant explanation  | To be further considered in IDRPs review   | Mar-17 |  |  |  |
| 236 - Information about the IDRPs must be communicated to:<br>- prospective members (if practicable)<br>- scheme members who haven't already been given the information<br>- members, or prospective members, when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment<br>- certain people who request the information and haven't been given it in the previous 12 months<br><br>233 & 235 - The procedure should be:<br>- communicated in scheme documentation, e.g. a joining booklet<br>- easily accessible, e.g. on the scheme website<br>- within documents recording policy about the administration of the scheme.  | Yes - on website link to complaints procedure in the contact us page. Information supplied in the brief guide to the scheme which is part of the Starter Pack and should be issued by Employer (or at least directed to the website) to all new members or employees that are auto-enrolled into the scheme<br><br>All communications where a decision has been confirmed should give details of the procedure. | To be included in IDRPs review   | Feb-17 |  |  |  |
| 238 - In addition, scheme managers must provide information about TPAS and the Pensions Ombudsman at certain stages. Upon receiving an application for the resolution of a pension dispute, scheme managers (or the specified person) must make the applicant aware as soon as reasonably practicable that TPAS is available to assist members and beneficiaries of the scheme and provide contact details for TPAS. When notifying the applicant of the decision, scheme managers must also inform the applicant that the Pensions Ombudsman is available to investigate and determine complaints or disputes of fact or law relating to a public service pension scheme and provide the Pension Ombudsman's contact details.  | Yes - on website<br><br>All communications for decisions made by adjudicators are to include reference to both TPAS and the Pensions Ombudsman  | To include in questionnaire to employers [H7]  | Dec-16 |  |  |  |
| 234 - Schemes should ensure that the effectiveness of the arrangements is assessed regularly and be satisfied that those following the process are complying with the requirements set, which includes effective decision making.   | There is a review due after 1 year of the procedure being adopted to assess suitability & effectiveness   | Undertake a review of the IDRPs process  | Mar-17 |  |  |  |
| 234 - See above - this is particularly important where the arrangements require employers participating in the pension scheme to carry out duties as part of the process, for example where schemes have implemented the two-stage procedure and employers are acting as the specified person for the first stage.  | Employers are given assistance on the processes where required. Inconsistencies are raised on Stage 2. Employers reminded of their role.  | Part of Employer training on IDRPs [I3]<br><br>Once completed to then become part of any IDRPs reviews carried out | Mar-17 |  |  |  |

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**Internal Audit Brief**

|   |  |                |
|---|--|----------------|
| <b>Title/<br/>Reference</b>                 | <b>Pensions Governance (COP 14)</b>  | <b>16-005B</b> |
| <b>Purpose of<br/>Review</b>                | To review the risks and internal controls related to the scope of the audit (detailed below) and provide management with an opinion on the adequacy of the framework of internal control.  |                |
| <b>Scope of<br/>Review</b>                  | <p>The audit will review the following key risks/control objectives taking into account compliance with The Pension Regulator – Code of Practice no.14 – Governance and Administration of public service pension schemes:</p> <ul style="list-style-type: none"> <li>• Ensure that Pension Board Members are conversant with Pension Scheme legislation and standards.</li> <li>• Ensure that Pension Board Members do not have a conflict of interest, or are aware of the need to declare a potential conflict of interest.</li> <li>• Ensure that the Pension Board has the right balance of skills, experience and representation.</li> <li>• Ensure that information about the Pension Board is accessible and up-to-date.</li> <li>• Ensure that risks and the control framework are assessed, recorded and regularly revised.</li> <li>• Ensure that internal dispute resolution procedures and processes operate effectively and timely.</li> <li>• Ensure that whistleblowing (report of breach of law) procedures and processes operate effectively and timely.</li> </ul> |                |
| <b>Key Stages of<br/>Review<br/>Process</b> | <pre> graph TD     A((Agree Brief with Client)) --&gt; B((Compile &amp; Issue Draft Report))     B --&gt; C((Agree Opinion &amp; Final Report with Client))     C --&gt; D((Implement &amp; Follow-up))     D --&gt; E((Discuss Summary Findings with Client))     E --&gt; F((Testing &amp; Field Work))     F --&gt; A     </pre>  |                |

## Internal Audit Brief

|  |  |  |
|--|--|--|
| <b>Timeframe</b>   | <b>Fieldwork Starts:</b> October 2016  | <b>Draft Report:</b> December 2016/<br>January 2017  |
| <b>Key Contacts</b>  | <b>Lead Auditor: Sue Bressington</b>   | <b>Lead Client: Jeff Wring and<br/>Tony Bartlett</b> |
| <b>Service<br/>Charter &amp;<br/><br/>Professional<br/>Standards</b> | Our customer service charter outlines what you can expect from us and what in turn we need from you to complete this audit.<br><br>All audit work is reported to and monitored by the Audit Committee.<br>All audit work complies with Public Sector Internal Audit Standards. |  |

| <b>Bath &amp; North East Somerset Council</b>   |  |                           |
|---|--|---------------------------|
| MEETING:  | <b>LOCAL PENSION BOARD</b>   |                           |
| MEETING DATE:   | <b>2<sup>nd</sup> NOVEMBER 2016</b>                                    | <b>AGENDA ITEM NUMBER</b> |
| TITLE:  | <b>Government Actuary's Department Section 13 Report on LGPS funds</b> |                           |
| WARD:   | ALL  |                           |
| <b>AN OPEN PUBLIC ITEM</b>  |  |                           |
| List of attachments to this report:<br>Appendix 1 – GAD Section 13 Dry Run Report – Executive Summary |  |                           |

## **1 THE ISSUE**

- 1.1 Section 13 of the Public Service Pensions Act 2013 (PSPA2013) requires the Government Actuary (GAD) to report on the valuations of the LGPS funds. It has published a report using the 2013 valuation outcomes and is a “dry run” for actuaries and funds to understand how the GAD will report on Section 13 criteria in the future.
- 1.2 Section 13 requires GAD to report on each fund against four main aims; compliance, consistency, solvency, and long term efficiency. In this dry run report the Avon Pension Fund is evaluated as a fund that has met these aims.
- 1.3 GAD will publish its first formal report following the 2016 valuation. The actuary will discuss the implications of Section 13 on the 2016 valuation when he presents the valuation outcome to the Committee in December.
- 1.4 This report is for information only; it provides a brief overview of the GAD report and how the information relating to the Avon Pension Fund could be used to inform our funding strategy.

## **2 RECOMMENDATION**

### **That the Pension Board:-**

- 2.1 Notes the Section 13 Dry Run Report.

### **3 FINANCIAL IMPLICATIONS**

3.1 There are no financial considerations in this report.

### **4 BACKGROUND**

4.1 Section 13 of the PSPA2013 requires GAD to report on whether four main aims are achieved at each valuation for each fund in the LGPS. The four main aims are:

- (1) Compliance: whether the fund's valuation is in accordance with the regulations
- (2) Consistency: whether the fund's valuation has been carried out in a way which is not inconsistent with other valuations within the LGPS
- (3) Solvency: whether the average rate of employer contribution is set at an appropriate level to ensure the solvency of the fund
- (4) Long term cost efficiency: whether the average rate of employer contributions is set at an appropriate level to ensure long term cost efficiency of the fund.

4.2 Under Section 13 remedial action may be required by funds that do not achieve these aims.

### **5 DRY RUN REPORT**

5.1 This report is extensive and can be accessed in full via the Avon Pension Fund website [www.avonpensionfund.org.uk/finance-and-investments](http://www.avonpensionfund.org.uk/finance-and-investments), section Funding Strategy Statement. The executive summary has been included in these papers to give an overview of the approach taken by GAD.

#### **Summary of findings**

5.2 All funds have complied with the regulations.

5.3 There are inconsistencies in valuation approaches by the actuarial firms in setting assumptions some of which should indeed vary to reflect the membership, risk and investment profiles of the individual funds. The valuation is about setting a reasonable pace of funding given an uncertain future. It must therefore reflect each fund's appetite for risk and a pace of funding that is appropriate. In particular a level of prudence must be built in to the plan so it can cope with adverse events and future affordability pressures. The main issue is whether the assumptions are transparent, reflect the fund's investment strategy, risk appetite and experience, and are consistent with the contributions being paid into the fund over the agreed timeframe.

5.4 Using a standardised reporting basis is helpful for comparing funds. However, it is only a comparison tool and should not be used to drive decisions as the standardised assumptions do not reflect the investment or risk profile of the Avon Pension Fund or any other Fund.

5.5 For solvency and long term cost efficiency measures, GAD has applied a RAG system. Some of the measures are very simplistic and need careful interpretation. GAD itself acknowledges the limitation of their approach in their report.

From our perspective we can use the information to better understand whether our funding strategy is fit for purpose, robust, transparent and achieving the Fund's funding objectives. It should not be used to drive decisions by benchmarking against funds in a "league table" or to consider a green flag

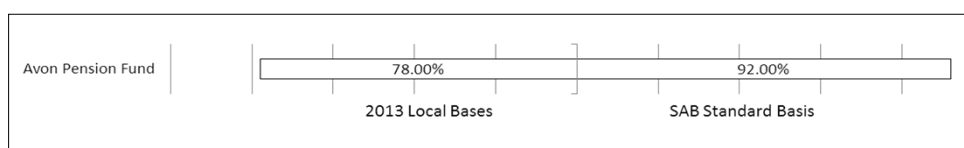
adequate in itself; decisions on funding should be based on the Fund's own experience, risk profile and long term funding and investment objectives.

- 5.6 We expect this report to evolve to improve and provide more clarity in the analysis. Going forward the actuary will assess how the fund stands against these measures as part of the valuation process.

### The Published Report

- 5.7 Summaries of the main findings as far as they relate to the Avon Pension Fund are shown below:

*Funding Levels: The funding level is higher when calculated by GAD who use a higher discount rate than the one used by the Fund. The GAD discount rate does not relate to the Fund's investment strategy.*



*Solvency Measures: Shows the rates set in the funding strategy are appropriate to ensure solvency.*

| Pension Fund      | Maturity (Rank) | Solvency Measures    |           |                          |                 |             |                  |
|-------------------|-----------------|----------------------|-----------|--------------------------|-----------------|-------------|------------------|
|                   |                 | Risk Already Present |           |                          | Emerging Risks  |             |                  |
|                   |                 | SAB Funding Level    | Open Fund | Non- Statutory Employees | Liability Shock | Asset Shock | Employer Default |
| Avon Pension Fund | 5.9 (82)        | 92%                  | YES       | 6%                       | +3%             | +4%         | +0%              |

*Long Term Cost Efficiency Measures: Shows the Fund meets the criteria used by GAD to assess whether the pace/timing of contributions and return on investment assumption used is consistent with ensuring long term cost efficiency.*

| Pension Fund      | Maturity (Rank) | Long Term Cost Efficiency Measures |                |                 |                     |                |                   |                |
|-------------------|-----------------|------------------------------------|----------------|-----------------|---------------------|----------------|-------------------|----------------|
|                   |                 | Relative Considerations            |                |                 |                     | Emerging Risks |                   |                |
|                   |                 | Deficit Repaid                     | Deficit Period | Required Return | Repayment Shortfall | Return Scope   | Deficit Extension | Interest Cover |
| Avon Pension Fund | 5.9 (82)        | >50%                               | 1              | 2%              | 16%                 | 4.3%           | -3                | Yes            |

## 6 IMPACT ON 2016 VALUATION

- 6.1 The actuary has previously stated (in the 2016 Funding Strategy Statement workshop) that the Section 13 analysis should not affect our funding strategy as our approach is robust (in terms of pace and level of contributions paid) and transparent. In particular the discount rate used in the actuarial valuation has a clear link with our investment strategy and risk objectives; we have introduced a covenant assessment to ensure individual employer risk to the fund is assessed and monitored on an ongoing basis; we have risk management strategies in place to manage specific liability, investment and employer risks.

## **7 RISK MANAGEMENT**

7.1 No decision is required and therefore a risk assessment in compliance with the Council's decision making risk management guidance is not necessary.

## **8 EQUALITIES**

8.1 An equalities impact assessment is not necessary.

## **9 CONSULTATION**

9.1 N/a

## **10 ISSUES TO CONSIDER IN REACHING THE DECISION**

10.1 N/a

## **11 ADVICE SOUGHT**

11.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director – Support Services) have had the opportunity to input to this report and have cleared it for publication.

|  |   |
|--|---|
| <b>Contact person</b>  | Liz Woodyard, Investments Manager 01225 395306    |
| <b>Background papers</b>   | GAD Section 13 Dry Run Report and Appendices 2013 |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |   |



# Government Actuary's Department

## **LGPS ENGLAND AND WALES**

Section 13 Dry Run Report

Date: July 2016  
Author: Ian Boonin FIA  
John Bayliss FIA



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## 1 Executive summary

In connection with the local fund valuations of the Local Government Pension Scheme (LGPS) from 2016, section 13 of the Public Service Pensions Act 2013 requires the Government Actuary to report on whether four main aims are achieved:

- > compliance: whether the fund's valuation is in accordance with the scheme regulations
- > consistency: whether the fund's valuation has been carried out in a way which is not inconsistent with the other fund valuations within the LGPS
- > solvency: whether the rate of employer contributions is set at an appropriate level to ensure the solvency of the pension fund
- > long term cost efficiency: whether the rate of employer contributions is set at an appropriate level to ensure the long-term cost-efficiency of the scheme, so far as relating to the pension fund

We have carried out a "dry run" section 13 analysis based on the 2013 local valuations.

### **Compliance**

We found no evidence of material non-compliance.

### **Consistency**

We found inconsistencies between the valuations in terms of approach taken, assumptions used and disclosures. These inconsistencies make meaningful comparison of local valuation results unnecessarily difficult.

### **Solvency**

For the two closed passenger transport funds, we are not aware of any plan in place to ensure solvency. Had this not been a dry run exercise we would have engaged with the administering authorities to discuss the need for plans to be put in place.

A number of amber flags were raised under this heading for the open funds. We may have engaged with some of these administering authorities to discuss the reasons behind these flags. However, none were red-flagged.

### **Long term cost efficiency**

For the following funds we would have engaged with the administering authority to investigate in more detail whether the aims of section 13 were met:

- > Royal County of Berkshire Pension Fund
- > Somerset County Council Pension Fund

We may also have engaged with some other administering authorities who had a significant combination of amber flags if section 13 had applied as at 31 March 2013.

### **Future analysis**

Based on our on-going experience of reporting under section 13(4) (including this dry run) we may change or add considerations, criteria, tests or metrics to the analysis in the future.



- 1.1 The Government Actuary has been appointed by the Department of Communities and Local Government to report under section 13 of the Public Service Pensions Act 2013 in connection with the Local Government Pension Scheme (“LGPS” or “the Scheme”) in England and Wales. Section 13 provides for a review of LGPS funding valuations and employer contribution rates to check that they are appropriate and requires remedial steps to be taken where scheme managers consider appropriate.

### **Aims of section 13**

- 1.2 Section 13 will apply for the first time to the 2016 round of ninety-one separate fund valuations for the LGPS. Specifically, in relation to each fund within the LGPS, section 13 requires the Government Actuary to report on whether four main aims are achieved:
- > compliance: whether the fund’s valuation is in accordance with the scheme regulations
  - > consistency: whether the fund’s valuation has been carried out in a way which is not inconsistent with the other fund valuations within the LGPS
  - > solvency: whether the rate of employer contributions is set at an appropriate level to ensure the solvency of the pension fund
  - > long term cost efficiency: whether the rate of employer contributions is set at an appropriate level to ensure the long-term cost-efficiency of the scheme, so far as relating to the pension fund

### **Purpose of the dry run**

- 1.3 The Department of Communities and Local Government (“DCLG”) has asked the Government Actuary’s Department (“GAD”) to carry out a “dry run” based on the round of LGPS valuations completed as at 31 March 2013 to demonstrate how we may have approached our analysis had section 13 applied to those valuations. This dry run report is designed to help those administering authorities and their actuarial advisors to prepare for the 2016 round of valuations with some knowledge about how GAD might approach reporting under section 13 following the 2016 round of valuations.
- 1.4 Based on our on-going experience of reporting under section 13(4) (including this dry run) we may change or add considerations, criteria, tests or metrics to the analysis in the future.
- 1.5 In this dry run report we make no specific recommendations for remedial steps in relation to solvency and long term cost efficiency, as section 13 did not apply as at 31 March 2013. We do however highlight areas for some specific funds where the aims of section 13 are potentially not being met, and where we may have then sought further information and engagement before recommending remedial steps if section 13 had applied at 31 March 2013.



- 1.6 As part of the dry run analysis, we indicate in this report how the process following production of a draft report under section 13 might have progressed had section 13 applied in terms of engagement with administering authorities prior to finalisation of the report.
- 1.7 In some cases, the data initially provided or disclosed in the valuation report raised additional questions following our initial analysis and concerns raised were allayed following the provision of further information. This serves to highlight the importance of clear disclosure in the valuation reports and accurate provision of data from the local authorities and the actuarial firms.

### **Compliance**

- 1.8 We found no evidence of non-compliance with the scheme regulations.

### **Consistency**

- 1.9 Under the heading of consistency, we have found inconsistencies between the valuations in terms of approach taken, assumptions used and disclosures. These inconsistencies make meaningful comparison of local valuation results unnecessarily difficult.
- 1.10 The primary areas GAD has analysed are:
- > Common contribution rates
  - > Average actual contributions vs common contribution rate
  - > Assumptions
- 1.11 We have viewed consistency in two ways:
- > Presentational. Those aspects of the valuations for which we consider there is no particular justification for differences in disclosure between different funds. This includes results disclosures (i.e. presenting the key results in a similar format) and agreeing a common understanding of terms such as the common contribution rate (“CCR”<sup>1</sup>) even if these are not explicitly defined in regulations.
  - > Evidential. Those aspects of the valuations that should be consistent except where supported by evidence or local circumstances (e.g. some demographic assumptions). On financial assumptions, we believe that local circumstances may merit different assumptions (e.g. current and future planned investment strategy, different financial circumstances) leading to different levels of prudence adopted. However, in some areas, it appears that the choice of assumptions is highly dependent on the “house view” of the particular firm of actuaries advising the fund, with only limited evidence of allowance for local circumstances.

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<sup>1</sup> CCR has been replaced by primary and secondary rates in regulation 62.



- 1.12 There is a wide range of reasonable assumptions for uncertain future events, such as the financial assumptions. For the avoidance of doubt, we have not concluded that any of the approaches, taken in isolation, are unreasonable. However the approaches are not consistent with each other, and it is not clearly explained in valuation reports whether the relevant assumptions, and hence differences in those assumptions between funds, are solely driven by local circumstances. Furthermore, there would also seem to be no common understanding of what constitutes “prudence” for the purposes of regulation 58 of the Local Government Pension Scheme Regulations 2013, and its reference to CIPFA guidance.
- 1.13 We are not expecting the immediate prescription of assumptions. Nevertheless readers of the reports might expect there to be consistency, and that transparent comparisons can be made between funds.
- 1.14 We are only able to conclude under section 13(4)(b) of the PSPS Act 2013 Act that ‘the valuation has been carried out in a way which is not inconsistent with other valuations’, if the valuations are carried out in consistent manner. Currently, in our opinion, the valuations are not carried out consistently.
- 1.15 We appreciate that there are significant challenges to achieving full consistency, particularly in the short term. In the longer term, we would however expect a narrowing of the range of assumptions used, where local experience cannot be used to justify differences.
- 1.16 We are grateful to the SAB Cost Management and Contributions sub-committee and the SAB Secretariat for developing a standard basis and metrics to enable comparisons between funds and we recommend that the valuation results on the SAB standard basis and associated “dashboard” metrics are published in valuation reports to allow readers to make like for like comparisons.
- 1.17 We recommend that the four actuarial firms who advise administering authorities in carrying out funding valuations should seek to agree a standard way of presenting relevant disclosures in their valuation reports to better facilitate comparison.

### **Solvency**

- 1.18 Under the heading of solvency, we found that a number of our assessment measures were triggered by the two Passenger Transport funds, West Midlands Integrated Transport Authority Pension Fund and South Yorkshire Passenger Transport Authority Pension Fund. These funds are both closed to new entrants. In particular we might have sought to better understand whether the relevant administering authorities had a plan in place to ensure that the fund continues to meet benefits due in an environment of no future employer contributions being available, if section 13 had applied as at 31 March 2013.
- 1.19 A number of amber flags were raised under solvency for the open funds. Had section 13 applied, we may have engaged with some of these administering authorities, particularly where there was significant combination of amber flags, to discuss reasons behind these flags. However, none were red-flagged. Please see table 5.2 for further detail.



- 1.20 We have also highlighted the ten funds with the lowest funding level on the Scheme Advisory Board's ("SAB") standardised basis. Had section 13 applied, we may have engaged with some of these funds to better understand how they intended to improve their funding position.
- 1.21 We believe it is important that administering authorities and other employers understand the potential cost, so that they can understand the affordability of potential future contribution requirements.
- 1.22 The local valuations and our calculations underlying this dry run report are based on specific sets of assumptions about the future. To help the understanding of the potential for volatility in contributions, we estimate that the aggregate impact on contributions under a financial crisis scenario, similar to the 2008 financial crisis, is an increase in contributions of between £1.7 and £4.9 billion per year (compared with the actual outturn from the 2013 valuations of £6.6 billion).
- 1.23 A more detailed description of the tests and triggers alluded to in the tables below can be found in the relevant sections of this report and are not repeated in this executive summary.

*Table 1.1: Funds with a material combination of amber and/or red flags*

| PENSION FUND                     | MATURITY (RANK) | SOLVENCY MEASURES     |           |                         |                 |             |                  |
|----------------------------------|-----------------|-----------------------|-----------|-------------------------|-----------------|-------------|------------------|
|                                  |                 | RISKS ALREADY PRESENT |           |                         | EMERGING RISKS  |             |                  |
|                                  |                 | SAB FUNDING LEVEL     | OPEN FUND | NON-STATUTORY EMPLOYEES | LIABILITY SHOCK | ASSET SHOCK | EMPLOYER DEFAULT |
| SOUTH YORKSHIRE PTA <sup>2</sup> | 25.2 (1)        | 114%                  | NO        | 100%                    | +5%             | +3%         | N/A              |
| WEST MIDLANDS ITA <sup>4</sup>   | 25.1 (2)        | 100%                  | NO        | 100%                    | +5%             | +7%         | N/A              |

### Long term cost efficiency

- 1.24 For the following funds we would have engaged with the administering authority to investigate whether the aims of section 13 were met, had section 13 applied:
- > Royal County of Berkshire Pension Fund
  - > Somerset County Council Pension Fund

<sup>2</sup> The **Employer Default** measure is shown as N/A because there are no statutory employers participating in these two closed funds.



*Table 1.2: Funds with a material combination of amber and/or red flags*

| PENSION FUND | MATURITY (RANK) | LONG TERM COST EFFICIENCY MEASURES |                |                 |                     |                         |                   |                |
|--------------|-----------------|------------------------------------|----------------|-----------------|---------------------|-------------------------|-------------------|----------------|
|              |                 | RELATIVE CONSIDERATIONS            |                |                 |                     | ABSOLUTE CONSIDERATIONS |                   |                |
|              |                 | DEFICIT REPAID                     | DEFICIT PERIOD | REQUIRED RETURN | REPAYMENT SHORTFALL | RETURN SCOPE            | DEFICIT EXTENSION | INTEREST COVER |
| BERKSHIRE    | 5.9 (78)        | 4%                                 | 34             | 6%              | -2%                 | -0.5%                   | -3                | No             |
| SOMERSET     | 5.9 (80)        | 5%                                 | 24             | 6%              | -1%                 | 0.0%                    | 0                 | No             |

1.25 A number of other funds have triggered flags. We do not consider that these funds are failing to meet the aims of section 13, but we may have encouraged these other funds to provide further information regarding the relevant measures. Please see table 6.2 for further details.

| <b>Bath &amp; North East Somerset Council</b>   |  |                           |           |
|---|--|---------------------------|-----------|
| MEETING:  | <b>LOCAL PENSION BOARD - AVON PENSION FUND</b> |                           |           |
| MEETING DATE:   | <b>2<sup>nd</sup> November 2016</b>            | <b>AGENDA ITEM NUMBER</b> | <b>12</b> |
| TITLE:  | <b>Risk Management Update</b>                  |                           |           |
| WARD:   | ALL  |                           |           |
| <b>AN OPEN PUBLIC ITEM</b>  |  |                           |           |
| List of attachments to this report:<br>Appendix 1 Pension Fund Risk Register (to be presented at meeting) |  |                           |           |

## **1 THE ISSUE**

1.1 The purpose of this report to update the current position of the Avon Pension Fund Risk Register and its top risks.

## **2 RECOMMENDATION**

### **That the Board**

2.1 Notes the report and comment on the Risk Register.

## **3 FINANCIAL IMPLICATIONS**

3.1 There are no direct implications related to the Pension Board in connection with this report.

## **4 REPORT**

### **RISK REGISTER**

- 4.1 The Risk Register follows the format of the Council's risk register for each service. It identifies the significant risks that could have a material impact on the Fund in terms of value, reputation, compliance or provision of service and sets out the action taken to manage the risk.
- 4.2 The Risk Register is reviewed regularly by the pension management team. Risks identified cannot be eliminated but can be treated via monitoring.
- 4.3 The risks identified fall into the following general categories:
- (i) Fund administration & control of operational processes and strategic governance processes and TPR compliance – mitigated by having appropriate policies and procedures in place, use of electronic means to receive and send data and information

- (ii) Service delivery partners not delivering in line with their contracts or SLAs – mitigated by monitoring and measuring performance
- (iii) Financial loss due to payments in error, loss of assets due to investment strategy and/or managers failing to deliver required return, fraud or negligence of investment managers or custodian – mitigated by processes to reconcile payments, regular review of strategic return and manager performance and annual review of investment strategy, robust legal contracts to protect against fraud & negligence
- (iv) Changes to the scheme – mitigated by project plans with defined milestones and responsibilities, progress reviewed periodically by management team
- (v) Increasing political pressure to reform scheme structure and governance frameworks and direct investment decisions – mitigated by having well defined investment policies and by engaging with the government through the consultation process

4.4 The Fund continues to invest significantly in systems and resources to ensure the risks are managed effectively and resilience is built into the service. The arrangements in place are supported by external and internal audit reviews.

4.5 The Fund reviews all risks annually and the top 10 risks and changes quarterly with the latest review in August 2016. A new risk following Brexit has been added. The main risks are that the decision to leave the EU may have both negative implications for the investment strategy and expected returns/risk levels. Short term impact is mainly via depreciation of sterling. These risks are mitigated by:-

- (i) Impact assessment at quarterly Panel and Committee meetings when strategy is monitored.

- (ii) Strategy Investment review in 2017 will reset investment expectations and evaluate investment opportunities having assessed the impact of Brexit on investment markets and liabilities.

4.6 The top 10 risks, including their likelihood, financial impact and mitigating actions will be tabled at the meeting and are available to view at <S:\Pensions\Users Shared\APF Pensions Board\Risk Register>

## **5 RISK MANAGEMENT**

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance and there are no significant or material risks to report as this is an information report.

## **6 EQUALITIES**

6.1 A proportionate equalities impact assessment has been undertaken and there are no significant issues to report.



## 7 CONSULTATION

7.1 Report and Issues have been subject to consultation with the S151 Officer and Strategic Director of Resources.

|  |   |
|--|---|
| <b>Contact person</b>  | Geoff Cleak, Acting Pensions Manager Tel: 01225 395277<br>Jeff Wring, Head of Audit West 01225 477323 |
| <b>Background papers</b>   |   |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |   |

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| <b>Bath &amp; North East Somerset Council</b>   |  |                           |
|---|--|---------------------------|
| MEETING:  | <b>LOCAL PENSION BOARD - AVON PENSION FUND</b> |                           |
| MEETING DATE:   | <b>2<sup>nd</sup> November 2016</b>            | <b>AGENDA ITEM NUMBER</b> |
| TITLE:  | <b>Training &amp; Work Plan Update</b>         |                           |
| WARD:   | ALL  |                           |
| <b>AN OPEN PUBLIC ITEM</b>  |  |                           |
| List of attachments to this report:<br><br>Appendix A – Outline Training Plan<br><br>Appendix B – Outline Work Plan |  |                           |

## **1 THE ISSUE**

- 1.1 The purpose of this report is to receive updates on Training and Work Plan issues from the Board and present the current outlines of the Training & Work Plans. Board Members are asked to consider the plans attached at Appendices A and B and present their own feedback at the meeting.

## **2 RECOMMENDATION**

### **That the Board**

- 2.1 Notes the report and endorses the high level Training and Work Plans outlined in Appendices A and B.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are direct implications related to the Pension Board in connection with this report, however these are all currently within the planned budget for the operation of the Board.

## **4 REPORT**

### **4.1 Training**

- 4.2 In developing a training plan Board Members should reflect on their own statutory requirements as set out in previous reports. In summary Board Members should have a breadth of knowledge and understanding that is sufficient to allow them to understand fully any professional advice the Board is given. They should also be able to challenge any information or advice they are

given and understand how that information or advice impacts on any decision relating to the Board's duty to assist the Avon Pension Fund.

4.3 As agreed at previous Board meetings individual board members should retain their own training log to evidence how they are fulfilling their responsibilities and update these on a quarterly basis to aid future training needs analysis. We remain hopeful that training will be aligned with that of the Pension Fund Committee Members over the coming 12 months.

4.4 A high level training plan at Appendix A has been developed based on the self-assessment completed by Board members which needs regular review and update to reflect ongoing individual needs and is attached for consideration.

#### 4.5 **Work Plan**

4.6 In developing a work plan the Board should reflect the need to maintain a balance between building the knowledge and understanding of Board Members along with delivery of the statutory obligations of the Board.

4.7 The views of the Board are vital in informing the nature, frequency and cyclical nature of items as well as the timing of certain time-critical issues for consideration such as Project Brunel.

4.8 An outline of the Work Plan is attached at Appendix B for consideration and will continue to be worked on and re-presented at each meeting as the year progresses using the comments and feedback of the Board, Officers and other stakeholders such as the Pension Fund Committee to inform its contents.

### 5 RISK MANAGEMENT

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance and there are no significant or material risks to report.

### 6 EQUALITIES

6.1 A proportionate equalities impact assessment has been undertaken and there are no significant issues to report.

### 7 CONSULTATION

7.1 Report and Issues have been subject to consultation with the Strategic Director of Resources.

|  |   |
|--|---|
| <b>Contact person</b>  | Howard Pearce, Chair of Pension Board<br>Jeff Wring, Head of Audit West, 01225 477323 |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |   |

| HOW DOES THE BOARD RATE THEIR KNOWLEDGE ON THE FOLLOWING AREAS | Limited | Basic | Good | Skilled | Priority (H/M/L) | Members' Board Papers (Electronic) | Briefing Notes/ Short Seminars (At Board Meetings) | Internal Training Events (Internal & External Specialists) | External Conferences & Training Seminars (LGE Fundamentals etc) | tPR Best Practice Guidance & Trustee Toolkit & E-Learning | TARGET DATE |
|--|---------|-------|------|---------|------------------|------------------------------------|--|--|---|---|-------------|
| 1. Pensions Legislation  |         |       | X    |         | L                | X                                  | X  |  | X   | X   | TBC 16/17   |
| 2. Pensions Governance   |         |       | X    |         | M                | X                                  | X  |  | X   | X   | TBC 16/17   |
| 3. Pensions Administration                                     |         |       | X    |         | L                | X                                  | X  |  | X   | X   | TBC 16/17   |
| 4. Pensions Accounting & Auditing Standards                    |         | X     |      |         | L                | X                                  | X  |  | X   | X   | TBC 16/17   |
| 5. Pensions Services Procurement & Relationship Management     |         | X     |      |         | M                | X                                  | X  |  | X   | X   | TBC 16/17   |
| 6. Investment Performance & Risk Management                    |         | X     |      |         | M                |                                    | X  | X  | X   | X   | TBC 16/17   |
| 7. Financial Markets & Products Knowledge                      |         | X     |      |         | M                |                                    | X  | X  | X   | X   | TBC 16/17   |
| 8. Actuarial Methods, Standards & Practices                    |         | X     |      |         | M                |                                    | X  | X  | X   | X   | TBC 16/17   |

**Self-Assessment Returns**

|               |                 |
|---------------|-----------------|
| Howard Pearce | Yes             |
| David Yorath  | Yes             |
| Steve Harman  | Yes             |
| Tom Renhard   | Yes             |
| Gaynor Fisher | Yes             |
| Mark King     | No (New Member) |
| Tony Whitlock | No (New Member) |

**Board Members Specific Requests/Areas for Additional Training/Briefing Notes**

|   |   |
|---|---|
| 1 | An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefit administration.   |
| 2 | An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to investments.  |
| 3 | An understanding of what AVC arrangements exist and the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider’s investment and fund performance report and the payment schedule for such arrangements. |
| 4 | Knowledge of how discretionary powers operate.  |
| 5 | An understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision-makers and organisations.   |
| 6 | A general understanding of the main public procurement requirements of UK and EU legislation.   |
| 7 | An understanding of how the pension fund monitors and manages the performance of their outsourced providers.  |
| 8 | An awareness of the role and statutory responsibilities of the treasurer and monitoring officer.  |

|    |  |
|----|--|
| 9  | An understanding of how the pension fund monitors and manages the performance of their outsourced providers.   |
| 10 | An understanding of the implications of including new employers into the fund and of the cessation of existing employers.  |
| 11 | An understanding of how the roles and powers of the DCLG, the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme. |
| 12 | An understanding of how breaches in law are reported.  |
| 13 | An understanding of best practice in pensions administration eg performance and cost measures.   |
| 14 | An awareness of the Myners principles of performance management and the approach adopted by the administering authority.   |
| 15 | An understanding of the limits placed by regulation on the investment activities of local government pension funds.  |

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**Draft Work Plan – Avon Pension Fund Local Pension Board**

**Appendix B**

| <b>AGENDA ITEM</b>  | <b>30/07/15</b> | <b>05/11/15</b> | <b>18/02/16</b> | <b>19/05/16</b> | <b>27/07/16</b> | <b>02/11/16</b> | <b>16/02/17</b> | <b>11/05/17</b> | <b>27/07/17</b> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Conflicts of Interest Declarations</b>                               |                 | X               | X               | X               | X               | X               | X               | X               | X               |
| <b>Training Plan Update (Incl. Annual Plan)</b>                         |                 | X               | X               | X               | X               | X               | X               | X               | X               |
| <b>Work Plan Update</b>   |                 | X               | X               | X               | X               | X               | X               | X               | X               |
| <b>Avon Pension Fund Committee &amp; Investment Panel Minutes</b>       | X               | X               | X               | X               | X               | X               | X               | X               | X               |
| <b>LGPS Developments &amp; Updates</b>                                  |                 | X               | X               | X               | X               | X               | X               | X               | X               |
| <b>Risk Register Update</b>   |                 | X               | X               | X               | X               | X               | X               | X               | X               |
| <b>Appointment of Chair &amp; Board Members</b>                         | X               |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Pension Board Terms of Reference</b>                                 | X               |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Role of Pensions Board</b>   | X               |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Pension Board Code of Conduct &amp; Conflicts of Interest Policy</b> | X               |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Pension Board Training Requirements</b>                              | X               |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Pension Board Work Plan Requirements</b>                             | X               |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Regulatory Breaches Policy</b>                                       |                 | X               | X               |                 |                 |                 |                 |                 |                 |

**Draft Work Plan – Avon Pension Fund Local Pension Board**

**Appendix B**

| AGENDA ITEM  | 30/07/15 | 05/11/15 | 18/02/16 | 19/05/16 | 27/07/16 | 02/11/16 | 16/02/17 | 11/05/17 | 27/07/17 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Review of Pension Fund Annual Report   |          | X        |          |          |          | By Email |          |          |          |
| Review of Administration Strategy  |          | X        |          |          |          |          |          |          |          |
| Administration Performance Report  |          | X        |          |          |          |          |          |          |          |
| Compliance Report  |          | X        | X        | X        | X        | X        | X        | X        | X        |
| Internal Audit Plans & Update  |          |          | X        |          |          |          | X        |          |          |
| External Audit Plans & Update  |          |          | X        | X        |          | By Email |          | X        |          |
| Pension Board Budget   |          |          | X        |          |          |          | X        |          |          |
| Benchmarking Update  |          |          | X        | X        |          | X        |          | X        |          |
| Avon Pension Fund Service Plan 16/17   |          |          |          | X        |          |          |          | X        |          |
| Pension Board Annual Report  |          |          |          | X        | X        |          |          | X        | X        |
| Annual Review of Communications Strategy   |          |          |          |          | X        |          |          |          | X        |
| Review of Statement of Investment Principles (Statutory Investment Strategy Statement) |          |          |          |          |          |          | X        |          |          |
| Review of Policy Framework   |          |          |          |          |          |          | X        |          |          |

**Draft Work Plan – Avon Pension Fund Local Pension Board**

**Appendix B**

| <b>AGENDA ITEM</b>  | <b>30/07/15</b> | <b>05/11/15</b> | <b>18/02/16</b> | <b>19/05/16</b> | <b>27/07/16</b> | <b>02/11/16</b> | <b>16/02/17</b> | <b>11/05/17</b> | <b>27/07/17</b> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Review of Valuation &amp; Funding Strategy</b>         |                 |                 |                 |                 |                 | X               |                 |                 |                 |
| <b>Review of Data Integrity &amp; Action Plans</b>        |                 |                 |                 |                 |                 |                 | X               |                 |                 |
| <b>Review of IT Security &amp; Business Continuity</b>    |                 |                 |                 |                 |                 |                 |                 | X               |                 |
| <b>Review of Governance Compliance Statement</b>          |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Review of compliance with TPR COP 14</b>               |                 |                 |                 |                 |                 | X               |                 |                 |                 |
| <b>Review of Fund Internal Controls &amp; Delegations</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Review of External Advisors</b>                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Review of Fraud Risk Strategy</b>                      |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Review of Complaints/IDRP Procedures</b>               |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Review of outcome of GMP reconciliation</b>            |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|   |                 |                 |                 |                 |                 |                 |                 |                 |                 |

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