

Avon Pension Fund Pension Board Update

Resources PDS - May 2016



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Outline of Presentation



- Brief Overview of Avon Pension Fund
- National Governance Framework
- Pension Board – Role & Remit
- Pension Board – Year 1 Summary
- Project Brunel - Update



The Local Government Pension Scheme



- Statutory scheme
- Multi-employer scheme
 - Scheduled bodies
 - Designating bodies
 - Admission bodies
- Shared “risk”
- Government “guarantee”
- Defined benefit scheme
- APF has other responsibilities – Fire-fighters schemes

Membership



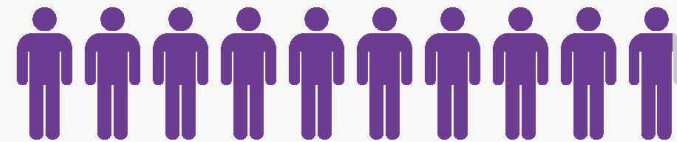
214 employers

including the unitary councils of Bath and North East Somerset, Bristol City, North Somerset and South Gloucestershire as well as universities, colleges, academies, housing associations and charities

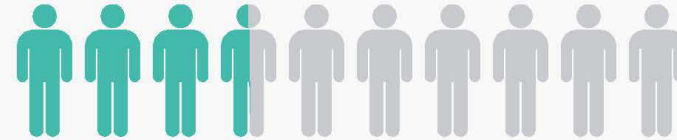
Bath & North East Somerset Council



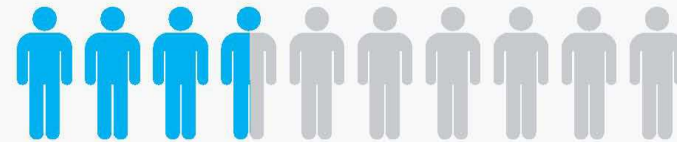
Fund membership 2014/15



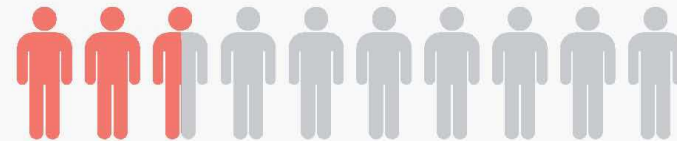
■ **96,485** members in the fund



■ **34,765** 'actives' paying in



■ **35,714** 'deferred' previously paying in



■ **26,006** 'pensioners' receiving their pension

Value of the Fund



Fund value 2014/15

**£3.8
Billion**

(a rise of **£498 million**
on the previous year)



Value of the fund (£millions)



Assets and liabilities



Assets and liabilities

as per 2013 valuation



Assets
£3,146 million

Liabilities
£4,023 million



Assets and liabilities

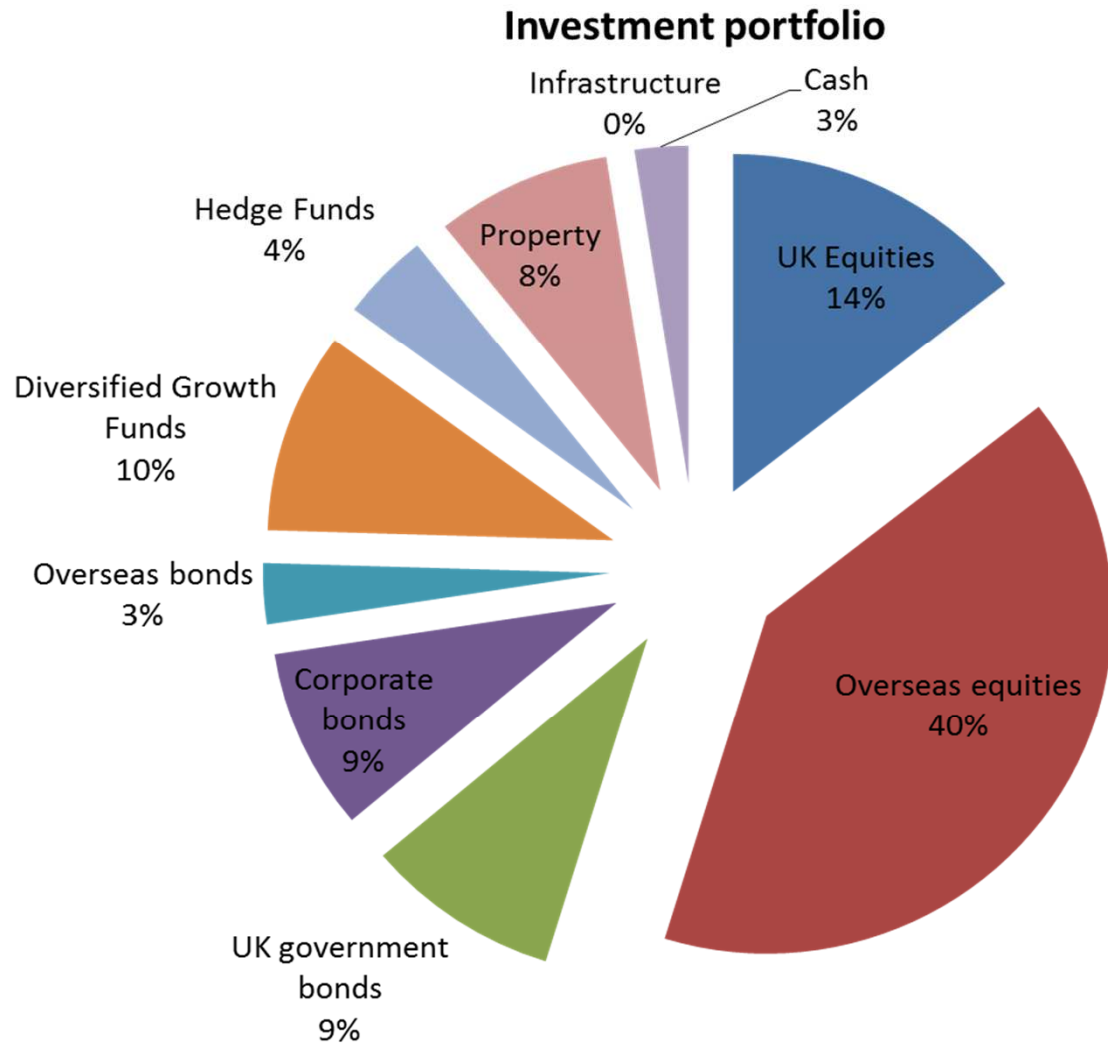
as at March 2015



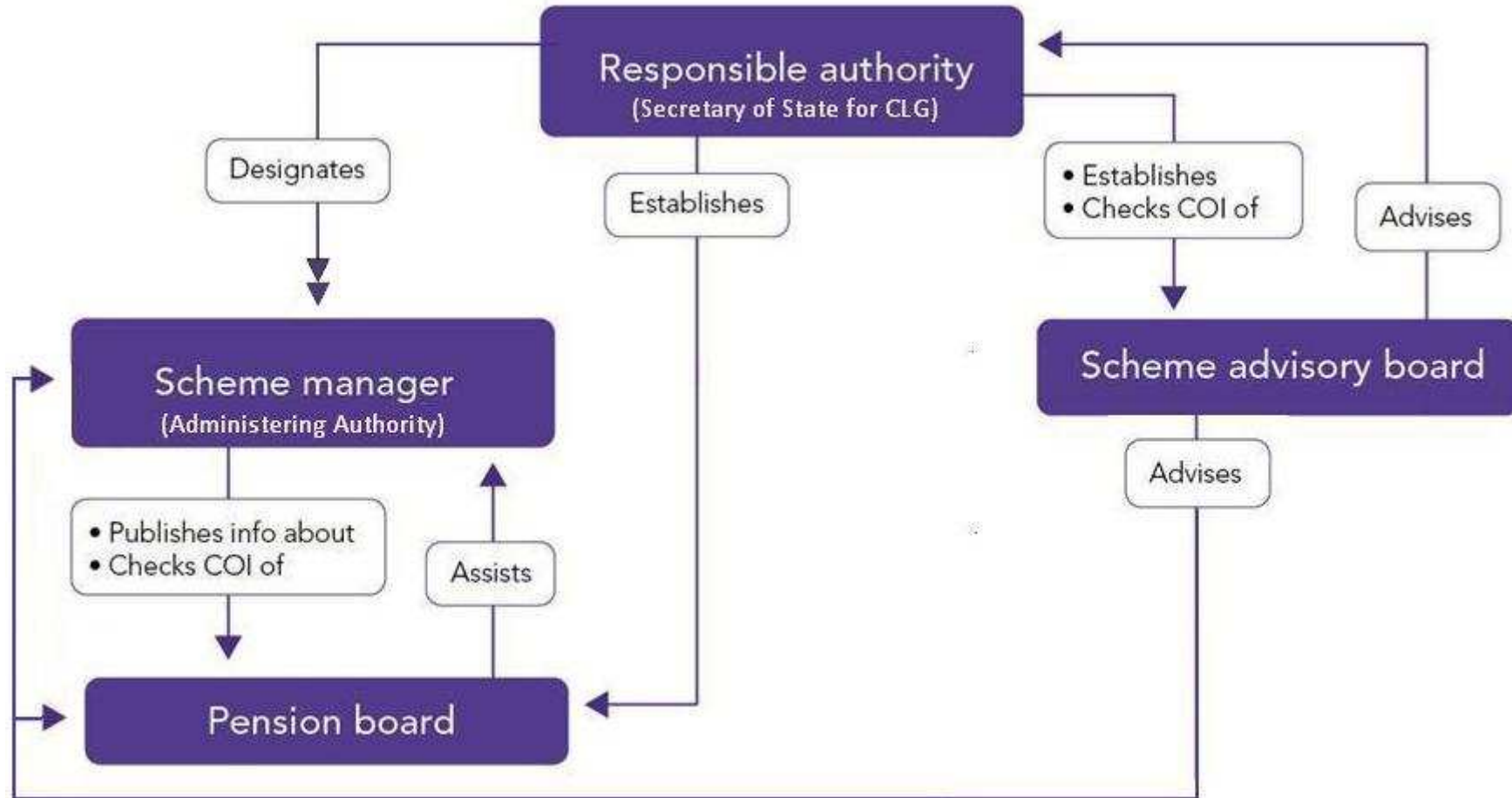
Deficit
increased from
£876 million to
£1,078 million

78% funded

Investment portfolio



LGPS national governance structure



The Pensions
Regulator

National governance framework



- Sec of State CLG
 - Overall responsibility for LGPS
 - Produces all Regulations
- The Pensions Regulator
 - Role regulating LGPS/Local Pension Boards
 - Comply with Code of Practice 14 for public sector schemes

Local Pension Board



- Established 1 April 2015 by the Public Service Pensions Act 2013
- Requirement for all public sector pension schemes
- LGPS uniquely has them at local level
- Representation – equal numbers of employer and member representatives
- The role is also to assist the administering authority in ensuring the effective and efficient governance and administration of the scheme.”

Terms of Reference

Structure of Board



- 1 x Independent Chairperson
- 3 x Member representatives
- 3 x Employer representatives
- Quorum – 3 members (at least one member and one employer representative)

Terms of Reference



- The Board will exercise its duties in the following areas:
 - Compliance with the relevant legislation and Codes of Practice set by The Pensions Regulator;
 - Policies and processes are in place to deliver the objectives of the pension fund;
 - Policies and processes are in place to ensure that employers comply with their obligations under the Scheme and regulations;
 - The processes for setting strategy, policy and decision-making are robust;
 - A framework of controls is in place to ensure fund and employer compliance;
 - From time to time the administering authority may consult the Board or ask assistance on specific issues.

Focus of Board - Code of Practice 14



- Structure of code – four core areas of scheme governance and administration:
 1. governing your scheme [pension board]
 2. managing risks
 3. administration
 4. resolving issues



Pension Board – Year 1 Summary



- Recruitment of Board Members
- 4 Formal Meetings Held
- Training & Establishment of Policies & Procedures
- Scrutiny of Compliance with COP 14
- External & Internal Audit Plans
- Scrutiny of Pension Fund Risk Register
- Scrutiny of Pension Fund Service Plan
- Overview of LGPS Developments – I.E. Pooling



Pension Board – Year 2 Work Plan



- Detailed Focus on COP 14 – Core Role
- Communications Strategy
- Discretions
- Breaches & Action Plans
- Pension Fund Risk Register & Audit Work
- Impacts of LGPS Developments – I.E. Pooling



Project Brunel Update



- Verbal Update at Committee

