

Bath & North East  
Somerset Council



# Avon Pension Fund Pension Board Annual Report 2017/18



# 1. Introduction

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Welcome to the third Annual Report of the Local Pension Board (LPB) of Avon Pension Fund.

The Board was established in 2015 arising from the Public Sector Pension Act 2013 and Local Government Pension Scheme (Governance) Regulations 2015.

The purpose of the Board is to assist the Administering Authority (BANES Council) of the Avon Pension Fund (APF) secure compliance with the LGPS regulations and requirements of the Pensions Regulator (TPR) and ensure efficient and effective governance and administration of the fund.

This report covers the period 1st August 2017 to 31st July 2018 within which the Board has held four formal meetings. During this period the members of the LPB have continued to develop their knowledge and understanding of the LGPS and TPR requirements as required by law.

The third year of operation of the LPB was focussed on its statutory responsibilities with a core agenda of key governance themes around the fund's legal compliance, risk management and benchmarking.

It has also actively monitored the fund's involvement in the Brunel Pensions Partnership (BPP) that was established in 2017 to facilitate the pooling of the funds assets with 9 other LGPS funds in 2018.

I am pleased to say that with the support of the officers to the APF; the LPB has made good progress in fulfilling its terms of reference and continuing to support the administering authority in its statutory duties.

The LPB has reviewed a wide range of LGPS regulations and TPR requirements and made a number of recommendations to the administering authority (see page 8 and Appendix 1).

This has included starting a process of review of all administration processes against their legal timeframes, reviewing high level of risks facing the APF on a regular basis, analysing key issues around data quality – notably missing addresses - and reviewing the refreshed statutory Investment Strategy Statement (ISS) for its compliance against the DCLG statutory guidance.

In addition we have received the outcome of our annual compliance check from Internal Audit in relation to the funds

compliance with TPR Code of Practice 14 along with a number of other audit reviews of the fund and its administration. The LPB welcomed the actions being implemented by the fund to ensure it fully complies with the Code and improve the control framework around the Administration of the APF.

The LPB noted the growing administration pressures from more employers joining the fund as well as new TPR requirements in respect of record keeping and data quality. In light of this the LPB supported the need to future proof the level and quality of administration services to fund members in the forthcoming review of the fund's administration strategy.

The LPB also continues to overview the APF communication strategy and stressed the need for all scheme information to be kept up to date and the importance of the fund website to employers and members.

Looking ahead the LPB will seek to assist and support the APF in respect of minimising potential governance and other risks arising from BPP and the pooling of the funds assets with nine other LGPS funds in 2018.

Last but not least could I thank my fellow Board members for their commitment to their roles on the LPB and I commend this report to you.

Howard Pearce  
**Independent Chair**

## 2. Legal basis of Local Pension Board

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### Background

At the request of central government Lord Hutton conducted a review into public service pensions in 2010 and published his findings in March 2011 which recommended significant change to the governance of the pensions *‘to make...schemes... more transparent’*.

Subsequently legislation was introduced in the form of the Public Sector Pension Act 2013 along with the Local Government Pension Scheme (Governance) Regulations 2015. These require each Local Government Pension Scheme (LGPS) administering authority to establish a new body known as a Local Pensions Board (LPB) to assist the Council (LGPS Administering Authority).

One of the key aims of the reform was to raise the standard of management and administration of public service pension schemes and to achieve more effective representation of employer and employee interests. The LPB must have equal representation of scheme members and scheme employers.

The APF LPB is a separate legal entity from the APF Pensions Committee (Section 101 committee) to which as administering authority (BANES Council) has delegated its functions in relation to the administration of the LGPS.

### Specific Role and Purpose

The Public Sector Pension Act 2013 sets out the requirements for the establishment of a LPB with the responsibility for assisting the LGPS local scheme manager (BANES) in relation to the following:

- a. Securing compliance with the regulations, any other legislation relating to the governance and administration of the Scheme, and requirements

imposed by the Pensions Regulator in relation to the Scheme and:

- b. To ensure the effective and efficient governance and administration of the Scheme.

The LPB will assist the ‘scheme manager’ by monitoring and advising on compliance with the pension scheme regulations, along with all other legislation and the requirements imposed by the Pensions Regulator to ensure the effective and efficient governance and administration of the scheme.

The role of the LPB can be likened to that of a “critical friend” but is not a decision making body. It has an important advisory role for the APF and works with the Pensions Committee to scrutinise its decision making processes and to ensure the Fund’s compliance with all its legislative requirements.

### Pension Regulator

From April 2015, the Pension Regulator had responsibility for the LGPS. Therefore one focus for the LPB is ensuring the fund’s compliance with TPR Codes of Practice. This is split into a number of areas which covers governance, risk management and resolving issues.

The LPB as part of their work plan has needed to consider these areas, to ensure the Fund is compliant and if not to make recommendations to the APF Pensions Committee to address these requirements.

### Terms of Reference

Terms of Reference for the LPB are available through the following link.

<http://www.avonpensionfund.org.uk/pension-board>

### 3. Establishment of Local Pension Board

The requirement for an Independent Chair and Board Membership was outlined in the terms of reference to the LPB which were agreed by full BANES Council on the 15th January 2015.

Adverts for the role of Chair were placed on the Fund's website, Western Daily Press, Jobsgopublic.com, Local Government Chronicle online and the Council's job vacancy website.

All applicants were then reviewed against the five published criteria in the person specifications and a shortlist of four candidates drawn up for interview with the Strategic Director of Resources, Head of Business, Finance and Pensions and the Head of Audit West.

Interviews were held in June 2015 and a preferred candidate – Howard Pearce (former Head of Pension Fund Management, Environment Agency) – was identified and recommended to the LPB for an appointment of four years.

The process for the appointment of Board Members followed a similar path with adverts placed on the Fund's website and pro-actively distributed through the many employee and employer communications and conferences.

Interviews for Board Membership were held from June 2015 through to May 2016 and as at May 2016 a full complement of employer and employee members are now in post.

#### Details of the Local Pension Board Members

##### Independent Chairman:

Howard Pearce,  
*Appointed 1st July 2015.*  
*4 year term of office to 30 June 2019.*

##### Employer Member Representatives:

Gaynor Fisher, *active member.*  
*Appointed 1st July 2015.*  
*4 year term of office to 30 June 2019.*

Steve Harman, *active member*  
*Appointed 1st July 2015.*  
*4 year term of office to 30 June 2019.*

Tony Whitlock, *active member*  
*Appointed 1st May 2016.*  
*4 year term of office to 30 April 2020.*

##### Scheme Member Representative:

David Yorath, *retired member*  
*Appointed 1st July 2015.*  
*4 year term of office to 30 June 2019.*

Tom Renhard, *active member*  
*Appointed 1st July 2015.*  
*4 year term of office to 30 June 2019.*

Mark King, *active member*  
*Appointed 1st May 2016.*  
*4 year term of office to 30 April 2020.*

In total the Board has well over 100 years experience of the LGPS. Details of each Board members experience, LPB training log, and register of interests for are available through the following link.

<http://www.avonpensionfund.org.uk/pension-board>

#### Attendance at Local Pension Board Meetings – August 2017 – July 2018

Role	Board Member	Attendance
Independent Chairman	Howard Pearce	4/4
Employer Representative	Gaynor Fisher	3/4
	Steve Harman	3/4
	Tony Whitlock	3/4
Member Representative	David Yorath	3/4
	Tom Renhard	3/4
	Mark King	2/4

## 4. Training

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### Background

In accordance with the Pension Regulator (tPR) Code of Practice 14 every individual member of a LPB must in summary:

- Be Conversant with the rules of the local government pension scheme (LGPS) &
- Have knowledge and understanding of the law relating to pensions:

These responsibilities begin from the date the LPB member takes up their role. These knowledge and understanding requirements apply to every individual member of a LPB rather than as a collective group.

### Degree of Knowledge and Understanding

The legal requirement is that members of the LPB must be conversant with the rules of the LGPS and any document recording policy about the administration of the fund. This is implied as a working knowledge so that members are aware of which legislation/policies to refer to when carrying out their role.

### Areas of Knowledge and Understanding

LPB Members should be conversant with, but not limited to the following areas:

- a. Scheme approved policies
- b. Risk assessment/management
- c. Scheme booklets/members communications
- d. Role of LPB Members and the scheme manager
- e. Policies in relation to discretions
- f. Communications with scheme members and employers
- g. Key policy documents on administration, funding and investment

### Training Undertaken

During the year on-going technical training was provided to LPB members by officers from or advisors to the APF on a full range of topics covering the LGPS framework and TPR requirements.

All 7 members of the LPB have completed the TPR public sector pension toolkit certification. In addition three members attended the LGE LGPS Fundamentals Course.

The LPB training plan is a topic at each board meeting and all Board Members maintain a training log, which is also submitted annually to assist in the identification of on-going training needs.

Details of the LPB training plan and members training logs are available through the following link

<https://democracy.bathnes.gov.uk/ieListMeetings.aspx?CommitteeId=563>

## 5. Local Pension Board Code of Conduct and Conflicts of Interest Policy

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### Code of Conduct

All LPB members have signed up to an LPB Code of Conduct in which emphasises that as a holder of public office there is an expectation that LPB members will comply with the 'seven principles of public life', also known as the 'Nolan Principles'.

All LPB members have formally completed their declaration of interest forms and at the 4 formal meetings which have been held during the year no 'conflicts' have been declared. For more information on conflicts of interest and declarations at each meeting please use the following link

### Conflicts of Interest

All LPB members have also signed up to the LPB Conflicts of Interest Policy. This requires all members to notify BANES Democratic Services team of any potential conflict of interest arising as a result of their position on the Board.

<https://democracy.bathnes.gov.uk/mgCommitteeDetails.aspx?ID=563>

All meetings of the LPB include a standing item titled 'Declaration of Interests' at the start of the meeting where any declaration in relation to the items on the agenda should be made.

## 6. Pension Board Costs & Budget

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In meeting the requirements of the Public Sector Pension Act (2013) and establishing a Local Pensions Board, Bath & North East Somerset approved terms of reference and necessary supporting arrangements at its meeting of its full Council on the 15th January 2015.

As with all elements of the public sector there is exceptional pressure to ensure value for money can be demonstrated and the Board will continue to consider this in its future operations.

The LPB agrees a budget on an annual basis to enable the Board to perform its duties and a summary of the costs is included below

### Summary Financial Table

Budget Area	Actual Costs 2016/17	Budget 2017/18	Actual Costs 2017/18
LPB Members Allowances	£7,067.27	£8,000.00	£7,129.00
LPB Members Training Costs	£1,500.00	£3,000.00	£260.00
LPB Meeting & Democratic Services Costs	£3,245.00	£9,000.00	£5,352.00
Central Recharges & Officer Costs	£11,800.00	£15,000.00	£12,600.00
Communication Costs	£0.00	£2,000.00	£22.00
<b>Total</b>	<b>£23,612.27</b>	<b>£37,000.00</b>	<b>£25,363.00</b>



## 7. Local Pension Board Compliance with the Pension Regulator's Code of Practice No.14

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As part of assessing both the effectiveness and compliance of the Board with its key requirements, the APF carried out a self-assessment of the LPB's current arrangements against TPR Code of Practice No. 14 in 2016/17. The full results of this exercise were reported initially in May 2016 and revisited in November 2016 and are available via the following link.

<https://democracy.bathnes.gov.uk/documents/s44211/LocalPensionBoardTPRCOP14UpdateNov2016.pdf>

Subsequent to this Internal Audit carry out an annual review of compliance against the Code and their latest report is available via the following link.

<https://democracy.bathnes.gov.uk/documents/s49951/LocalPensionBoardAuditUpdateFeb2018App2.pdf>

In summary the opinion was positive with a 'Good' opinion on compliance and the internal control framework and the review identified only a small number of issues identified for the APF to achieve best practice, including -

- Issues regarding the transparency of declarations of interest for the Investment

Panel were noted, in particular the failure to consistently publish declarations on 'modern gov'. These are being addressed and do not impact directly on compliance with the Code so no formal recommendation has been made.

- Supporting records such as risk registers and the breaches control sheet had not always been completed accurately or fully. However the errors / omissions were not significant in nature.
- The way in which 'acknowledgements' in respect of formal disputes are handled is not always in line with procedures although no significant issues were identified.
- Communications with members had not always been in strict compliance with the requirements of the Code but again these were not significant.

The Board support independent review and the work of Internal Audit and their reports and findings were reported to the Board in February and July 2018 along with their other reviews of the Pension Fund and overall Plan -

<https://democracy.bathnes.gov.uk/documents/s49949/LocalPensionBoardAuditUpdateFeb2018.pdf>

## 8. Pension Fund Communications

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Effective member and employer communications form a core part of the role of the APF. During the year the Board was represented at the Employers conference and also reviewed the APF's communications strategy and website.

The Board welcomed the website which had been refreshed and simplified the way information on the APF could both be located and sought and commended the actions of the fund. Reviewing the strategy and how the fund communicates to its many stakeholders will remain a key element of the work plan of the Board on a rolling basis.

## 9. Risk Management

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Risk management processes for the APF follow the framework laid down by the LGPS administering authority (BANES Council). The APF Risk Register identifies the significant risks that could have a material impact in terms of value, reputation, compliance or provision of service and sets out the mitigating action taken to manage down each risk.

The Register is reviewed regularly by the pension management team and risks fall into one of the following categories –

- i. Failures in the fund administration & control of operational processes and strategic governance processes and TPR compliance;
- ii. Service delivery partners not delivering in line with their contracts or SLAs;
- 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
- iv. Changes to the LGPS nationally and increasing political pressure to reform the scheme structure, governance frameworks and to centrally direct investment decisions

The LPB's ongoing review of the risk register concurred with the Pensions Committee that the top risks facing the fund revolve around –

- BPP Governance, asset pooling and benefit realisation
- Significant growth of new employers, especially Academies
- Delivering the future funding strategy
- Recruitment and Retention
- Data Quality
- Compliance with Legal Timeframes
- Information Governance (GDPR)

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

The LPB has actively engaged on the key risks facing the APF and its administration and supports increases in resources to mitigate some of these risks as well as discussing issues around capacity, skills gaps and recruitment and retention created primarily as a result of indirect implications from BPP.

The LP will continue to ensure that a review of the funds risk register will remain a regular agenda item at each meeting.



## 10. Summary Review of Areas Covered in 2017/18 & Recommendations Made

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The third year of operation of the LPB was focussed on key governance themes of legal compliance, risk management, and best practice as well as monitoring the significant developments connected to asset pooling and creation of the Brunel Pensions Partnership. A summary of the areas covered and meeting topics and minutes are given below. Details of the LPB advice and recommendations can be found at Appendix 1.

### Review of LPB Arrangements

LPB Terms of Reference, Code of Conduct, Conflicts of Interest, Breaches  
Training Requirements  
Review of Work Plan

### Review of Pension Fund Activities

Avon Pension Fund Committee & Investment Panel Minutes  
Project Brunel, Brunel Oversight Board  
Investment Strategy Statement  
Governance Framework  
Scheme Employers & Admitted Bodies

### Review of Pension Fund Administration

Compliance Report  
Risk Register  
APF Service Plan  
GDPR Implementation  
Legal Timeframes & Missing Addresses  
Annual Report

### Independent Assurance

TPR, SAB & CIPFA external benchmarking exercises  
External Audit role and reports  
Internal Audit role and reports

The draft work plan for the next 12 months is detailed as follows and will be kept under regular review.

<b>Meeting</b>	<b>Area</b>	<b>Action/Minutes</b>
<b>7 November 2017</b>	<b>APF Committee Minutes</b> <b>APF Investment Panel Minutes</b> <b>LGPS Updates &amp; Developments</b> <b>BPP Update</b> <b>Compliance Report</b> <b>Benefit Statement Update</b> <b>Risk Management Update</b> <b>Training &amp; Work Plans</b>	<a href="https://democracy.bathnes.gov.uk/documents/g5020/Printed%20minutes%2007th-Nov-2017%2014.00%20Pension%20Board.pdf?T=1">https://democracy.bathnes.gov.uk/documents/g5020/Printed%20minutes%2007th-Nov-2017%2014.00%20Pension%20Board.pdf?T=1</a>
<b>15 February 2018</b>	<b>APF Committee Minutes</b> <b>APF Investment Panel Minutes</b> <b>LGPS Updates &amp; Developments</b> <b>BPP Update</b> <b>Compliance Report</b> <b>Pension Administration Legal Timescales</b> <b>Pension Administration Member Addresses</b> <b>Internal Audit Update</b> <b>Risk Management Update</b> <b>Training &amp; Work Plans</b>	<a href="https://democracy.bathnes.gov.uk/documents/g5021/Printed%20minutes%2015th-Feb-2018%2014.00%20Pension%20Board.pdf?T=1">https://democracy.bathnes.gov.uk/documents/g5021/Printed%20minutes%2015th-Feb-2018%2014.00%20Pension%20Board.pdf?T=1</a>
<b>24 March 2018</b>	<b>APF Committee Minutes</b> <b>APF Investment Panel Minutes</b> <b>Brunel Oversight Board Minutes</b> <b>LGPS Updates &amp; Developments</b> <b>BPP Update</b> <b>APF Service Plan</b> <b>Legal Timeframes Update</b> <b>Compliance Report</b> <b>Risk Management Update</b> <b>Training &amp; Work Plans</b>	<a href="https://democracy.bathnes.gov.uk/documents/g5022/Printed%20minutes%2024th-May-2018%2014.00%20Pension%20Board.pdf?T=1">https://democracy.bathnes.gov.uk/documents/g5022/Printed%20minutes%2024th-May-2018%2014.00%20Pension%20Board.pdf?T=1</a>
<b>19 July 2018</b>	<b>APF Committee Minutes</b> <b>APF Investment Panel Minutes</b> <b>Brunel Oversight Board Minutes</b> <b>LGPS Updates &amp; Developments</b> <b>BPP Update</b> <b>Member Addresses Update</b> <b>APF Governance Framework</b> <b>APF Annual Report</b> <b>Scheme Employers &amp; Admitted Bodies Update</b> <b>GDPR Implementation Update</b> <b>Internal Audit Update</b> <b>Risk Management Update</b> <b>LPB Annual Report</b> <b>Training &amp; Work Plans</b>	<a href="https://democracy.bathnes.gov.uk/ieListDocuments.aspx?CId=563&amp;MId=5023&amp;Ver=4">https://democracy.bathnes.gov.uk/ieListDocuments.aspx?CId=563&amp;MId=5023&amp;Ver=4</a>

## 11. Forward Plan for 2018-19

The draft work plan for the next 12 months is detailed as follows and will be kept under regular review.

Agenda Item	19/07/18	08/11/18	07/03/19	13/06/19	12/09/19
<b>Board Governance</b>					
Terms of Reference review		✓			
Code of Conduct/ Conflicts of Interest policy				✓	
Work Plan (to be dynamically updated)	✓	✓	✓	✓	✓
Annual budget setting and monitoring			✓		
Training Plan (to be updated as required)	✓	✓	✓	✓	✓
Annual Report to PC and Council approval	✓			✓	
Scheme and Fund Governance					
Legal, policy, regulatory developments	✓	✓	✓	✓	✓
Training – APF financial delegations (Council, PC, IP, BOB, and APF officers)		✓			
Minutes PC, IP, BOB	✓	✓	✓	✓	✓
Annual Service Plan			✓		
Training – APF internal & external SLA's financial controls			✓		
External advisor appointments review process/ controls				✓	
Risk Register review	✓	✓	✓	✓	✓
TPR Code 14 Compliance updates			✓		
Governance (& FRC) Compliance statement	✓			✓	
Internal Audit plan/reports on APF	✓		✓		✓
External Audit Governance Report and Accounts		✓		✓	
Benchmarking against other BPP funds			✓		✓
<b>Funding/Investments</b>					
Statutory Funding Strategy Statement consultation/ process/report			✓		
2019 Triennial valuation process/controls/report					✓
Statutory GAD S13 triennial funding report	✓				
Statutory ISS annual update and associated RI policy			✓		
BPP update (delivery/savings)	✓	✓	✓	✓	✓

Agenda Item	19/07/18	08/11/18	07/03/19	13/06/19	12/09/19
<b>Benefits Admin/Comms</b>					
Admin Strategy Statement review and employer charging policy		✓			
Fund and employers compliance/TPR reporting	✓	✓	✓	✓	✓
Employer admission agreement policies					✓
Breaches policy/register/TPR reporting					✓
GDPR compliance	✓				
Record keeping, data security, business recovery			✓		
ABS process annual review		✓			✓
GMP reconciliation (one off exercise)		✓			
Discretions policies review					✓
Admin performance benchmarking			✓		
Comms policy statement and website review				✓	
Complaints policy, IDRs, PO cases review					✓

# Appendix 1 – LPB – Advice and recommendations

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## Governance

**Statutory governance compliance statement** – The Board noted APF is fully compliant in all areas except representation, where it is partially compliant, largely because of the wide range of employers in the scheme. The Board considered it may be possible to provide representation for a school employer when most academies were part of multi-academy trusts or in light of the outcome and recommendations arising from national Scheme Advisory Board academies project in 2018. (July 18 LPB).

**General Data Protection Regulations** - The Board noted the APF GDPR project plan should be completed in 2019 and recommended its implementation should be the subject of an Internal Audit report. (July 18 LPB).

**TPR requirements** - The Board noted that the Fund's positive direction of travel in performance reporting in respect of the TPR requirements and supported the Fund being given the resources to achieve compliance. The Board suggested that there could be a joint TPR officer led training session with the APF Committee and or other LPBs in the BPP family (Feb 18 LPB).

**Late payers** - The Board requested a list of repeat offender employers who had made late payments in each of the three years since the Board was established to be regularly presented to the Board. If there was no good reason for their persistent late paying, consideration should be given to APF reporting them to TPR (Feb 18 LPB).

The Board noted an internal audit report dealing with contributions and an assessment of good had been given for all key control objectives, apart from the reconciliation of the APF IT system to the APF bank account, which was assessed as weak. The Board requested a further report when the management follow-up had been completed (July 18 LPB).

**Record keeping** - The Board asked that the evidence that APF is complying with the public service pension scheme record keeping and disclosure regulations in future compliance reports (Nov 17 LPB).  
**Breaches of the law** – The Board asked about the self-reporting of any APF breaches in the law to the TPR (and by other funds in BPP) and recommended that APF might usefully benchmark its breach reporting against other LGPS funds. (Nov 17 LPB)

**Risk management** - The Board noted staffing risks are a key risk for all LGPS funds and asked what APF's strategy is to address this risk. The Board considered with the continuing increase in the number of employers in the APF, including a 10-fold increase in smaller employers, it might desirable to put extra administration staff in place now to stay ahead of the game. The Board was aware that there was a balance to be struck between achieving compliance and the cost of doing so, and recommended the APF should consider how legal compliance could mostly cost effectively be achieved by reprioritisation of internal and external resources (Nov 17 LPB). The Board asked about succession planning, apprenticeships and whether staff terms and conditions had been reviewed to increase the attractiveness of posts in pensions administration in the current job market. The Board asked whether there would be benefits from a review of the employment package for all administration staff. (May 24 18 LPB).

## Administration of members benefits

**Employer training** -The Board expressed concern over the 84% of employers who did not attend the APF employers conference and urged that pressure be kept on those APF employers who failed to engage with the training and support provided by the APF Pensions Service. (Nov 17 LPB)

**Administration strategy** - the LPB requested that a number of issues should be followed through including (Nov 17 LPB):

- The Administration Strategy review should address charging policies for additional work caused by employers. The Board considered the APF should report employers to the TPR who repeatedly failed to supply timely and accurate information as required by law.
- The Board requested it should receive information on the legal timeframes the Fund has to comply with for scheme member administration processes. Such compliance reports should present administration performance data against both the statutory timescale and the APF SLA KPI timescales. It was noted full compliance with all statutory timescales may require service level choices to be made when reviewing the APF Administration Strategy

**Administration resources** – The Board noted the number of employers in APF Fund is increasing with the majority of these arising from Academy conversions and the associated Admitted Bodies for outsourced catering and cleaning contracts. There were now 350 employers in the Fund. Each conversion required significant administration work and communication between the Fund and the employer. A number of schools had also changed their payroll provider. Other employers were awaiting admission to the Fund. About 65 new employers were joining the Fund per quarter. Each one imposed the same administrative burden on the Fund, regardless of their size; this highlighted the pressure on the resources of the Administration team. This rate of increase was likely to continue for some time as Academy conversion ran its course, and he thought it likely that the number of employers would reach 500 (Feb 18 LPB).

The Board recommended that the workload impact and resource consequences of rising numbers of employers joining the APF fund should be reviewed by the Administering Authority, and it was noted this was a matter for the Pensions Committee to decide in the forthcoming review of the APF administration strategy. (Nov 17 LPB).

**Annual Benefit Statements** - The Board recommended the next report on the issuance of ABS (ie after 31st August 2018) to include information on employers who repeatedly failed to provide correct data for the last three years. If employers were still failing to provide correct data after three years of encouraging them and offering them training, and warning them of being reported to TPR, then it was time to press a bit harder, and if necessary report them to TPR in 2018. (Nov 17 LPB)

**Missing addresses** - The Board expressed concern over the 6000 scheme members for whom correct addresses were not held (and so do not receive any ABS) and the number had been at this level for some time and there was both a regulatory record keeping responsibility and TPR requirement that the administering authority should maintain this information as common data. It was noted an adjacent fund has only 0.3% of missing addresses for deferred members, while APF has a very high proportion of 12%. It was recommended that APF should prioritise resource to rectify gaps in missing scheme member data and information (Nov 17 LPB). The Board said it would helpful to see statistics for missing addresses for other LGPS funds due to be supplied to the TPR in 2018. (July 18 LPB)

**LGPS regulations legal timeline reporting** - The Board noted this information was fundamental for the Board's role in monitoring compliance with the LGPS Regulations. The TPR standard for compliance was 95% of cases, so APF should consider using this figure. Over time the APF reports would help provide evidence that may show that some LGPS regulatory targets were unrealistic. Such evidence might help the Regulator and the LGPS to specify more realistic timescales and take account of the involvement of many third parties in the process. (May 24 18 LPB)



## Investment of funds assets

**Statutory Investment Strategy Statement** – The Board considered the consultation process followed for the LPB consideration of the ISS had not been satisfactory. The Board was advised that next time it would be included in the consultation before the ISS went to the Committee for final approval. (May 24 18 LPB)

**Investment fees** - The Board recommended the adoption by APF (and its current fund managers) and BPP of the national LGPS Transparency Code (Nov 17 LPB).

**Asset pooling** - The Board requested training on how the before and after projected cost savings from the transfer of APF assets to BPP were going to be assessed, monitored and independently audited. (Nov 17 LPB).

The Board noted that the business case had been based on £24bn of assets, whereas Brunel's assets were now valued at £28bn, which meant that savings were potentially greater, and so wondered whether the payback period had also been brought forward (Feb 18 LPB).

The Board commented that BPP first annual report had been rather brief and uninformative and urged BPP to produce something more useful in its second year (19 July 18 LPB). The Board noted APF and BPP accounts and auditors' reports would be valuable sources of information for the Board and suggested that the appropriate time for training would be when the national cost- saving templates were available, and that joint LPB and Committee training may be useful (May 24 LPB).

The Board said that it would useful to have comparative information of the asset allocation and the returns on assets and investment costs before the business case, at the time of the business case and at transition and afterwards. This would identify the savings that Avon made before and after transition, so that the benefits of pooling could be accurately measured and assessed. (19 July 18 LPB).