

PENSIONS PANEL

25 NOVEMBER 2013

GOVERNANCE REPORT

9. The Panel had before it a report from the Chief Accountant which provided an update to Member on the Fund's compliance with the Pensions Fund's Governance policies.

The Pensions Manger introduced the report and advised that it provided an overview in respect of the funds governance. The report summarised current and on-going audit work, both internal and external, and issues relating to admitted bodies. The report further provided a Funding update as at 30th September 2013 and outlined current and future training and conference opportunities.

The report also provided a risk management update in respect of the implementation of the 2012 Risk Management Review. It was noted that actions in respect of Committee Member training and a tender for Actuarial and Benefit Advisory services are currently being actioned.

In considering the Administering Authority Discretions in respect of strain of the fund costs, the Panel noted that, as of June 2009, under the Administration Regulations A37(2) and A37(4) the Strain on the Fund cost can be paid up front in one single payment or currently under the administering authority discretions the Fund allows payment to be spread up to 5 years

The Panel agreed that the discretions should be amended to require one single up-front payment. It was noted that this change in policy will bring the Pension Fund in line with most LGPS in the UK. The Pensions Manager confirmed that each employer's individual position will be kept under consideration and alternative payment arrangements will still be possible on a case by case basis.

The report highlighted the need for the size of the membership of the Pensions Panel to be increased. Panel Members were agreed that the membership of the Pensions Panel should be increased to 5 Members. It was noted that the quorum for meetings will remain at 2 Members. The Head of Legal & Democratic Services advised that this recommendation would require to be referred to Full Council for consideration and approval.

The Panel Resolved:

- To amend the administering authority discretions regarding the strain on the fund payments to require up-front payments.
 - To refer to Full Council the recommendation that the membership of the Pensions Panel be increased to 5 Members.
 - To otherwise note the report.
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