



Haringey Council

Agenda item:

Pensions Committee

On 22nd February 2011

Report Title. **Myners Principles compliance – assessment of effectiveness**

Report of **Director of Corporate Resources**

Signed : *J. Parker* 11/2/11

Contact Officer : **Nicola Webb – Corporate Finance**
Telephone 020 8489 3726

Wards(s) affected: **All**

Report for: Non Key Decision

1. Purpose of the report

- 1.1. To present to the Committee a proposed framework for the formal assessment of it's effectiveness to enable full compliance with the Myners Principles.

2. Introduction by Cabinet Member

- 2.1 Not applicable.

3. State link(s) with Council Plan Priorities and actions and / or other Strategies:

- 3.1. Not applicable.

4. Recommendations

- 4.1 That the Committee approve the proposed framework for the formal assessment of it's effectiveness.
- 4.2 That the Committee determine if they wish to make the assessment as a group at the meeting on 12th April 2011 or individually in advance of that meeting.

5. Reason for recommendations

- 5.1. To ensure that the Committee is able to record the result of it's assessment in the 2010/11 Annual Report and report full compliance with the Myners Principles on investment.

6. Other options considered

- 6.1. Not applicable.

7. Summary

- 7.1 A proposed framework is presented which provides members with information and data and the facility for members to award a score in a number of areas along with the ability to record areas for future development. The Committee is asked to consider whether to complete this individually for collation or as a group.

8. Head of Legal Services Comments

- 8.1 The Head of Legal Services has been consulted on the content of this report. The approval of the assessment framework indicated by the recommendation will assist the administering authority in complying with its duty under the provisions of Regulation 12(3) of the LGPS (Management and Investment of Funds) Regulations 2009.

9. Equalities & Community Cohesion Comments

- 9.1. There are no equalities issues arising from this report.

10. Consultation

- 10.1. Not applicable.

11. Service Financial Comments

- 11.1 Completion of a formal assessment on an annual basis is considered to be good practice and will ensure the Pension Fund complies with the Myners Principles.

12. Use of appendices

- 12.1 Appendix 1: Proposed assessment framework

13. Local Government (Access to Information) Act 1985

Statement of Investment Principles report to Pensions Committee 21st June 2010

14. Background

- 14.1 At the Pensions Committee meeting on 21st June 2010, the Committee approved a revised Statement of Investment Principles, which included the level of compliance with the Myners Principles on investment, as required by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. The only area of non-compliance was the lack of a formal assessment of the Committee's effectiveness and therefore the absence of reporting on it in the Pension Fund's Annual Report. This was recorded as a development area in the Statement of Investment Principles document.
- 14.2 It was agreed at the meeting that the Committee would undertake a formal assessment of its effectiveness during 2010/11 to be able to include the results in the 2010/11 Annual Report. Members asked officers to provide a suggested framework to facilitate their assessment.

15. Assessment Framework

- 15.1 The Myners Principle relating to performance assessment states:
"Administering Authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to scheme members."
- 15.2 The suggested framework shown at Appendix 1 is therefore designed for members of the Committee to complete either individually to be collated into an overall assessment, or complete together as a group. The Committee is asked to consider how they wish to make the assessment.
- 15.3 The framework is split into five key areas to cover a range of issues:
- Attendance statistics
 - Training undertaken
 - Achievement of the business plan
 - Monitoring of decisions taken
 - Compliance with best practice and statutory guidance

It has been designed with a section for officers to provide information or data for members to assist in the completion of their assessment section. In the assessment section, there is space for a score (between 5 for excellent and 1 for poor) and a space to provide comments or note areas for further development.

- 15.3 It is proposed that the statement in the Annual Report states the result of the assessment (between Excellent and Poor) and notes any areas identified for further development in the future.
- 15.4 The Annual Report needs to be prepared before the end of June to meet the statutory timescale and so the assessment will need to be completed at or before the next meeting of the Committee on 12th April 2011.

APPENDIX 1

Pensions Committee assessment of effectiveness as a decision-making body

	Measure of effectiveness	Information provided by officers	Committee members' assessment	
			Score*	Comments & proposed areas for development
1. Attendance Statistics	Average % of Committee members present at each formal meeting	Average % 15 th April to 20 th December 2010; 5 meetings: 80%		
2. Training undertaken	Training sessions held during the year relevant to the business of the Committee	Introductory training – June 2010 Elements of training within investment strategy workshops – October and November 2010		
3. Business Plan	Areas of work identified in the business plan have been covered during the year	Business Plan identified: <u>Governance</u> – review of Statement of Investment Principles and Funding Strategy Statement – undertaken in June 2010 and February 2011 respectively <u>Investments</u> - strategy review – on-going throughout 2010/11 <u>Funding</u> – review of valuation results – undertaken in December 2010		

	Measure of effectiveness	Information provided by officers	Committee members' assessment	
			Score*	Comments & proposed areas for development
Plan continued		<p><u>Accounting</u> – review 2009/10 draft accounts and audit report – draft reviewed in June 2010 and audit report reviewed in September 2010</p> <p><u>Administration</u> – review annual report on administration – 2010/11 review to reported in June 2011</p>		
4. Monitoring of decisions	Data reviewed regularly to inform decisions	<p>Data provided in quarterly update reports:</p> <p>Fund manager performance</p> <p>Cash investment</p> <p>Budget monitoring</p> <p>Responsible investment activity</p>		
5. Compliance with best practice and statutory guidance	Comply with Governance Compliance and Statement Guidance and Myners Principles	<p>Full compliance with Governance Compliance Statement statutory guidance – reported in Annual Report.</p> <p>Compliance with Myners Principles reported in June 2010 with exception of members' assessment of effectiveness.</p>		

* Score 1-5 where 5 is excellent, 4 is good, 3 is average, 2 is below average, 1 is poor.