

# Shadow Advisory Board

## **Agenda item 3b - 2014 Annual Report**

### **Summary**

The Board are asked to note/agree the work completed by the Annual Report Working Group on the proposals for the 2014 Annual Report. Work has begun on collating fund 2014 report and accounts, and investment performance information has been collated and completed.

### **Strategy**

The LGPS Annual Report for the financial year ending 31st March 2014 should be an e-report only and be derived from the:

1. user feedback and experience gained from compiling the 2013 LGPS Annual Report launched on 4th November 2014,
2. papers, work, and recommendations of the shadow LGPS Advisory Board and its Sub-Committees (potentially to 31st December 2014),
3. consolidation of selected information from the 89 underlying LGPS annual reports and audited financial statements as at 31st March 2014,
4. consolidated performance information on the LGPS as at 31st March 2014 created by other bodies and made available to the Secretariat and Advisory Board,
5. statements of assurance on the LGPS as at 31st March 2014 by other bodies made available to the Secretariat and Advisory Board,

### **Contents**

The 2014 Annual Report proposed outline contents is set out at Table 1. It will contain slightly more contextual or explanatory commentary than the 2013 Annual Report. Early approaches will be made by the Board Secretariat to potential contributors to the 2014 Annual Report to secure their support and assistance, preferably on a pro bono basis, or if required by tendering.

The Secretariat will investigate the merits (and possible costs) of obtaining an independent assurance statement on the 2014 Annual Report by the NAO or an external audit firm not connected with auditing any of the 89 individuals funds. We will also investigate the possible inclusion of potentially comparative statistical information such as that published in the annual reports by other large public sector pensions schemes/funds in the UK and or globally.

The Board in due course may wish to consider entering the LGPS Annual Report for pensions-investment industry annual report awards with the aim of winning such an award by 2020 and preferably earlier.

### **Shadow Advisory Board Secretariat**

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## Next Steps

The Board Secretariat will, on approval, take forward actions to commence the production of the 2014 Annual Report with the aim of achieving publication by the end of Q1 2015.

**Table 1 - Proposed draft outline contents**

Section of the report	Contents	Estimated number of pages	Page number
Front cover	Simple artwork design	1	n/a
Inside cover	Acknowledgments	1	n/a
Contents page	List of sections and sub-sections	1	1
Chairperson and DCLG Minister statement	Key messages to Parliament and other key stakeholders	1	2
Assurance statement	Statement by NAO or external audit/assurer (if sourced)	1	3
Scheme highlights	Extracts from key chapters/sections covering <ul style="list-style-type: none"> <li>- Membership</li> <li>- Contributions</li> <li>- Pensions</li> <li>- Investments</li> <li>- Funding level</li> <li>- Communications</li> </ul>	2	4-5
Scheme governance, management, administration, transparency, and accountability	Statement by the Board on LGPS developments and Board actions and achievements  Appointments and membership of LGPS Advisory Board – names, bio's, summary of LGPS experience, meeting attendance, and LGPS training undertaken  Names and roles of the Board secretariat and the Board	3	6-8

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	professional advisors		
Funding level, deficit reduction, and ability to meet liabilities	Statements (eg. by GAD and/or ACA or another body/supplier) and summary of latest aggregated LGPS funds triennial valuations and if available/possible a high level inter-valuation update and forward look and comparisons with other large schemes.	2	9-10
Asset management, stewardship, and investment performance	Statements (eg. by WM or CEM or another service provider) and summary of the 1, 3, 5, 10 years investment returns of the aggregated LGPS funds and comparison of the overall scheme returns with other large schemes. Analysis of LGPS funds adoption of UK Stewardship Code and UN PRI.	3	11-13
Pension benefits, member services, and communications	Statements (eg. by CIPFA, tPR, TPAS, Pensions Ombudsman or other service provider) and summary of keys statistics and comparisons with other large schemes such as MyCSP or other pension scheme administrators.	3	14-16
Financial statements	Statements (by CIPFA, auditors, or other service provider) Foreword Balance sheet Contributions Investments Income and Expenditure	6	17-22
Independent external advice and assurance	Statements by the Board's professional advisors	1	23
Annexes	List of Board advice to DCLG List of Board news releases List of Board consultations List of Board guidance issued	2	24-25

## Shadow Advisory Board Secretariat

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	Details of Board website		
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## Shadow Advisory Board Secretariat

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