

PENSION BOARD			
REPORT TITLE	Pensions Board – General Update		
KEY DECISION	No	Item No:	
WARD	N/A		
CONTRIBUTORS	Acting Chief Finance Officer		
CLASS	Part 1	Date:	January 2019

Lateness: This report was not available for the original dispatch date due to staff absence.

Urgency: The report is urgent and cannot wait until the next meeting of the Pensions Board; it provides important updates to members which require their attention before the next meeting.

Where a report is received less than 5 clear days before the date of the meeting at which the matter is being considered, then under the Local Government Act 1972 Section 100(b)(4) the Chair of the Committee can take the matter as a matter of urgency if he is satisfied that there are special circumstances requiring it to be treated as a matter of urgency. These special circumstances have to be specified in the minutes of the meeting.

1. PURPOSE

- 1.1. This paper presents any standing items on the agenda and provides the Board with an update on several general matters to have arisen since the last meeting.

2. RECOMMENDATIONS

- 2.1. Members are asked to agree to the following recommendations:

- To review and note the current Register of Conflicts of Interest, as per section 4.1;
- To review the MHCLG asset pooling guidance and provide any feedback on the consultation document to officers ahead of the 28 March deadline, as per sections 4.5 - 4.8
- To note the remaining contents of the report.

3. BACKGROUND

- 3.1. This paper will address standing items on the agenda and provide updates to the Board as necessary, or following on from actions requested in previous meetings.

4. CURRENT CONSIDERATIONS

Register of Conflicts of Interest

- 4.1. The up-to-date Register of Conflicts of Interest is attached at Appendix 1. Members are asked to review and note the register.

Breaches of Law Log

- 4.2. Members agreed to adopt the Regulator's template for recording breaches of the law at the October 2018 meeting. At present there are no breaches that have been identified or that require further investigation.
- 4.3. Officers will develop and bring to the next meeting of the Board a 'Breaches of the Law' Policy to sit alongside the template, setting out how and when breaches should be reported.

Indemnity Insurance

- 4.4. The Board requested that officers investigate the issue of indemnity insurance, and whether it was required or already in place. The Council's Group Manager for Insurance and Risk has confirmed that there is cover for the Board under the Council's existing arrangements, and suitable formal confirmation of this has been requested from the Council's brokers. Once obtained, this will be shared with the Board to provide the reassurance it requires.

Asset Pooling Consultation

- 4.5. In January 2019 MHCLG launched an informal consultation with interested parties on LGPS asset pooling, publishing draft guidance which builds on previous Ministerial communications and will replace all previous guidance. The consultation period ends on 28 March 2019.
- 4.6. The draft guidance is attached at Appendix 2. As an interested party, Local Pension Boards are being asked to consider the guidance and provide any comments as necessary.
- 4.7. The Fund's advisors have prepared a factual summary of the points raised in the consultation, and this has been attached for the Board's attention at Appendix 3.
- 4.8. Officers recommend that any comments the Board wishes to feed back are sent to the Principal Accountant, who will coordinate and forward on the responses on the Board's behalf.
- 4.9. As it stands Lewisham has yet to formally invest in any LCIV funds although remains in close contact with LCIV officers about future developments and potential opportunities for transition into the pool, including infrastructure and property. A paper will be taken to PIC in February 2019 outlining a suggested timetable for consideration of asset transfer into the CIV.

Investment Strategy Statement

- 4.10. The Fund's latest Investment Strategy Statement (ISS) as at September 2018 was published online in October 2018. The updates to the previous version (dated April

2017) are minimal, but include amendments to reflect the new mandates with Invesco, JP Morgan, Partners Group and Pemberton and the relevant portfolio allocations and benchmarks. A copy of the ISS is included in the 2017/18 Annual Report, or can be found on the Fund's website at www.lewishampensions.org.

Internal Audit

- 4.11. The 2018/19 pension fund internal audit began in December 2018. As at mid-January 2019 the audit findings report is still in the process of being finalised, and will be brought to Board at the next meeting.

Risk Register Update

- 4.12. The recommendations of the Board at the October 2018 meeting will be incorporated into an updated risk register, to incorporate both administration and investment risks. The risk register will be considered as part of the planned compliance review, and brought back to the Board at the next meeting.

Terms of Reference

- 4.13. The most recent Terms of Reference for the Board are included at Appendix 4 for reference purposes.

Training

- 4.14. Officers continue to recommend that members complete the Pension Regulator's Public Service Toolkit, a self-learning modular resource which includes modules on areas that Board members are expected to be conversant with. As it stands, only one confirmation has been received that the toolkit has been completed.
- 4.15. External training opportunities, workshops and conferences will continue to be recommended by officers for members' attention. Appendix 5 lists a number of upcoming events; should members find any of the sessions of interest, or have identified other training they would like to attend, please can they keep the Principal Accountant for Treasury and Pensions informed so that the statutory training log can be updated.
- 4.16. Members have also agreed to complete a learning needs analysis, to rate their skills in specialist areas and identify suitable learning to address those areas of need. For reference, the Board's Knowledge and Training Policy is attached at Appendix 6, and a template Learning Needs Analysis is attached at Appendix 7.
- 4.17. Members are reminded that there is a small budget in place for training; please contact the Principal Accountant for further information should you wish to attend a fee-paying event.

Work Programme

- 4.18. A draft work programme was presented to members at the October 2018 meeting which outlined the key operational and strategic administration and governance items to be reviewed by the Board over a typical suggested annual cycle.
- 4.19. It is intended that the compliance review once completed will inform which items should take greater precedence or need addressing to meet statutory obligations.

4.20. The work programme is attached again at Appendix 8 for members to develop on an ongoing basis.

5. FINANCIAL IMPLICATIONS

5.1. There are no direct financial implications arising from this report.

6. LEGAL IMPLICATIONS

6.1. There are no direct legal implications arising from this report.

7. CRIME AND DISORDER IMPLICATIONS

7.1. There are no crime and disorder implications directly arising from this report.

8. EQUALITIES IMPLICATIONS

8.1. There are no equalities implications directly arising from this report.

9. ENVIRONMENTAL IMPLICATIONS

9.1. There are no environmental implications directly arising from this report.

APPENDICES

Appendix 1 – Register of Conflicts of Interest

Appendix 2 – MHCLG Asset Pooling Guidance

Appendix 3 – MHCLG Consultation Summary

Appendix 4 – Terms of Reference

Appendix 5 – Events Programme

Appendix 6 – Knowledge and Training Policy

Appendix 7 – Learning Needs Analysis Template

Appendix 8 – Draft Work Programme

FURTHER INFORMATION

If there are any queries on this report or you require further information, please contact either:

David Austin, Acting Chief Finance Officer on 020 8314 9114 or at david.austin@lewisham.gov.uk

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