



PENSION BOARD

Date: THURSDAY, 2 MAY 2019 at 2.00 pm

**Committee Room C
Civic Suite
Lewisham Town Hall
London SE6 4RU**

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INDEPENDENT MEMBERS

**Adam Bowles
Alex Bush
Gary Cummins
Elizabeth Sclater
Stephen Warren (Chair)**

Members are summoned to attend this meeting

**Janet Senior
Acting Chief Executive
Lewisham Town Hall
Catford
London SE6 4RU
Date: Wednesday 24 April 2019**



INVESTOR IN PEOPLE

ORDER OF BUSINESS – PART 1 AGENDA

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Lewisham



INVESTOR IN PEOPLE

The public are welcome to attend our committee meetings, however occasionally committees may have to consider some business in private. Copies of reports can be made available in additional formats on request.

Agenda Item 1

LOCAL PENSION BOARD		
Report Title	Declarations of Interest	
Key Decision		Item No.
Ward		
Contributors	CHIEF EXECUTIVE	
Class	Part 1	Date: 2 May 2019

Declaration of Interests

Members are asked to declare any personal interest they have in any item on the agenda.

Personal interests

There are two types of personal interest :-

- (a) an interest which you must enter in the Register of Members' Interests*
- (b) an interest where the wellbeing or financial position of you, (or a "relevant person") is likely to be affected by a matter more than it would affect the majority of inhabitants of the ward or electoral division affected by the decision.

*Full details of registerable interests appear on the Council's website.

("Relevant" person includes you, a member of your family, a close associate, and their employer, a firm in which they are a partner, a company where they are a director, any body in which they have securities with a nominal value of £25,000 and (i) any body of which they are a member, or in a position of general control or management to which they were appointed or nominated by the Council, and (ii) any body exercising functions of a public nature, or directed to charitable purposes or one of whose principal purpose includes the influence of public opinion or policy, including any trade union or political party where they hold a position of general management or control).

If you have a personal interest you must declare the nature and extent of it before the matter is discussed or as soon as it becomes apparent, except in limited circumstances. Even if the interest is in the Register of Interests, you must declare it in meetings where matters relating to it are under discussion, unless an exemption applies.

Exemptions to the need to declare personal interest to the meeting

You do not need to declare a personal interest where it arises solely from membership of, or position of control or management on:

- (a) any other body to which you were appointed or nominated by the Council
- (b) any other body exercising functions of a public nature.

In these exceptional cases, unless your interest is also prejudicial, you only need to declare your interest if and when you speak on the matter.

Sensitive information

If the entry of a personal interest in the Register of Interests would lead to the disclosure of information whose availability for inspection creates or is likely to create a serious risk of violence to you or a person living with you, the interest need not be entered in the Register of Interests, provided the Monitoring Officer accepts that the information is sensitive. Where this is the case, if such an interest arises at a meeting, it must be declared but you need not disclose the sensitive information.

Prejudicial interests

Your personal interest will also be prejudicial if all of the following conditions are met:

- (a) it does not fall into an exempt category (see below)
- (b) the matter affects either your financial interests or relates to regulatory matters - the determining of any consent, approval, licence, permission or registration
- (c) a member of the public who knows the relevant facts would reasonably think your personal interest so significant that it is likely to prejudice your judgement of the public interest.

Categories exempt from being prejudicial interest

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

Effect of having a prejudicial interest

If your personal interest is also prejudicial, you must not speak on the matter. Subject to the exception below, you must leave the room when it is being discussed and not seek to influence the decision improperly in any way.

Exception

The exception to this general rule applies to allow a member to act as a community advocate notwithstanding the existence of a prejudicial interest. It only applies where members of the public also have a right to attend to make representation, give evidence or answer questions about the matter. Where this is the case, the member

with a prejudicial interest may also attend the meeting for that purpose. However the member must still declare the prejudicial interest, and must leave the room once they have finished making representations, or when the meeting decides they have finished, if that is earlier. The member cannot vote on the matter, nor remain in the public gallery to observe the vote.

Prejudicial interests and overview and scrutiny

In addition, members also have a prejudicial interest in any matter before an Overview and Scrutiny body where the business relates to a decision by the Executive or by a committee or sub committee of the Council if at the time the decision was made the member was on the Executive/Council committee or sub committee and was present when the decision was taken. In short, members are not allowed to scrutinise decisions to which they were party.

Agenda Item 2

PENSION BOARD		
Report Title	Minutes	
Key Decision		Item No. 2
Ward		
Contributors	CHIEF EXECUTIVE	
Class	Part 1	Date: 2 May 2019

Recommendation

That the Minutes of the last meeting of the Pension Board, which was open to press and public, (copy attached) be confirmed and signed as a correct record.

MINUTES OF THE PENSION BOARD

Thursday 31 January 2019

Present: Stephen Warren, Elizabeth Sclater, Simon Tilley, Adam Bowles

Also Present: Stephanie Fleck, David Austin, Robert Browning, Carol Eldridge, Sarah Assibey

Apologies: Alex Bush

1. Declarations of Interest

No interests were declared.

2. Minutes

The minutes of the last meeting were held as an accurate record.

Action: The Chair requested an action point schedule be brought to each meeting so when decisions are made of some actions they are recorded accordingly.

3. Compliance Review Report

The Principal Accountant presented this report.

He set out suggested options to procure the independent compliance review of the Fund. The three service providers were Aon, Barnett Waddingham and Hymans Robertson. Members of the Board asked officers to details the options for their consideration.

It was the officer's view that the Barnett Waddingham model was light in comparison to the others and the Aon and Hymans proposals which were fairly similar. It was also the officer's opinion the Hymans Robertson review would be most time-consuming on the officers as theirs is a 3 stage process, the first two requiring officer input. As suggested at the previous meeting, the officer reminded members that they had suggested using a service that was not as familiar with LBL, however they would be using a team who have not worked with the Council before.

It was suggested that a very in depth review will be helpful now, and going forward, less in depth reviews may suffice. The Board had previously discussed having a broad range review at present, to provide a baseline for future reviews, depending on what emerges on the review and what changes will need to be made.

The Board felt that there was an independence issue with Hymans and that they would not perform the authoritative review that the Board requires. There was concern about the scope of the Barnett Waddingham proposal. The Aon proposal has the value of insight and appeared to address the needs of the Board, notwithstanding that it is the most expensive of the proposals. Provided there is justification for the cost of the proposal, the Board would decide on choosing Aon. Aon had discussed with officers that the review can start immediately and would take approximately a month.

RESOLVED Members of the Board had decided to use the Aon model.

4. Pension Investment Committee Update

The Principal Accountant presented this report. The Board is to review and note the PIC papers from November.

The PIC received a currency hedging report from advisors, giving them some brief training on what currency hedging is, its benefits and disadvantages and how it can be implemented into Lewisham's pension fund. Members of the PIC felt that it could be beneficial so Hymans are to bring back some precise figures and proposals to a future meeting in June. From the perspective of the Board, the main concerns are that risks and costs of these different courses of action are being considered with appropriate professional advice.

In response to questions by members of the Board regarding the statutory governance of the CIV, officers advised that it was created by London boroughs that were therefore very much involved in determining its scope and priorities and that it had undertaken a governance review of all of its stakeholders. It has had independent legal advice and the overall governing body comprises members of the pension committees of participating councils.

5. Annual Report and Final Accounts

Officers advised that the annual report is a statutory document which is published at the end of November every year. It includes the audited pension fund accounts plus a performance review of the Fund. The same report is also presented at PIC meetings annually.

Officers advised that the Council's external auditors also reported on the Pension Fund accounts in November on . The report fulfils its content requirements.

Responding to ESG investing requirements, officers reported that the Council actively participate in this kind of investing and it is embedded in the manifesto and investment strategy statement. The PIC also ensure that every

manager that presents is challenged on how they exercise their voting powers.

Action: The Chair asked that this matter is included in future reporting.

Action: He also asked that the next annual report includes more detail on risk management of the Fund as a whole, not just investment activity.

RESOLVED Members noted the contents of the report

6. General Update

The Principal Accountant introduced this report, presenting the following:

The up-to-date Register of Conflicts of Interest is for Members to review and note. Though it is not a requirement to comply, it is good practice.

A Breaches of the Law Policy will be presented at the next meeting, setting out how and when breaches should be reported.

As discussed at previous meetings, officer can confirm the indemnity insurance is in place and covers all members of the Board under the Council's existing arrangements.

At the start of the year, MHCLG launched an informal consultation with interested parties on LGPS asset pooling. From 2020, all investments are to be done through pooling vehicles. The guidance sets out an extensive reporting requirement for reporting which assets are in the pool and for those that are not, why that is. Responses from members of the Board and PIC will be collated into the consultation response.

Action: Chair is to send a submission statement for consultation. He will circulate it to members.

The Investments Strategy Statement was updated in September 2018. It's a requirement that it is updated every 3 years, however this was an annual amendment to reflect some changes to new Managers and the updated allocations between them.

The results of the 2018/19 pension fund internal audit will be brought to the next Board meeting.

Once the compliance review is completed, the updated risk register will be brought to the next meeting, including the recommendations of the Board at the October 2018 meeting which will be incorporated into the update.

Members are to continue to update officers on training undertaken and any training opportunities, conferences or workshops that may be of interest to other members. Members agreed to complete a learning needs analysis to rate their skills in specialist areas.

Action: The Chair has asked that members complete this and send to officers by the end of February 2019.

Members agreed to consider the Work Programme in light of the baseline review results which will be ready by the next Board meeting, to result in a more strategic work programme for the year.

Action: the clerk will provide provisional dates to Members for the next meeting for them to agree. The date will be shortly after Easter.

RESOLVED Members noted the contents of the report.

The meeting finished at 3.15pm

Matters Arising – Outstanding Actions: 2 May 2019

Date of Meeting	Action Point	Due Date	Completed?	Notes	Updated Due Date
31-Jan-2019	Updated Risk Register will be brought to Board once the compliance review has finished.	May 2019	No	Updates to the Risk Register are one of the key outputs of the compliance review, and have been added to an action plan covering the next 12 months to address non-compliance with the TPR Code.	Q3 2019 (July-September meeting)
31-Jan-2019	A Breaches of the Law policy will be presented at the next meeting.	May 2019	No	The creation of this policy was one of the key outputs of the compliance review, and has been added to an action plan covering the next 12 months to address non-compliance with the TPR Code.	Q1 2020 (January-March meeting)
31-Jan-2019	Chair to draft, share and send submission statement to Principal Accountant in response to the MHCLG pooling consultation.	28 March 2019	Yes	Response was sent to MHCLG ahead of the deadline.	N/A
31-Jan-2019	The results of the 2018/19 pension fund internal audit will be brought to the next Board meeting.	May 2019	Yes	See General Update paper.	N/A
31-Jan-2019	Members agreed to complete a learning needs analysis to rate their skills in specialist areas. The Chair has asked that members complete this and send to officers by the end of February 2019.	28 February 2019	No	Only one learning needs analysis has been received by officers since the January meeting.	Q3 2019 (July-September meeting)
31-Jan-2019	Members agreed to consider the Work Programme in light of the compliance review results which will be ready by the next Board meeting, to result in a more strategic work programme for the year.	May 2019	No	The work programme has been updated to account for the proposed action plan to respond to the key findings from the compliance review (see separate item on the agenda for 2 May meeting). Members may wish to make amendments or factor in other items arising from the results of the compliance review.	Ongoing

Agenda Item 4

PENSION BOARD			
REPORT TITLE	Compliance Review Results		
KEY DECISION	No	Item No:	
WARD	N/A		
CONTRIBUTORS	Principal Accountant – Treasury & Pensions		
CLASS	Part 1	Date:	May 2019

Lateness: This report was not available for the original dispatch date due to late receipt of the results of the review.

Urgency: The report is urgent and cannot wait until the next meeting of the Pensions Board, to enable members to consider the results of the review and agree an action plan.

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. The purpose of this report is to:

1.1.1. present the results of the compliance review undertaken by Aon;

1.1.2. highlight and explain areas identified as non-compliant; and

1.1.3. identify and prioritise for redress the key areas of non-compliance/partial compliance to the Pension Regulator's ('TPR') Code of Practice No 14: Governance and Administration of Public Service Pension Schemes ('the Code'), and Scheme Advisory Board guidance on the creation and operation of Local Pension Boards ('the Guidance').

2. RECOMMENDATIONS

2.1. Members are recommended to:

2.1.1. Review the compliance checklist included at Appendix 1 and note the contents of this summary report;

2.1.2. Agree with the priority items for redress identified by officers at section 3.9;

2.1.3. Agree with the action plan for addressing those items at Appendix 2; and

2.1.4. Agree to address non-compliance internally in the first instance before seeking external assistance, as per section 5.3.

3. COMPLIANCE REVIEW

Background and Process

3.1. At the meeting of the Board held in January 2019, officers presented Board members with a report outlining three scopes and quotes for the undertaking of a compliance review of the pension fund in relation to the Code and other relevant guidance. The Board recommended the procurement of Aon, and as such officers proceeded to engage and undertake the review with Aon's specialist team.

3.2. In late March 2019 representatives from Aon visited the Council and spent a day with pension fund officers asking questions and seeking evidence to satisfy the areas of best practice set out in the Code. Further queries were made by email in the following weeks, and the final results were delivered on the 25 April.

Report Format

3.3. The results of the review are attached at Appendix 1. The report uses a red-yellow-green approach to indicate non-compliance, partial compliance, or full compliance, and a summary dashboard on page three presents a snapshot of compliance across all eleven areas tested.

3.4. Each separate area of the Code is then explored in detail within the report, broken down into a series of requirements where the Council's approach is explained and the level of compliance indicated. Additional notes, recommendations, and actions are shown next to each requirement based on Aon's experience and understanding of the Code and Lewisham's current practices.

3.5. As noted in the report's introduction, the Code applies equally to all public service pension schemes and is therefore generic in nature. As a result, there may be a number of elements that are more specifically stipulated within LGPS legislation, although it is not the purpose of this compliance checklist to consider that level of detail.

Headline Results

3.6. There are 98 separate requirements measured against in the report; 83 relating to the Code and 15 relating to the Scheme Advisory Board's Guidance (one requirement under section G is not relevant to this Authority and as such compliance cannot be measured).

3.7. Table A below summarises the results of the review by numbers, showing 84% full or partial compliance against the Code and Guidance. Of the 98 requirements measured against, there are 16 instances of non-compliance identified by Aon.

Table A – Summary of Compliance

Report Section	No. of Requirements	Level of Compliance		
		Fully Compliant	Partially Compliant	Non-Compliant
A: Reporting Duties	4	3	1	-
B: Knowledge and Understanding	12	2	10	-
C: Conflicts of Interest	11	7	4	-
D: Publishing Information About Schemes	4	1	2	1
E: Managing Risk and Internal Controls	8	-	5	3
F: Maintaining Accurate Member Data	11	8	2	1
G: Maintaining Contributions	8	3	4	1
H: Providing Information to Members and Others	13	5	7	1
I: Internal Dispute Resolution	9	3	3	3
J: Reporting Breaches of the Law	3	-	1	2
K: Scheme Advisory Board Guidance	15	4	7	4
Totals	98	36	46	16
% Compliance	100%	37%	47%	16%

Key Areas of Non-Compliance

- 3.8. Many items identified as partially compliant can be readily addressed and resolved by officers, such as ensuring policies and procedures are uploaded to the Fund's website, ensuring those policies are dated and reviewed regularly, and updating those policies where they fail to fall completely in line with the regulations.
- 3.9. Additionally, many partially compliant and non-compliant items are duplicated across the report due to falling under more than one section of the Code or Guidance; as a result, the main areas of non-compliance can be grouped into four key findings:
1. The requirement to create a Risk Policy, a more comprehensive Risk Register, and to more regularly review risks at Board meetings (see E1, E2, E6, K6);
 2. The requirement to update the Internal Dispute Resolution Process (IDPR) to ensure it is in line with current regulations and is regularly reviewed (see I2, I3, I8);
 3. The requirement to create a pension fund specific Governance Compliance Statement (see B6, K6, K15);

4. The requirement to develop and adopt a Breaches of the Law Policy, to ensure this documents processes to assess payment failures of a material nature and when to report them to the Regulator, and to provide appropriate breaches training (See G8, J1, J2, K6, K13).
- 3.10. Officers will prioritise these four areas to address and work towards achieving a higher level of compliance. In the main they require the creation and updating of policies, and where possible templates provided by the TPR or other best practice guidance will be used to develop these policies and bring them to the Board for approval and formal adoption.

Summary by Section

- 3.11. The following paragraphs summarise the other main findings of partial and non-compliance, where recommendations for improvement action have been put forward by Aon.

B: Knowledge and Understanding – there should be formal documentation of new member induction processes, a measurable requirement for training hours should be put in place for members, and a delegated person should be documented as responsible for developing and implementing the learning framework.

D: Publishing Information about Schemes – more information about Pension Board and Investment Committee members should be published on the Fund's website in line with the requirements of the Code.

E: Managing Risk and Internal Controls – audit findings should be reported to both the Investment Committee and Pension Board to ensure adequate review of information provided, an Administration Strategy should be created, and internal procedure notes should be created to document various Lewisham specific processes in relation to the administration and management of the pension fund.

F: Maintaining Accurate Member Data – a Data Improvement Plan should be created and monitored with a defined end date, to address areas where member data is incomplete or potentially inaccurate.

G: Maintaining Contributions – processes for monthly payroll/contribution checks should be documented and efforts made to reduce manual data uploads.

H: Providing Information to Members and Others – Annual Benefit Statements should be reviewed to ensure their content is in line with HMT Directions, KPIs should be developed and monitored for the timely issue of benefit statements, and a plan should be put in place to address the current communication backlog which in some cases means the legal timescales are not being met. In addition, member communication in general needs to be improved and effectively monitored, with statistics to monitor engagement published online.

I: Internal Dispute Resolution – in addition to the findings identified in section 3.9 above, the Authority should ensure that all employers within the pension fund are fully aware of the appropriate process for IDR, which should be included in all relevant communication.

K: Scheme Advisory Board Guidance – the Board’s Knowledge and Understanding framework should clearly set out the objectives of the policy and how training will be developed and monitored, including how the information in members’ learning needs analyses is collated and used. More internal training should be provided, including specific training on conduct and conflicts, and the Board should be made aware of the Authority’s processes for dealing with Freedom of Information requests.

- 3.12. These additional areas of partial and non-compliance will be addressed over the next year such that, on next review, progress against those areas can be measured and reported to the Board.

4. SUMMARY ACTION PLAN

- 4.1. Appendix 2 suggests an action plan and timeline for prioritising and addressing the four key areas of non-compliance identified at section 3.9.

5. POST REVIEW

- 5.1. The compliance checker model provided and completed by Aon has now been passed to officers and is the Authority’s to own and update going forward. The model has an expiry date of April 2020, although at that point it needs to be returned to Aon for them to check it still complies with their internal standards; it is then returned to the Authority with a new expiry date. These checks are included in the purchase price of the model.
- 5.2. Aon are able to provide assistance in those areas identified as non-compliant should the Board or officers deem it useful or necessary, at cost. Areas where they can assist creating something from scratch include the Governance Compliance Statement, the Breaches Procedure/Policy, the Administration Strategy, and Data Improvement Plan. They are also able to assist with updating our Training Policy, Risk Register and IDPR Policy.
- 5.3. Officers recommend that work is undertaken internally to address areas of non-compliance within the Authority as a first step where possible, and should difficulties present themselves or the Board are not content with the results/would prefer external assurance, then assistance should be sought from Aon or another external provider at that point.
- 5.4. Aon recommend that the compliance check is undertaken annually. As advised in the January procurement paper, Aon are able to provide an alternative version of the model which will monitor all changes when the report is updated and show direction of travel (i.e. those items which have moved from non-compliant to partially compliant or compliant, or vice versa.). Should this option appeal to the Board then details around timescales and costs can be provided ahead of undertaking the next review.
- 5.5. In addition, Aon have suggested they can provide training on a particular area if requested, such as Breaches training (one of the key items of non-compliance identified in the action plan at Appendix 2). Officers will consider the best resource for this training per the action plan and notify the Board accordingly.

6. FINANCIAL IMPLICATIONS

6.1. There are no financial implications arising directly from this report.

7. LEGAL IMPLICATIONS

7.1. Section 5 of the Public Service Pensions Act 2013 and Regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended) makes provision for the establishment of a Pension Board, with responsibility for assisting the scheme manager in relation to:

- Securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;
- Securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator; and
- Such other matters as the scheme regulations may specify.

7.2. Each section of the compliance tool includes a summary of the legal requirements in relation to that particular area, and the Board should note and be aware of those requirements in the context of their responsibilities.

8. CRIME AND DISORDER IMPLICATIONS

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

9. EQUALITIES IMPLICATIONS

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

10. ENVIRONMENTAL IMPLICATIONS

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

APPENDICES

Appendix 1 – Pension Regulator’s & Scheme Advisory Board Compliance Checklist
Appendix 2 – Action Plan

FURTHER INFORMATION

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

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

Robert Browning, Principal Accountant – Treasury & Pensions on 020 8314 6274 or at
robert.browning@lewisham.gov.uk

The Pension Regulator's and Scheme Advisory Board Compliance Checklist

Date of Completion: 25/04/2019

Contents

Introduction

Summary Results Dashboard

A - Reporting Duties

B - Knowledge and Understanding

C - Conflicts of interest

D - Publishing information about schemes

E - Managing risk and internal controls

F - Maintaining accurate member data

G - Maintaining contributions

H - Providing information to members and others

I - Internal Dispute Resolution

J - Reporting breaches of the law

K - Scheme Advisory Board - Guidance on the creation and operation of Local Pension Boards in England and Wales

Introduction

This document outlines how **London Borough of Lewisham** complies with the Pensions Regulator's (TPR) Code of Practice No 14 Governance and administration of public service pension schemes ('the TPR Code') in relation to the management of the **London Borough of Lewisham** LGPS Pension Fund which is part of the Local Government Pension Scheme (LGPS). It will be updated regularly by officers of the Fund and reported annually to the Pension Panel and LGPS Local Pension Board.

This document highlights all the key elements of the TPR Code and then evidences whether **London Borough of Lewisham** meets these areas of best practice. As part of this evidence it shows when the element was last checked and whether, at that point, it was considered fully, partially or not compliant. Where they are partially or not compliant, it also highlights whether the Council have identified actions to be carried out to improve their current practices. Where an element is not yet active, the commentary will generally still highlight where advanced progress is being made.

Those reading this document should be mindful that the TPR Code applies equally to all public service pension schemes and therefore it is generic in nature. There may be a number of elements that are more specifically stipulated within LGPS legislation and it is not the purpose of this compliance checklist to consider that level of detail.

Further, **London Borough of Lewisham** may also incorporate key elements of national guidance from the LGPS Scheme Advisory Board into this compliance checklist. This version contains the checklists included as part of the Shadow Scheme Advisory Boards "Guidance on the creation and operation of Local Pension Boards in England and Wales".

Key

Frequency of review and last review date: Where a process, policy or practice is officially reviewed at a set interval, the actual interval will be shown as well as the last interval date. However, in many circumstances processes and procedures are ongoing and part of the day – to - day operation of the Fund. In these circumstances, an annual check will be carried out to ensure that the ongoing process meets the TPR Code expectations and therefore the date shown will be the date that annual check was carried out and the frequency will be shown as "ongoing (annual check)".

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Completed:	Compliant:	Where responsibility relates to employers:
Fully completed	Fully compliant	Employers - Fully compliant
In progress	Partially compliant	Employers - Partially compliant
Not started	Non-compliant	Employers - Non-compliant
Not yet relevant	Not yet relevant	Not yet relevant

Definitions:

<i>PSPA13</i>	Public Service Pensions Act 2013
<i>LGPS</i>	Local Government Pension Scheme
<i>TPR</i>	The Pensions Regulator
<i>TPR Code</i>	The Pensions Regulator's Code of Practice No 14 Governance and administration of public service pension schemes
<i>Scheme Manager</i>	For the London Borough of Lewisham Pension Fund , this is the London Borough of Lewisham
<i>Administering Authority</i>	The LGPS specific term for Scheme Manager. For the London Borough of Lewisham Pension Fund , this is the London Borough of Lewisham .
<i>IDRP</i>	Internal Dispute Resolution Procedure
<i>SAB</i>	The national LGPS Scheme Advisory Board
<i>PIC</i>	Lewisham Pensions Investment Committee
<i>PB</i>	Lewisham Local Pension Board

Summary Dashboard

A dashboard showing the summary of the results of the latest compliance checklist is shown below:

No.	Completed	Compliant
Reporting Duties		
A1	Fully completed	Fully compliant
A2	Fully completed	Fully compliant
A3	Fully completed	Partially compliant
A4	Fully completed	Fully compliant
Thanks		
B1	Fully completed	Partially compliant
B2	Fully completed	Partially compliant
B3	Fully completed	Partially compliant
B4	Fully completed	Fully compliant
B5	Fully completed	Fully compliant
B6	Fully completed	Partially compliant
B7	Fully completed	Partially compliant
B8	Fully completed	Partially compliant
B9	Fully completed	Partially compliant
B10	Fully completed	Partially compliant
B11	Fully completed	Partially compliant
B12	In progress	Partially compliant
Conflicts of Interest		
C1	Fully completed	Partially compliant
C2	Fully completed	Fully compliant
C3	Fully completed	Fully compliant
C4	Fully completed	Fully compliant
C5	Fully completed	Fully compliant
C6	Fully completed	Partially compliant
C7	Fully completed	Partially compliant
C8	Fully completed	Fully compliant
C9	Fully completed	Partially compliant
C10	Fully completed	Fully compliant
C11	Fully completed	Fully compliant
Publishing Information		
D1	Fully completed	Partially compliant
D2	Fully completed	Non-compliant
D3	Fully completed	Partially compliant
D4	Fully completed	Fully compliant

No.	Completed	Compliant
Risk and Internal Controls		
E1	Fully completed	Non-compliant
E2	Fully completed	Non-compliant
E3	Fully completed	Partially compliant
E4	In progress	Partially compliant
E5	Fully completed	Partially compliant
E6	Fully completed	Non-compliant
E7	Fully completed	Partially compliant
E8	Fully completed	Partially compliant
Maintaining Accurate Member Data		
F1	Fully completed	Partially compliant
F2	Fully completed	Fully compliant
F3	Fully completed	Partially compliant
F4	Fully completed	Fully compliant
F5	Fully completed	Fully compliant
F6	Fully completed	Fully compliant
F7	Fully completed	Fully compliant
F8	Fully completed	Fully compliant
F9	Fully completed	Non-compliant
F10	Fully completed	Fully compliant
F11	Fully completed	Fully compliant
Maintaining Contributions		
G1	Fully completed	Partially compliant
G2	Fully completed	Partially compliant
G3	Fully completed	Partially compliant
G4	In progress	Fully compliant
G5	Fully completed	Partially compliant
G6	Fully completed	Fully compliant
G7	Fully completed	Employers - Fully compliant
G8	Fully completed	Non-compliant
G9	Fully completed	Not yet relevant
Providing Information to Members and Others		
H1	Fully completed	Employers - Fully compliant
H2	Fully completed	Partially compliant
H3	Fully completed	Partially compliant
H4	Fully completed	Partially compliant
H5	Fully completed	Fully compliant
H6	Fully completed	Fully compliant

No.	Completed	Compliant
H7	Fully completed	Employers - Fully compliant
H8	Fully completed	Partially compliant
H9	Fully completed	Partially compliant
H10	Fully completed	Partially compliant
H11	Fully completed	Partially compliant
H12	In progress	Non-compliant
H13	Fully completed	Fully compliant
Internal Dispute Resolution		
I1	Fully completed	Fully compliant
I2	Fully completed	Non-compliant
I3	Fully completed	Non-compliant
I4	Fully completed	Partially compliant
I5	Fully completed	Fully compliant
I6	In progress	Partially compliant
I7	Fully completed	Fully compliant
I8	Fully completed	Non-compliant
I9	Fully completed	Partially compliant
Reporting Breaches		
J1	Fully completed	Non-compliant
J2	Fully completed	Non-compliant
J3	Fully completed	Partially compliant
Scheme Advisory Board Requirements		
K1	Fully completed	Fully compliant
K2	Fully completed	Fully compliant
K3	Fully completed	Partially compliant
K4	Fully completed	Partially compliant
K5	Fully completed	Partially compliant
K6	Fully completed	Non-compliant
K7	Fully completed	Partially compliant
K8	Fully completed	Partially compliant
K9	Fully completed	Partially compliant
K10	Fully completed	Non-compliant
K11	Fully completed	Fully compliant
K12	Fully completed	Partially compliant
K13	Fully completed	Non-compliant
K14	Fully completed	Fully compliant
K15	Fully completed	Non-compliant

A - Reporting Duties

Note the requirements in this section are not included in the TPR Code but they are a fundamental to the relationship with TPR.

Legal Requirements

All public service pension schemes have to be registered with TPR. In addition, all schemes must provide a regular scheme return to TPR, containing prescribed information. A return is required when the scheme receives a scheme return notice from the regulator. The scheme manager must also keep the regulator informed of any changes to registrable scheme details.

Note the requirements in this section are not included in the TPR Code but are a requirement for all schemes.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
A1	Is your scheme registered with the Pension Regulator?	Officers confirmed that London Borough of Lewisham are registered with TPR. Contacts include Carol Eldridge (Group Finance Manager, Pensions and Payroll) and Gavin Roberts (Pensions Manager). The Group Finance Manager, Pensions and Payroll and the Pensions Manager have their own log in to the Exchange site to make changes.	One off - i.e. is registered	n/a	Fully completed	Fully compliant		
A2	Is the information held on the Pensions Regulator's website about the scheme up-to-date?	Officers confirmed at a meeting held 26 March that the number of scheme employers does not change significantly and information is likely to be up to date.	Annual	26/03/2019	Fully completed	Fully compliant		
A3	Have you completed this latest Scheme Return in the required timescale?	The 2018 scheme return was sent to Lewisham on 25 September and was submitted on 23 October. It should be noted that there is a new requirement to test the common and conditional/scheme-specific and report a score in the 2018 scheme return. There is no centrally agreed list of scheme-specific items for the LGPS in this first year so Funds have to use their own judgement in conjunction with their software supplier guidance. The percentage of data assessed as present and accurate for Lewisham was not provided to TPR, we understand this was due to time constraints rather than any particular concerns around the data itself.	Annual	26/03/2019	Fully completed	Partially compliant	Plans are in place with the Scheme Advisory Board nationally to develop a centrally agreed standard template in Summer 2019 for 2019 returns.	Officers have indicated they will supply percentages to TPR in this years return and we recommend that information is provided.
A4	Have you responded to the latest TPR public service pension scheme survey/questionnaire?	Officers confirmed that the 2018 TPR Governance and Administration Survey was completed and returned to the Regulator by the 30 November 2018 deadline - a copy of the response was seen as part of this review.	Annual	26/03/2019	Fully completed	Fully compliant		

B - Knowledge and Understanding

Legal Requirements

A member of the pension board of a public service pension scheme must be conversant with:

- . the rules of the scheme, and
- . any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

- . the law relating to pensions, and
- . any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B1	Are there policies and arrangements in place to support pension board members in acquiring and retaining knowledge and understanding?	<p>The Board's Terms of Reference set out that the Fund has a Knowledge and Understanding Policy and Framework. In July 2015, at the Board's first meeting, a Knowledge and Training Policy was agreed.</p> <p>A slightly revised Knowledge and Training Policy was considered by the Board at their second meeting on December 2017 - see http://councilmeetings.lewisham.gov.uk/documents/s53902/5a%20Appendix%201%20-%20Knowledge%20and%20Training%20Policy.pdf.</p> <p>It is important to keep this policy under review, at least every three years, but preferably annually.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The policy should ideally include the objectives of the policy. It is noted that there is a separate learning log but the policy does not specify how training will be recorded and monitored.</p> <p>The Policy is not dated or available on the Fund's website.</p>
B2	Has a person been designated to take responsibility for ensuring the framework is developed and implemented?	<p>There is no reference to a delegated person in the Policy, the accompanying learning log or learning needs analysis.</p> <p>In practice, the Principal Accountant – Treasury & Pensions Manager is the designated person for maintaining this information but this is likely to be superseded when a new Compliance Officer is appointed.</p>	Not specified in policy. Suggest annually.	26/03/2019	Fully completed	Partially compliant		Include responsibility in policy.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B3	Is the Fund providing assistance to pension board members to determine the degree of knowledge and understanding required?	<p>The Knowledge and Training Policy sets out that members are required to "undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses".</p> <p>Members are asked to use a personalised training plan to document and address gaps. However, officers confirmed in a meeting on 26 March that these plans are not chased or reviewed by the Fund to check whether members are meeting their training needs.</p> <p>For the PIC there is a skills audit against the Fund's annual Business Plan, for example a review undertaken in line with MiFID II requirements in June 2018. The same review against the Business Plan is not undertaken for the PB.</p> <p>PIC members are required to undertake 5 hours of training over the course of each financial year. Such a numerate requirement is not in place for PB.</p> <p>It is noted that, at both PIC and PB meetings, updates on forthcoming training opportunities are clearly communicated to Board and Committee members.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>There is no specific reference in training documentation (Policy or Log) to the information that a new Board member is provided as part of their knowledge and training. We recommend documenting the process in place as part of the induction of new members to the PB and PIC.</p> <p>We suggest the Fund has a process in place to collate and review training needs analysis and personalised training plans and use that to inform training requirements for the PB and PIC.</p> <p>Consider also making any requirements for training (e.g. number of hours) the same for both the PIC and PB as well as using the Business Plan review to assess Training Needs.</p>
B4	Are the roles and responsibilities of pension boards and members of pension board clearly set out in scheme documentation?	The core functions of the Board are set out in the Pension Board's Terms of Reference which forms part of the Council's Constitution. It sets out the key duties of the members and role of the chair. The Board's terms of reference are also available on the Fund's website. The Terms of Reference were reviewed on 6 March 2018.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		The Terms of Reference have been reviewed in March 2018 and this version is on the Lewisham Pension Fund website. The Terms of Reference in the Constitution (i.e. Appendix 4) is an earlier version dated February 2015 and this should be updated accordingly.
B5	Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?	The Pensions Board Terms of Reference refers to a Knowledge and Understanding Policy and Framework. The Policy then sets out the legal requirements on Board members and the level of knowledge members are expected to attain and how they are expected to record their training.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B6	Have all pension board members got access to copies of the scheme rules and relevant Fund documentation?	<p>Information is available on the Lewisham Pension Fund website including scheme guides, factsheets and a recent member newsletter (August 2018).</p> <p>The agenda and papers from the Pension Investment Committee are circulated to Pension Board members, and they are considered as part of the agenda at Pension Board meetings.</p> <p>The annual report includes a summary of Fund policies. We have noted that the Fund does not appear to have a Governance Compliance Statement and Policy in place, this is required under LGPS Regulations and must be in line with the Secretary of State's guidance. Also there is no evidence of the link to the scheme regulations being made explicitly available to Pension Board members, we suggest this link is added to the Lewisham Pension Fund website - http://lgpsregs.org/schemeregs/index.php.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The Fund needs to put in place a Governance Compliance Statement.</p> <p>Not all policies are available on the Fund's website. A review of this should be undertaken and any missing policies added.</p> <p>The Full Scheme guide on the Lewisham Pension Fund website is v 1.6 (April 2015). The latest version available is June 2018 (v5.0) from LGA and this should also be updated.</p>
B7	Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?	A list is included in Fund's Knowledge and Training Policy	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		The Policy is not dated or available on the Fund's website directly.
B8	Are all pension board members investing sufficient time in their learning and development?	<p>Officers include information on national conferences and courses and encourage PB members to attend at each meeting. This is also the case for PIC. Internal training takes place at the PIC (e.g. Investment Managers and Actuary as needed). Internal training does not take place within the PB.</p> <p>The Fund does not share details of training logs at PB meetings, these are recorded by Officers and held directly with them only.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The Fund should consider setting a measurable requirement for PB members in terms of training hours per annum.</p> <p>Also consider options for internal training for the PB on key areas.</p>
B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	<p>Pre-appointment training is not currently provided, and nor is mentoring. This is partly due to challenges experienced by the PB having reconfigured in December 2017 following a period of 2 years out of meeting cycle, as well as challenges in appointing members to vacancies.</p> <p>All new members are provided with the Terms of Reference and an explanation of their roles and responsibilities as Board members.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Ensure approach for new members is documented in formal training policy, and is monitored and adhered to.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B10	Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?	<p>The Terms of Reference for the Pension Board states "Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board."</p> <p>Reminders are given to Board members to complete their Training Needs Analysis at Board meetings. Board members do share this information with Officers - however this is not currently reviewed or collated to assess findings or put actions into place.</p> <p>The PIC undertake a self-review against the CIPFA Knowledge and Skills Competencies.</p> <p>No induction training in place for new members, noted challenges with maintaining one of the employee representatives on the Board over last couple of years.</p> <p>Current PB chair had high level of knowledge and good experience ahead of joining Board and therefore no specific induction training was required. PIC Chair is also experienced and specific induction training was again not relevant.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>We suggest the Fund has a process in place to collate and review training needs analysis and personalised training plans and use that to inform training requirements for the PB and PIC.</p> <p>An induction process should be considered for new members and documented in the Fund's Knowledge and Understanding Policy and Framework.</p>
B11	Are records of learning activities being maintained?	At the last Pension Board meeting in January 2019 an events programme was shared with the Board setting out forthcoming activity. However, a record of attendance at training / learning opportunities does not appear to be being maintained (unless provided to the Fund by the PB member).	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		A record of all training attended should be held centrally by the Fund and regularly updated. This information for both the PIC and PB could then be published (e.g in Fund's Annual Report or directly on the website).
B12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?	<p>Officers recommend that Board members complete the Pension Regulator's Public Service Toolkit.</p> <p>As noted in the papers for 31 January 2019 Board meeting, only one member of the Board has confirmed that the toolkit has been completed.</p>	Ongoing (annual check)	22/03/2019	In progress	Partially compliant		Consider also making any measurable hours requirements for training the same for both the PIC and PB as well as using the Business Plan review to assess Training Needs.

C - Conflicts of interest

Legal Requirements

The Public Service Pensions Act 2013 sets out the legal requirements for scheme managers and pension boards for conflicts of interest.

In relation to the pension board, scheme regulations must include provision requiring the scheme manager to be satisfied:

- that a person to be appointed as a member of the pension board does not have a conflict of interest and
- from time to time, that none of the members of the pension board has a conflict of interest.

Scheme regulations must require each member or proposed member of a pension board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.

Scheme regulations must include provision requiring the pension board to include employer representatives and member representatives in equal numbers.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C1	Does the Fund have a conflict of interest policy and procedure, which include identifying, monitoring and managing potential conflicts of interest?	<p>The Pension Board has a Conflict of Interest Policy which includes procedures to identify, monitor and manage potential conflicts of interest. It was adopted on 23 July 2015 and was reviewed on 6 March 2018.</p> <p>The policy is not available directly on the Fund's website.</p> <p>There is no specific policy in place for the PIC or for Fund Officers.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The Policy is not dated or available on the Fund's website.</p> <p>Consider extending the reach of this Policy to cover both PIC and Officers as well as the Pension Board.</p>
C2	Do pension board members have a clear understanding of their role, the circumstances in which they may have a conflict of interest and how to manage potential conflicts?	<p>The Conflict of Interest Policy sets out requirements for members and newly appointed members to confirm they do not have a conflict of interest and for members of the Board to disclose interests or responsibilities that could become conflicts of interests which may impact on their role.</p> <p>The Conflicts Register is brought to every Board meeting and there is a declaration of interest at the start of Board meetings. There is also a similar declaration at the start of PIC meetings.</p> <p>Officers confirmed at a meeting on 26 March that the Board have not had training on the area of Conflicts.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		Consider holding a training session or review of requirements on Conflicts of Interest with the Board.
C3	Have all Pension Board members provided appropriate information for the Administering Authority to determine whether a conflict exists (on appointment and from time to time)?	<p>The Conflict of Interest Policy states that Conflicts of Interest will be included as an opening agenda item at Board meetings and Declarations of Interest are sought at the beginning of meetings.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C4	Does the appointment process for pension board members require disclosure of interests and responsibilities which could become conflicts of interest?	The Conflict of Interest Policy states that "people who are proposed to be appointed to a Pension Board, must provide Lewisham Council with information that they reasonably require to be satisfied that Pension Board members and proposed members do not have a conflict of interest." They also have the opportunity to disclose any potential conflicts at every meeting.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
C5	Is the conflicts policy regularly reviewed?	The Policy was reviewed at 6 March 2018 Pension Board meeting.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		The Fund should continue to review the Policy at least every 3 years, but preferably annually. The Fund should ensure the Policy is available on the Fund's website.
C6	Does the Fund have a conflicts register and it is circulated for ongoing review and published?	The Conflicts Policy indicates that "the register of interests and other relevant documents will be circulated to the Pension Board for ongoing review and published on Lewisham's pension website". The Register has been considered at recent Pension Board meetings but there is no evidence that it is available on the Lewisham Pension Fund website.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		The Fund should publish the updated register of interests on its website.
C7	Is appropriate information included in the register?	The Council website does not list other interests or employments for Board members all of whom are non-Council members. The Register of Conflicts of Interests considered at the latest Board meeting includes details of a registered conflict.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Recommend Council website is updated accordingly.
C8	Is there a standing item on the agenda for declaring conflicts of interest?	Yes, it is on the agenda for every meeting.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C9	Do those involved know how to report a conflict of interest?	The policy does set out the requirement to log any potential conflicts of interest and that they should be logged on the register. It does not say who in the Administering Authority they should report it to.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		When the Conflict of Interest Policy is next reviewed it would be helpful to state who conflicts should be reported to.
C10	Is the number of employer and member representatives on the board in line with legal requirements?	Details of the make up of the Board are set out its terms of reference on the Fund website. This includes the requirement in paragraph 9 which sets out there are 4 voting members, 2 employer and 2 member representatives. Paragraph 22 sets out details regarding the independent chair. It was also noted that there is an interim replacement for the employer representative from Lewisham Homes while the Director of Finance role being recruited to. Officers confirmed that the replacement will be asked to join the PB.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		Ensure that the Fund website reflects the latest membership of the PB.
C11	Is the board made up of the appropriate mix of representatives in order to minimise potential conflicts?	The Administering Authority has attempted to obtain an appropriate mix, through: - Setting out the requirements for representatives in the Terms of Reference - The appointment of a non voting independent Chair	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

D - Publishing information about schemes

Legal Requirements

The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date.

The information must include:

- who the members of the pension board are
- representation on the board of members of the scheme(s), and
- the matters falling within the pension board's responsibility

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
D1	Does the Administering Authority publish information about the pension board?	The Terms of Reference sets out how the members are represented, and this as well as the details of who the Board members are on the Pension Fund website: http://www.lewishampensions.org/lewisham-pension-fund/about-us/local-pension-board/ . Membership of the Board is not up to date on the Fund website noting that there appears to be an employee representative vacancy. Officers confirmed at 26 March meeting that this is now filled by a union representative; however an interim replacement for one of the employer representatives is currently in place. Membership details are not up to date on the Council's website http://councilmeetings.lewisham.gov.uk/mgCommitteeDetails.aspx?ID=353 .	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Details of the composition of the Pension Board should be updated on the Council and Fund websites.
D2	Does the Administering Authority publish other useful related information about the pension board?	There is no information on the Council or Fund website about Pension Board members other than their name and who they represent. Pension Investment Committee members information includes details for Councillors but not for other members of that Committee; however, we understand that non-voting observers do not attend the PIC therefore names cannot be added to the website.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		Add additional information from Code of Practice paragraph 96 about the Pension Board and Pension Committee members onto the Fund website.
D3	Is all the information about the Pension Board kept up-to-date?	The Committee and Board members are on the Lewisham Pension Fund website. However the Observers on the Pensions Investment Committee are not named in the list provided on the Fund's website, this is because none attend. The Fund website reflects a vacancy but Officers confirmed this information is out of date.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Ensure public information about the Board is kept fully up to date and correct.
D4	Does the Administering Authority publish information about pension board business?	All pension board meetings are public meetings and papers/agendas/minutes etc. are set out on the Lewisham Council website http://councilmeetings.lewisham.gov.uk/ieListMeetings.aspx?CI=353&Year=0 .	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

E - Managing risk and internal controls

Legal Requirements

The scheme manager must establish and operate internal controls which adequately ensure the scheme is administered and managed in accordance with the scheme rules and the requirements of the law.

Internal controls are defined in the legislation as:

- arrangements and procedures to be followed in the administration and management of the scheme
- systems and arrangements for monitoring that administration and management
- arrangements and procedures to be followed for the safe custody and security of the assets of the scheme

The legal requirements apply equally where a scheme outsources services connected with the running of the scheme.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes
E1	Is there an agreed process for identifying and recording scheme risks?	<p>The Fund does not have a Risk Policy in place. A Risk Register for mainly investment related matters is considered by the PIC annually and this was recently also taken to the PB. The PB noted the lack of administration, governance and communication items on the Risk Register, and it has since been identified that the Fund does in fact have a separate Risk Register covering these areas which is managed by the Group Finance Manager - Pensions and Payroll.</p> <p>On the Risk Register relating to investment matters, either the PIC, the Exec Director of Resources and Regeneration (also S151 officer), the Head of Corporate Resources, the Principal Accountant – Treasury & Pensions Manager or the PB are the named owners of the risks listed.</p> <p>The risks on the Register do not appear to align with agreed Fund objectives and it is not clear how new risks are identified.</p>	Policy not in place	N/A	Fully completed	Non-compliant	
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	<p>The Risk Register shows who has responsibility for each risk listed and the current control in place to manage it. It also sets out any additional requirements or procedures relevant to that risk.</p> <p>The PIC consider the Risk Register annually at one of its meetings. The PB have now seen the Risk Register at their 23 October 2018 meeting. This Register has mainly investment related items listed.</p> <p>The Group Finance Manager - Pensions and Payroll maintains a separate Risk Register for administration issues. This Register covers both Pensions and Payroll related items, but does not appear to be reviewed by the PB or PIC. The risks are reviewed but could be updated to ensure they cover a wider range of areas including for example, accurate maintenance of records, fraud against the Fund, managing the cost of administration as well as communication related items.</p>	Annually	26/03/2019	Fully completed	Non-compliant	The Fund should ensure that their risk register is comprehensive and includes all areas of the administration and management of the Fund including (i) investment, (ii) funding, (iii) administration, (iv) governance and (v) communication. The Risk Policy should set out how the Register is managed, monitored and updated including how they establish controls and identify risks.

E - Managing risk and internal

Legal Requirements

The scheme manager must establish and oper

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The legal requirements apply equally where a s

No.	TPR Requirement	Action
E1	Is there an agreed process for identifying and recording scheme risks?	Ensure the Fund in conjunction with the PIC and PB develops a risk policy. Consider developing Fund objectives which help drive the content on the Risk Register. Ensure that the Fund's Risk Register contains all areas of the administration and management of the Fund (not just investment related items).
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	We would strongly recommend pulling together the current separate strands of the two existing risk registers into a single holistic risk register covering all areas.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	<p>Risk register which focuses on investment related matters is reviewed and monitored. Administration Risk Register is maintained separately.</p> <p>The Fund identifies new risks when key policies are reviewed and revised, e.g. updating Funding Strategy Statement following the valuation or changes and updates to the Investment Strategy Statement. It is not clear how new risks on the Administration Risk Register are identified though, and whether any attempt is made to link them to the Fund's objectives.</p> <p>The Risk Register considered by the PIC is based on the TPR template.</p>	Annually	26/03/2019	Fully completed	Partially compliant	The Fund should ensure that their risk register is comprehensive and includes all areas of the administration and management of the Fund including (i) investment, (ii) funding, (iii) administration, (iv) governance and (v) communication. The Risk Policy should set out how the Register is managed, monitored and updated including how they establish controls and identify risks.
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	<p>The Fund has an external audit once a year, it is reviewed by Senior Officers and it is reported to Full Council. It is currently not considered by the PIC or the PB. Internal audit findings have not historically been taken to PIC but officers confirmed they plan to bring them to the PB going forward.</p> <p>There is a concern mentioned by Fund Officers that external audit lack enough understanding and experience on pensions matters meaning that Fund Officers are involved in elongated audits which require greater resources than might be anticipated from the Fund.</p> <p>There is no formal review of risk management (other than the Risk Register) and no risk policy in place.</p> <p>There is no formal process for reporting breaches of the law although the Fund does have a log which is based on TPRs template.</p>	Annually	26/03/2019	In progress	Partially compliant	
E5	Does the Administering Authority regularly review the risk register?	The PIC review the Risk Register annually and the plan is that following the recent sharing with the PB they will also now review the Risk Register on an annual basis. At the moment that only relates to investment related risk.	Annually	26/03/2019	Fully completed	Partially compliant	
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	There is no standing item on the PB agenda to review scheme risks although the Board did receive a copy of the Risk Register at the October 2018 meeting where it was noted that the Register related in the main to investment related issues only.	Quarterly i.e. at each meeting	23/10/2018	Fully completed	Non-compliant	

No.	TPR Requirement	Action
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	As above
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	<p>Regarding the internal audit Rob / Gavin to confirm the frequency of these reviews and their recent findings.</p> <p>We recommend that the Fund consider how best to ensure PIC and PB are informed of both external and internal audit findings to ensure adequate review of information provided.</p>
E5	Does the Administering Authority regularly review the risk register?	The Fund needs to ensure that the Risk Register captures all risks relating to the management and administration of the Fund.
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	TPR would expect to see the PB considering risks at each meeting and the Fund should consider adding as a standing agenda item for all future meetings.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes
E7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented ?	<p>The Fund does not have a Pensions Administration Strategy - such a Strategy (albeit not mandated) can be helpful as it provides a statement outlining the policies and performance standards aimed at providing a cost-effective and high quality service.</p> <p>The Fund use the Altair task management system - every day, tasks on task lists are allocated, and management can monitor all tasks on the team to prioritise and allocate to other members on the team depending on deadlines/workloads. Officers indicate that there is a backlog of cases (particularly status 2 undecided leavers). Heywood guides are used but there are no internal process notes documenting work to undertake key tasks.</p> <p>All cases are checked including estimates and staff work through an allocated checksheet as they review cases, with payments being authorised appropriately at various different threshold levels depending on seniority.</p> <p>All information scanned to records and manual calculations also scanned to member records. There are c400 boxes of historic files containing records which are stored in another nearby Council office which are available when necessary.</p>	Ongoing (annual check)	Ongoing (annual check)	Fully completed	Partially compliant	
E8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?	<p>Lewisham's LGPS AVC provider is Clerical Medical. The Fund have access to the Clerical Medical website and can get instant values online and also receive annual statements each April which are posted to scheme members.</p> <p>The Fund's custodian is Northern Trust who make their control report available to the Fund through an online portal. Some investment managers do also provide annual internal control reports (either directly or via their websites), officers have confirmed these are not actively managed or monitored.</p>	Ongoing (annual check)	Ongoing (annual check)	Fully completed	Partially compliant	

No.	TPR Requirement	Action
E7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented ?	We recommend the Fund creates an Administration Strategy. We recommend the Fund creates internal process notes documenting the various procedures specific to Lewisham.
E8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?	On the whole, Officers are content with the service from the AVC provider but it is important to ensure that specific administration services provided and responsibilities delegated to the administrator should be documented in the terms of engagement and contract between the Fund and any third party which carries out any outsourced admin service (such as AVC providers and tracing agencies).

F - Maintaining accurate member data

Legal Requirements

Scheme managers must keep records of information relating to:

- member information
- transactions, and
- pension board meetings and decisions.

The legal requirements are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 ('the Record Keeping Regulations').

The Data Protection Act 1998 and the data protection principles set out additional requirements for using, holding and handling personal information. Other requirements are set out in the:

- Pensions Act 1995 and 2004
- Pensions Act 2008 and the Employers' Duties (Registration and Compliance) Regulations 2010
- Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715)
- Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997 (SR 1997 No 94)
- Registered Pension Schemes (Provision of Information) Regulations 2006 (SI 2006/567)

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F1	Do member records record the information required as defined in the Record Keeping Regulations and is it accurate?	Records are maintained on the Altair Heywood System: - Altair system won't allow a new member without key details (including NI) - I-Connect used by Administering Authority with uploads on a monthly basis - All mandatory info is checked before it is uploaded to Altair We note that in the 2018 TPR Scheme return the percentages for common & scheme specific data scores were not provided to TPR.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Officers have indicated they will supply percentages to TPR in this year's return and we recommend that information is provided.
F2	Does the Fund have the appropriate processes in place so employers can provide timely and accurate information?	I-Connect monthly upload covers this for the administering authority, Lewisham Council. Employers (admitted and scheduled bodies) are submitting monthly payroll data using a control sheet. The Administering Authority maintains an Excel workbook which has a separate sheet for each employer, and these are checked by the administration team when submitted. If there is any missing data, these are returned to the employer to be rectified.	Ongoing (annual check)	02/04/2019	Fully completed	Fully compliant	Employer Control sheet reviewed	
F3	Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?	Incoming contribution schedules are reviewed on a monthly basis. Accounting emails from employers are kept in a Sharepoint file which is accessible by team members and also reconciled monthly.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant	No evidence of write-off policy therefore unable to consider fully compliant at this time.	

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F4	Are records kept of pension board meetings as required by the Record Keeping Regulations?	Board Agendas, papers and minutes are on the Lewisham website. http://councilmeetings.lewisham.gov.uk/ieListMeetings.aspx?CId=353&Year=0	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
F5	Are records kept of decisions made by the pension board, outside of meetings as required by the Record Keeping Regulations?	All meeting minutes and papers contain records of decisions made in meetings and these are held online. To date, no decisions have been made outside meetings so no recording has been necessary.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
F6	Are records retained for as long as they are needed?	Member records are held on Altair permanently, with archived historical images. Pre Altair some paper records are held in storage and are accessible for review as necessary.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		It is recommended that a Record Management Policy is implemented setting out how records are maintained and the future deletion policy.
F7	Does the Administering Authority have policies and processes to monitor data on an ongoing basis?	I-Connect checks are undertaken monthly by the pensions team. Scheduled and admitted bodies payroll data is also checked monthly as it is submitted. Pre valuation checks done including seeking to address aggregation issues which are currently impacting on the data quality for the 2019 valuation. Member information is checked at the year-end when benefit statements are being produced i.e. CARE pay compared to previous years, and contributions are checked to see if paid in line with the CARE pay. Anything unreasonable in terms of data or data changes since last year are queried with the employer. Officers confirmed that the national Tell Us Once system is used by the Fund.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		It is recommended that a Data Improvement Plan is implemented to address any areas where data is incomplete / potentially inaccurate.
F8	Does the Administering Authority carry out a data review at least annually?	Member information is thoroughly checked when annual benefit statements are being produced. Anything unreasonable in terms of data or data changes since the previous scheme year are queried with the employer.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		We recommend that this checking procedure could be more formally documented as a Data Review Exercise, which will allow scoring and the ability to see year on year trends.
F9	Is a data improvement plan in place which is being monitored with a defined end date?	Currently there is no formal data improvement plan in place (although it was noted that where issues are identified they are dealt with in a timely manner).	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		It is recommended that a Data Improvement Plan is implemented to address any areas where data is incomplete / potentially inaccurate.
F10	Are processes and policies in place to reconcile scheme data with employer data?	I-Connect covers this for Lewisham Council as it has validation processes on upload. Employers are submitting monthly payroll data - the Control sheet used (as mentioned above) collates all necessary information. Fund officers also noted work to address backlog of leavers where calculations required. Also reviewing frozen refunds given 5 year period since introduction of new scheme.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
F11	Do the Administering Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles, and the new requirements of GDPR (from 25 May 2018)?	All staff completed training on GDPR and data protection information is on the Lewisham website. https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/access-to-information/freedom-of-information-act/publication-scheme/~/_link.aspx?_id=556C869D56A54ECA869867DFAAF64EBF&_z=z Disaster recovery with Aquila Heywood. Home workers have secure logins.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

G - Maintaining contributions

Legal requirements

Contributions must be paid as detailed below, and where not done, they should be reported to TPR in circumstances where the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to TPR in the exercise of any of its functions. Reporting must be carried out as detailed below.

Contribution Type	Contributions must be paid	When a failure should be
Employer	On or before the due date as defined by the scheme regulations	To The Regulator: As soon as reasonably practicable
Employee	Paid within the prescribed period (19 th day of the month, or 22 nd day if paid electronically) or earlier date if required by the scheme regulations	Regulator: Within a reasonable period – 10 working days

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G1	Does the Fund have procedures and processes in place to identify payment failures?	<p>A new payroll system is being implemented currently by Lewisham Council, which is currently operating at the parallel run stage. Errors being found and resolved.</p> <p>The Fund receives a control sheet from employers each month, which captures all the information required for the payroll. This is checked and matched and any omissions or errors are reported back to the employer. Once checked by the pension team, this is passed to finance to load.</p> <p>No formal procedure is documented for this process, and it is currently reliant on one specific individual to do this job every month. Resourcing is an issue.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		We suggest documenting the process for the monthly payroll / contribution checks so that any member of the team could deal with it. Being reliant on one specific person is a potential point of failure without a documented process.
G2	Do those processes and procedures include a contributions monitoring record to determine whether contributions are paid on time and in full?	<p>The monthly reconciliation shows where contributions are not present but not necessarily whether they are correct. A tolerance check is done against previous months report but this does not show discrepancies. A receipt date is input by the admin team to control the payroll sheets and these are stored in folders on the network for each employer.</p> <p>Monthly reconciliation of employer's pay is done but contributions are not loaded to Altair until year end which can result in approx. 800 manual uploads. No specific check is made of these manual inputs, but then pay data extracts are reviewed when Annual Benefit Statements are produced.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		We suggest that over 2019/20 a significant project is undertaken to get all employers (other than the Council) set up on I-Connect. This will not provide an immediate resolution, but in the meantime we suggest investigating whether bulk uploads of data can be used (if needed) rather than manual entry.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G3	Do those processes and procedures include monitoring payments against the contributions monitoring record on an ongoing basis?	Yes - see above	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		
G4	Are these procedures regularly reviewed to ensure they are effective?	Fund procedures are audited every year (June). The Fund is also reliant on employer processes being audited, which is harder to achieve.	Ongoing (annual check)	26/03/2019	In progress	Fully compliant		Not clear what review processes are in place to address potential fraud.
G5	Do the Administering Authority's processes include managing overdue contributions in line with TPR's suggested approach?	If contributions are overdue an email will be sent to the employer detailing and emphasising the possibility of fines for repeated non-compliance. However, it was confirmed there have been no instances where this has arisen to date. The issue of raising / recharging fines to employers is currently not in the administration strategy (largely as it has not arisen with to date). The administration strategy is currently being reviewed.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		We strongly recommend putting in place an Administration Strategy to clearly set out details of fines / procedures for managing overdue contributions, and we also recommend having a policy on how many times you will chase employers (and how) before escalating.
G6	Does the Fund maintain a record of any investigations and communications with employers?	It was confirmed that employers are mainly sent information via email. All correspondence (and contribution schedules etc) are stored in the sharepoint library (categorised by employer) which is accessible to the pensions team.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		Consider whether others outside the pensions team might need access to the sharepoint library too.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G7	Do employers provide sufficient information to monitor contributions and is this in accordance with the LGPS regulations?	I-Connect is in use for Lewisham Council. For all other employers who are not using i-Connect, a control sheet is used which we understand contains all the information to comply with LGPS regulations. Returns from employers are not accepted until all the requisite data has been provided.	Ongoing (annual check)	26/03/2019	Fully completed	Employers - Fully compliant		
G8	Is there a satisfactory process in place to assess the materiality of any payment failures and ensure that those which are material are reported to the Regulator within a reasonable period?	There is no reporting process currently to assess payment failures. This needs to be captured in the Administration strategy and also in the breaches procedure.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		We suggest the Fund formalise their reporting and monitoring processes in formal process notes, in the Fund's administration strategy, and in the breaches procedure (when drafted), as appropriate.
G9	If the administration of contributions outsourced to a service provider, is there a process in place to obtain regular information on the payment of contributions to the scheme?	Not applicable	n/a	n/a	Fully completed	Not yet relevant		

H - Providing information to members and others

Legal requirements

The law requires schemes to disclose information about benefits and scheme administration to scheme members and others. This includes requirements relating to benefit statements and certain other information which must be provided under the requirements of the 2013 Act, HM Treasury directions and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ('the Disclosure Regulations 2013'). In addition to these duties, there are other legal requirements relating to the provision of information to members and others under other legislation.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H1	Has an annual benefit statement been provided to all active members within the required timescales?	It was advised that for the 2018 exercise 100% of statements went out within the required timescales for all known active members (members on Altair at 31 August 2018)	Annual	26/03/2019	Fully completed	Employers - Fully compliant		
H2	Do these meet the legal requirements in relation to format?	<p>The Active ABS and notes has been provided and compared with the HMT Directions (i.e. the Disclosure Regulations) and they are compliant other than the following pieces of information which are not included:</p> <ul style="list-style-type: none"> - No caveat about partners pensions, specifically i) co-habiting partners' pensions exclude pre1988 membership ii) post leaving marriage pensions exclude pre 1978/1988 membership - No caveat that an actuarial increase is included on the pre 2014 benefits but this can change at any time - No details for divorce or annual scheme pays debits (question for Gavin - is this conditional text which only comes in if it applies?) - It is not clear how any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply. - No date of when members' pensionable service started in that employment (only date joined LGPS) - No summary method of how members and partners benefits are calculated - No details of how any deduction from benefits is calculated 	Annual	02/04/2019	Fully completed	Partially compliant	Active ABS and notes independently reviewed by Aon & not fully compliant.	Review active ABS to ensure all these areas are addressed.
H3	Has a benefit statement been provided to all active, deferred and pension credit members who have requested one within the required timescales?	<p>It was confirmed that Lewisham are compliant in this area and that all statements were issued for Active, Deferred and Pension Credit members.</p> <p>The only members for whom statements were not issued were deferred members with no known address.</p>	Ongoing	26/03/2019	Fully completed	Partially compliant		We suggest that KPI/SLA statistics are held on whether benefit statements are issued (and when) following a request by an active, deferred or pension credit member to ensure they are provided no more than two months after the date the request is made.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H4	Does this meet the legal requirements in relation to format?	<p>The Deferred ABS and notes has been provided and compared with the HMT Directions (i.e. the Disclosure Regulations) and they are compliant other than the following pieces of information which are not included:</p> <ul style="list-style-type: none"> - No caveat that current NPA may change as SPA changes for Post 1 April 2014 leavers. - No statement on rejoining the LGPS setting out that members must tell the administering authority of i) deferred benefits ii) of other public service membership iii) advise original AA of new membership - No date is detailed confirming when pensionable service commenced - No summary of the method of calculating the members' benefits or survivors' benefits - Members' pensionable remuneration at date of leaving is not detailed <p>A separate Deferred statement is issued for Pension credit members</p>	Annual	02/04/2019	Fully completed	Partially compliant	Deferred ABS and notes independently reviewed by Aon & not fully compliant.	Review deferred ABS to ensure all these areas are addressed.
H5	Has an annual benefit statement been provided to all members with AVCs within the required timescales?	It was confirmed that AVC statements were provided by Clerical Medical in April and were posted out with the ABS statements.	Annual	26/03/2019	Fully completed	Fully compliant		We recommend that a check is put in place to cross reference that everyone who should have had an AVC statement did receive one.
H6	Do these meet the legal requirements in relation to format?	Both the Equitable Life and Clerical Medial AVC statements have been provided. They have been compared with the HMT Directions (i.e. the Disclosure Regulations), and both are compliant.	Annual	02/04/2019	Fully completed	Fully compliant		
H7	Is basic scheme information provided to all new and prospective members within the required timescales?	Starter information is provided by the Fund within statutory timeframes once the new starter notification is received. Issues will only arise when an employer is late in notifying the Administering Authority of the required information	Ongoing (annual check)	26/03/2019	Fully completed	Employers - Fully compliant		Question for Gavin - are performance statistics kept on this to identify if any employers are regularly failing to provide information in a timely manner?
H8	Does this meet the legal requirements in relation to format?	The welcome letter (pack) and Notice of Admission was provided and compared against the Disclosure Regs. The documents and information on the website provide all the information required although the link to the Full Guide on the website is out of date and should be amended.	Ongoing (annual check)	02/04/2019	Fully completed	Partially compliant	Reviewed welcome letter, Notice of Admission and Lewisham Fund website.	We recommend that you update the link to the Full Guide for members on the website immediately as it is out of date.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H9	Is all other information provided in accordance with the legal timescales?	<p>Officers noted that the Fund has a backlog, meaning that not all legal timescales are being met in all cases.</p> <p>The Fund do not have a Pensions Administration Strategy setting out KPIs/SLAs, and we did not see evidence of the PIC reviewing turnaround times for administration (as would be expected).</p> <p>The Fund did communicate scheme changes (from May 2018) to members in the August 2018 newsletter on the Fund website: https://www.lewishampensions.org/media/4159/scheme-newsletter-august-2018.pdf.</p> <p>We have seen evidence of recent scheme changes (from December 2018 through LGPS (Miscellaneous Amendment) Regulations 2018) due to be communicated through the Deferred ABS, we have not seen evidence of this being communicated to active or pensioner members.</p> <p>The Pension Manager confirmed he only has only certain access rights to the website to make changes (as it is a hosted website).</p> <p>The 2019 Pension increase rate and the 2019/2020 contribution rates were recently loaded to the website.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The Fund should put in place a plan to address current backlogs.</p> <p>We recommend that the Fund prepare and publish a Pensions Administration Strategy.</p> <p>The Fund should ensure all changes to Scheme Regulations are communicated in line with the Disclosure Regulations.</p>
H10	Is all other information provided in the format and methods required by law?	Updates regularly use LGA template text provided centrally and therefore this would meet requirements. We haven't been able to gather evidence of all possible communications listed above.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		
H11	Where any information is only provided electronically (i.e. instead of any hard copy) does it comply with the legal requirements?	<p>Nothing historically has been sent by email to members</p> <p>Pensioner PI information is being sent electronically in 2019, the Fund no longer sends an accompanying newsletter, so this information is included on pensioners' payslips. We have not reviewed the pensioner payslips for April 2019.</p> <p>Employer information is sent by email.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		We suggest that a check is made to ensure the email requirements are met (point 203) for the pensioners pensions increase.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H12	Does the Administering Authority aim to design and deliver communications in a way that ensures scheme members are able to engage with their pension provision?	<p>This was identified as an issue and it was understood that their should be more engagement with scheme members.</p> <p>There are no statistics monitoring engagement on the website nor have their been any customer surveys. Officers noted that they are seeking to recruit a new team member responsbile for compliance who would be involved in this area.</p>	Ongoing (annual check)	26/03/2019	In progress	Non-compliant		Ensure that new team member responsible for this is quickly brought up to speed, and is tasking with monitoring and improving customer engagement.
H13	Does the Administering Authority use a tracing service?	<p>The fund are currently using a tracing company (Target) for deferred and frozen refund members. NFI and 'Tell us Once' are also used, and overseas members are checked (by life certificate) every 2 years.</p> <p>The Fund does not use DWP tracing.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

I - Internal Dispute Resolution

Legal requirements

The Pensions Act 1995 requires scheme managers to set up and implement an Internal Dispute Resolution Procedure (IDRP) to help resolve disputes between the scheme manager and people with an interest in the scheme.

The act states that a person has an interest in the scheme if they:

- are a member or beneficiary
- are a prospective member
- have ceased to be a member, beneficiary or prospective member
- claim to be any of the above and the dispute relates to this claim.

The Act also states that the procedure must include:

- how an application is to be made
- what must be included in an application
- how decisions are to be reached and notified
- a specified period (which is reasonable) within which applications must be made.

The procedure may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. This decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters. However, legislation provides flexibility for scheme managers to decide the details of these.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
I1	Has the Administering Authority put in place an internal dispute resolution procedure?	Procedure on sharepoint - (internal site) -modified February 19 Details on IDRP also on website under complaints section.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
I2	Does the Administering Authority's process highlight or consider whether a dispute is exempt?	This is not currently stated in the IDRP guide nor on the website.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		IDRP guides to be updated with exemption wording
I3	Does the information made available to applicants about the procedure clearly state the procedure and process to apply for a dispute to be resolved including: - who it applies to - who the specified person (stage 1) is - the timescales for making applications - who to contact with a dispute - the information that an applicant must include - the process by which decisions are reached?	The IDRP note on the website does not provide in depth information for employers or members. It does not include the following requirements: - who it applies to - who the specified person (stage 1) is - the timescales for making applications - the information that an applicant must include - the process by which decisions are reached	Ongoing (annual check)	02/04/2019	Fully completed	Non-compliant	Admin IDRP procedure and website IDRP note reviewed	IDRP policy should be reviewed and amended in line with current requirements
I4	Has the Administering Authority ensured that employers who make first stage decisions also have IDRP in place?	Officers outlined that all employers in the Fund use Lewisham Council's second stage decision maker, Head of Legal, for their first stage decisions.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		We recommend that the Fund ensure that all employers are fully aware of the appropriate process for IDRP.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
15	Are the timescales in the procedure adhered to including sending an acknowledgment on receipt of an application?	Officers confirmed that there are very few cases but when they arise they are adhered to within the prescribed timescales. It is therefore difficult to obtain any further evidence on this.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		We recommend that, if not already, statistics are kept on all IDRPs cases to document whether the required timescales are met.
16	Does the Administering Authority notify and advertise the procedure appropriately?	Brief mention of IDRPs on website only. Admin IDRPs procedure is kept internally on sharepoint which is only accessed by pensions team IDRPs is mentioned on the welcome letter - refer to pensions team in first instance but then states to contact TPAS at any stage. This should now be the Pensions Ombudsman. Detailed on Notice of Admission - refer to pensions team in first instance. IDRPs is mentioned in the Deferred Benefit letter to members and in the retirement forms issued to members to complete. Officers are checking other documents including transfer letters.	Ongoing (annual check)	02/04/2019	In progress	Partially compliant		Checks ongoing to ensure this information is included in all relevant communication.
17	Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to?	The signposting requirements have changed as a result of the disputes arm of TPAS moving to the Ombudsman. TPAS is now only available for general guidance. The procedure mentions the Pensions Ombudsman services in both stage 1 and stage 2 of the IDRPs.	Ongoing (annual check)	02/04/2019	Fully completed	Fully compliant	Admin IDRPs procedure reviewed	
18	Does the Administering Authority regularly assess the effectiveness of its arrangements?	The IDRPs was modified in February 2019 but changes not known. No regular review is undertaken.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		The IDRPs policy should be reviewed to ensure it is fully in line with current requirements and loaded to the pension fund website. It should also state when and how it will next be reviewed.
19	Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process?	Officers outlined that all employers in the Fund use Lewisham Council's second stage decision maker, Head of Legal, for their first stage decisions. It is not clear what information is shared with Fund employers on this topic or how often this is assessed.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		The administering authority should ensure it communicates the IDRPs requirements fully to all employers, and assesses the effectiveness of their arrangements.

J - Reporting breaches of the law

Legal Requirements

Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

People who are subject to the reporting requirement ('reporters') for public service pension schemes are:

- scheme managers
- members of pension boards
- any person who is otherwise involved in the administration of a public service pension scheme
- employers: in the case of a multi-employer scheme, any participating employer who becomes aware of a breach should consider their statutory duty to report, regardless of whether the breach relates to, or affects, members who are its employees or those of other employers
- professional advisers including auditors, actuaries, legal advisers and fund managers: not all public service pension schemes are subject to the same legal requirements to appoint professional advisers, but nonetheless the regulator expects that all schemes will have professional advisers, either resulting from other legal requirements or simply as a matter of practice
- any person who is otherwise involved in advising the managers of the scheme in relation to the scheme.

The report must be made in writing as soon as reasonably practicable.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
J1	Is the Administering Authority satisfied that those responsible for reporting breaches under the legal requirements and TPR guidance understand the requirements?	The Fund have a Breaches Log, but there is no Breaches Policy in place. Training has not been provided on Breaches to PIC or PB members.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		A Breaches Policy should be in place, and appropriate breaches training provided.
J2	Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?	The Fund does not have a formal process or escalation procedure around identifying and assessing breaches. However, work is done and checked and signed off at the appropriate level, and informally processes are in place for monitoring contributions, checking member benefit calculations and completing benefit statements etc. Staff are aware of how to raise and escalate any issues that arise with the Pensions Manager, thereby reducing the potential for breaches to occur. However it is recognised that it would be preferable if the procedures were formalised in a procedure note and/or policy.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		A Breaches Policy should be in place which sets out appropriate procedures.
J3	Are breaches being recorded in accordance with the agreed procedures?	Yes the Fund has a breaches log but there have been no entries to date. This may be partially due to a lack of training on how to identify / assess / record breaches, as we would expect all LGPS Funds to have a number of recordable breaches given the complexity of the LGPS Pensions environment and the volume of cases that are worked upon.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		The Fund should keep the breaches log up to date and in line with agreed policy.

K - Scheme Advisory Board - Guidance on the creation and operation of Local Pension Boards in England and Wales

Legal Requirements

Clause 7 of the Public Service Pensions Act provides that the national Scheme Advisory Board (SAB) may provide advice to scheme managers or pension boards in relation to the effective and efficient administration and management of the scheme.

It also provides that a person to whom advice is given by virtue of subsection (1) or (2) must have regard to the advice.

The Scheme Advisory Board has published guidance on the creation and operation of Local Pension Boards in England and Wales which incorporates a number of action point check lists at the end of some of the sections. The following are the items in those checklists.

No.	SAB Requirement	SAB Section	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K1	Administering Authority to have approved the establishment (including Terms of Reference) of the Local Pension Board by 1 April 2015.	5	Full Council approved the creation of a Local Pension Board at its meeting held 25 February 2015.	One - off at commencement	n/a	Fully completed	Fully compliant		
K2	The Local Pension Board must be operational (i.e. had its first meeting no later than 4 months after the 1 April 2015).	5	The first meeting of the Pension Board was held 23 July 2015. However we have noted that the second meeting did not take place until December 2017.	One - off at commencement	n/a	Fully completed	Fully compliant	It appears that meetings are now regularly taking place since December 2017.	
K3	Once established a Local Pension Board should adopt a knowledge and understanding policy and framework (possibly in conjunction with the Pensions Committee if appropriate).	6	The Board's Terms of Reference set out that the Fund has a Knowledge and Understanding Policy and Framework. In July 2015, at the Board's first meeting, a Knowledge and Training Policy was agreed. A slightly revised Knowledge and Training Policy was considered by the Board at their second meeting on December 2017 - see http://councilmeetings.lewisham.gov.uk/documents/s53902/5a%20Appendix%201%20-%20Knowledge%20and%20Training%20Policy.pdf . It is important to keep this policy under review, at least every three years.	Not specified	01/12/2017	Fully completed	Partially compliant		The policy should ideally include the objectives of the policy. It is noted that there is a separate learning log but the policy does not specify how training will be recorded and monitored. The Policy is not dated or available on the Fund's website.
K4	A Local Pension Board should designate a person to take responsibility for ensuring that the knowledge and understanding policy and framework is developed and implemented.	6	There is no reference to a delegated person in the Policy or accompanying learning log or learning needs analysis. In practice the Principal Accountant – Treasury & Pensions Manager is the designated person for maintaining this information but this is likely to be superseded when a new Compliance Officer is appointed.	Not specified	01/12/2017	Fully completed	Partially compliant		Update policy to include this information.
K5	The Administering Authority should offer access to high quality induction training and provide relevant ongoing training to the appointed members of the Local Pension Board.	6	Formal induction training is not provided. The Board are regularly updated on national training opportunities however internal training with the Board does not take place.	Ongoing	January 2019 meeting	Fully completed	Partially compliant		Review Training Needs Analysis

No.	SAB Requirement	SAB Section	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K6	A Local Pension Board should prepare (and keep updated) a list of the core documents recording policy about the administration of the Fund and make the list and documents (as well as the rules of the LGPS) accessible to its members.	6	The Fund does not have the following policies in place: (i) Reporting Breaches of the Law Policy (ii) Risk Policy. The following policies are in place but need to be made available on the Fund's website: (i) Local Pension Board Conflict of Interest Policy, (ii) Local Pension Board Training Policy, (iii) Local Pension Board Training Log. Whilst not LPB policies the Fund should put in place a Governance Compliance Statement and update their Administration Strategy	Annually	January 2019 meeting	Fully completed	Non-compliant		Key policies are missing and need to be developed.
K7	Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.	6	The Terms of Reference for the Pension Board states "Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board." Reminders are given to Board members to complete their Training Needs Analysis at Board meetings.	Ongoing (Annually)	January 2019 meeting	Fully completed	Partially compliant		As stated earlier the Fund should consider how it collates and uses the information in members Training Needs Analysis.
K8	An Administering Authority should prepare a code of conduct and a conflicts policy for its Local Pension Board for approval in accordance with the Administering Authority's constitution and at the first meeting of the Local Pension Board. The Local Pension Board should keep these under regular review.	7	The Pension Board has a Conflict of Interest Policy which includes procedures to identify, monitor and manage potential conflicts of interest. It was adopted on 23 July 2015 and was reviewed on 6 March 2018. The policy is not available directly on the Fund's website.	Ongoing (Annually)	01/03/2018	Fully completed	Partially compliant		Policy should be added to Fund website.
K9	Training should be arranged for officers and members of a Local Pension Board on conduct and conflicts.	7	When a member joins the Board they are given the Terms of Reference which sets out the requirements on conduct and conflicts. No specific training has been put in place on conflicts	Ongoing	26/03/2019	Fully completed	Partially compliant		Consider putting specific training in place for Board members to explain requirements.
K10	A Local Pension Board should establish and maintain a register of interests for its members.	7	Whilst there is information on the Council's website to record declarations of interest for Councillors this is not held for members of the Board (who are not Councillors).	Ongoing (Annually)	26/03/2019	Fully completed	Non-compliant		The Fund should prepare and maintain a register of interests for its members.
K11	An Administering Authority should agree the ongoing reporting arrangements between the Local Pension Board and the Administering Authority.	8	There is a standing item on the agenda of the Pension Board to review the agenda, papers and minutes from the PIC meetings. The Board also prepared an annual report which was incorporated in the Fund's Annual Report for 2018/19.	Ongoing (Annually)	26/03/2019	Fully completed	Fully compliant		
K12	A Local Pension Board should understand the Administering Authority's requirements, controls and policies for FOIA compliance so that the Local Pension Board is aware of them and can comply with them.	8	The Council has a central team where FOI requests are sent and are then distributed to relevant officers in service areas. Officers within the Fund who are contacted in such cases provide information back to the central Council team. Officers do not believe that PB members are aware of this process.	Ongoing (Annually)	03/04/2019	Fully completed	Partially compliant		The Fund should ensure the Board are aware of requirements in this area.

No.	SAB Requirement	SAB Section	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K13	A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law.	8	The Fund have a Breaches Log however they do not have a Breaches Policy in place. Training has not been provided on Breaches to PIC or PB members.	Ongoing (Annually)	26/03/2019	Fully completed	Non-compliant		The Fund should prepare and maintain a Breaches Policy and provide training on breaches appropriately.
K14	A Local Pension Board should consider (with its Administering Authority) the need to publish an annual report of its activities.	8	The Pension Board published an annual report for the first time in 2018 which was part of the Fund's overall Annual Report 2017/18 - https://lewishampensions.org/media/4311/annual-report-201718-final.pdf .	Annually	01/11/2018	Fully completed	Fully compliant		
K15	An Administering Authority should consult on, revise and publish its governance compliance statement to include details of the terms, structure and operational procedures relating to its Local Pension Board.	8	The Lewisham Fund does not have a Governance Compliance Statement in place. The Annual Report notes that the Fund adheres to the Council Policy.	No Policy in place	26/03/2019	Fully completed	Non-compliant		The Fund is legally required to have a Governance Compliance Statement under the LGPS Regulations and this should be put in place.

APPENDIX 2 – SUMMARY ACTION PLAN

Compliance Review Section	Ref #	Action Required	Current Status	Responsible Officers	Actions to be taken	Resources Required	Target Completion Date
E1, E2, K6	1	Create a Risk Policy	Non-Compliant	Principal Accountant Pensions Manager	Officers will seek out template policies for adapting to Lewisham specific risks, and where necessary incorporate risk information already presented in the Fund's Investment and Funding Strategy Statements.	Template Policy Documents (TPR or other best practice documents? Seek out other pension fund policies for comparison)	Q3 2019 (July – September)
E1, E2	2	Review and update the Risk Register	Non-Compliant	Principal Accountant Pensions Manager	The existing investment and administration risk registers will be collated into one document, and risks added for other areas of administration and management of the Fund as per the Code's requirements. Risks will be aligned with Fund objectives and link clearly with the Risk Policy.	Latest versions of both existing risk registers Risk Policy to be drafted	Q3 2019 (July – September)
E6	3	Add the risk register as a standing item to Pension Board meetings	Non-Compliant	Principal Accountant	A standing item will be included on the Pensions Board agenda to review scheme risks, once the new Risk Policy and updated Risk Register have been drafted.	Risk Policy to be drafted and approved Risk register to be approved	Q4 2019 (October – December)
I2, I3, I8	4	Update the Internal Dispute Resolution Process to ensure it is in line with regulations	Non-Compliant	Principal Accountant Pensions Manager	The IDRPs will be reviewed and amended in line with the current requirements and as specified in the compliance review.	Compliance Review notes	Q4 2019 (October – December)

B6, K6, K15	5	Create a Governance Compliance Statement for the pension fund	Non-Compliant	Principal Accountant Pensions Manager Principal Solicitor	Officers will seek out template examples of a GCS for adapting to Lewisham specific circumstances, drawing on the Council's existing statement and other examples in use within the LGPS.	Template documents (TPR or other best practice documents? Seek out other LGPS Statements for comparison)	Q4 2019 (October – December)
G8, J1, J2, K6, K13	6	Create a Breaches of the Law Policy in accordance with the Code	Non-Compliant	Principal Accountant	Officers will use TPR templates to create a policy in line with the existing Breaches of the Law Log adopted by the Fund.	TPR Templates, other LGPS example policies for comparison	Q1 2020 (January – March)
K13	7	Provide appropriate breaches training	Non-Compliant	Principal Accountant	Officers will draw up a proposal suggesting the best option for delivering breaches training, including who it should be delivered to and whether such training should be procured externally.	Examples of training content External training provider?	Q1 2020 (January – March)

PENSION BOARD			
REPORT TITLE	Pensions Investment Committee Update		
KEY DECISION	No	Item No:	
WARD	N/A		
CONTRIBUTORS	Acting Chief Finance Officer		
CLASS	Part 1	Date:	May 2019

Lateness: This report was not available for the original dispatch date due to resource issues.

Urgency: The report is urgent and cannot wait until the next meeting of the Pensions Board, to enable members to remain up-to-date with the activities of the Pensions Investment Committee.

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. The purpose of this report is to summarise to Board members the proceedings of the most recently held meeting of the Pension Investment Committee (PIC).

2. RECOMMENDATIONS

- 2.1. The Board is asked to review and note the contents of these papers.

3. SUMMARY: PENSION INVESTMENT COMMITTEE – FEBRUARY 2019

- 3.1. The final PIC meeting of the financial year was held on 14 February 2019. The draft minutes from the meeting are attached at Appendix 1, whilst the agenda and public papers are available on the Council website at the below link. For access to private papers, please contact the Board's Governance Support Officer:
<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=181&MId=5196&Ver=4>

In addition to two fund manager presentations and noting a report on investment performance, the Committee also considered a timetable put forward by advisors for transition of existing mandates into the London CIV, in light of the MHCLG consultation on asset pooling. Members noted the timetable, and in discussion with advisors decided to push back transition of those assets identified as a

priority to late 2019, when the Fund's strategy following the 2019 Actuarial Valuation has been developed.

- 3.2. Members also discussed responsible investment and the Committee's approach to divestment, in particular its resolve to reduce carbon exposure in the Fund. Advisors will assist the Committee to translate these views into practical steps and policies, particularly when the results of the carbon footprint exercise being undertaken by TruCost has been completed.

4. FINANCIAL IMPLICATIONS

- 4.1. This report and its appendices address the overall finances of the Pension Fund. There are no other direct financial implications to this report.

5. LEGAL IMPLICATIONS

- 5.1. There are no legal implications directly arising from this report.

6. CRIME AND DISORDER IMPLICATIONS

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

7. EQUALITIES IMPLICATIONS

- 7.1. There are no equalities implications directly arising from this report.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1. There are no environmental implications directly arising from this report.

APPENDICES

Appendix 1 – Draft minutes from the meeting of PIC held on 14 February 2019.

FURTHER INFORMATION

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

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

Robert Browning, Principal Accountant – Treasury & Pensions on 020 8314 6274 or at robert.browning@lewisham.gov.uk

Document is Restricted

Agenda Item 6

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:	May 2019

Lateness: This report was not available for the original dispatch date due to resource issues.

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 recommended to:

- review and note the current Register of Conflicts of Interest, as per section 3.1;
- review and comment on the Communications Policy, as per sections 3.3 to 3.6;
- review and comment on the Discretions Policy, as per sections 3.7 to 3.9;
- complete and return to officers a Learning Needs Analysis by the end of June 2019, as per sections 3.20 to 3.22;
- review and comment on the work plan in light of the results of the compliance review, as per section 3.24;
- note the remainder of the report

3. CURRENT CONSIDERATIONS

Register of Conflicts of Interest

- 3.1. 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

- 3.2. 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.

Communications Policy

- 3.3. In line with the work programme, attached at Appendix 2 is the Fund's Communications Policy for the Board's review and comment, which was updated and published on the Fund's website in March 2019.
- 3.4. As noted in the document, the requirement for a Communications Policy is set out in Regulation 61 of the Local Government Pensions Scheme Regulations (2013), and must be revised and published following any material change in policy regarding: the provision of information to Scheme members, representatives or employers; the format, frequency and method of distributing such information; or the promotion of the Scheme to prospective members and their employers.
- 3.5. In addition, the Pension Regulator's Code of Practice 14: Governance and Administration of Public Service Pension Schemes sets out detailed requirements for providing good quality communications to members, which the Board should have regard to when reviewing the Fund's policy.
- 3.6. It is expected that Board members are conversant with the Fund's Communications Policy, as part of their knowledge and understanding requirements.

Discretions Policy

- 3.7. In line with the work programme, attached at Appendix 3 is the Council's Discretions Policy for the Board's review and comment, which was updated and published on the Fund's website in January 2019.
- 3.8. The document summarises the Authority's policies for the pension scheme with regards to discretionary compensation and discretionary payments, as required by Regulation 60 of the Local Government Pensions Scheme Regulations (2013).
- 3.9. It is expected that Board members are conversant with the Fund's Discretions Policy, as part of their knowledge and understanding requirements set out in the Pension Regulators Code of Practice 14.

Internal Audit

- 3.10. The final report for the 2018/19 pension fund internal audit was released in March 2019 and is attached at Appendix 4. Pensioners received a satisfactory assurance

rating overall, with one high priority recommendation relating to reconciliations, and three medium priority recommendations in relation to pension payments, contributions and amendments, and transfers in and out.

- 3.11. The report summarises the key findings of the audit, including areas that worked well, and then presents the detailed findings and agreed management action plan. Officers are required to provide regular progress updates on audit recommendations via an internal recommendations site; the Council's Internal Control Board and Audit Panel receive regular reports on this progress.
- 3.12. Due dates for the three medium priority recommendations are ongoing. The recommendations relating to reconciliations had a due date of March 2019, and officers can report that in relation to these findings all reconciliations were completed for the end of the financial year but have yet to be reviewed by a second officer. This will be undertaken as part of the closing of accounts process, with a more regular review commencing for the new financial year.

Updates from the Scheme Advisory Board

- 3.13. The Scheme Advisory Board (SAB) have commissioned Hymans Robertson to conduct a survey on governance of the LGPS, the "Good Governance" survey. The purpose of the consultation is to consider how best to accommodate LGPS functions within the democratically accountable local authority framework in a way that ensures that potential conflicts of interest between the pensions function of administering authorities and their host local authority are addressed and managed appropriately.
- 3.14. Scheme stakeholders will be invited to complete a short online questionnaire on their views of current governance arrangements and suggestions for improvement. Further stages of consultation will include interviews and workshops with key stakeholders. Officers will update the Board on progress of the consultation as and when further information becomes available.
- 3.15. It was announced at a meeting of the Board in April 2019 that the SAB 2017 Local Pension Board Survey is being updated with new questions aiming to seek further insight into how Local Boards are working and how effective they are.

Local Pension Board Members' Spring Seminar – February 2019

- 3.16. The Chair's notes of the key matters arising from the Barnett Waddingham/CIPFA spring seminar for Local Pension Board Members is attached at Appendix 5.
- 3.17. Officer feedback will be provided verbally at the meeting where possible. In relation to the note on the Pension Fund Annual Report, attached at Appendix 6 for members' attention is the latest CIPFA guidance "Preparing the Annual Report; Guidance for LGPS Funds (2019 Edition)".

Training

- 3.18. 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.

- 3.19. External training opportunities, workshops and conferences will continue to be recommended by officers for members' attention. Appendix 7 lists a number of upcoming events; should members find any of the sessions of interest, or have identified and attended any other training or events, please can they keep the Principal Accountant informed so that the statutory training log can be updated.
- 3.20. At the January 2019 meeting members agreed to complete a Learning Needs Analysis and return it to officers by the end of February; however, only one response has been received at the time of writing.
- 3.21. A recommendation from the compliance review where the Fund has been scored as partially compliant suggests that a clear process should be put in place to collate and review learning needs analyses in order to inform training requirements.
- 3.22. In order to facilitate this process, a template Learning Needs Analysis is attached at Appendix 8, and members are asked to return a completed template to officers by the end of June 2019 at the latest.
- 3.23. 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

- 3.24. The work programme is attached at Appendix 9 to be developed on an ongoing basis, and has been updated to reflect the high priority compliance issues identified from the Aon review. The review identified several items of partial compliance, and the Board may also wish to build some of these into the plan against set deadlines.

4. FINANCIAL IMPLICATIONS

- 4.1. There are no direct financial implications arising from this report.

5. LEGAL IMPLICATIONS

- 5.1. There are no direct legal implications arising from this report.

6. CRIME AND DISORDER IMPLICATIONS

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

7. EQUALITIES IMPLICATIONS

- 7.1. There are no equalities implications directly arising from this report.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1. There are no environmental implications directly arising from this report.

APPENDICES

- Appendix 1 – Register of Conflicts of Interest
- Appendix 2 – Communications Policy (2019)
- Appendix 3 – Discretions Policy (2019)
- Appendix 4 – Final Internal Audit Report – Pensions – 2018/19
- Appendix 5 – Chair’s Notes: LPB Member’s Spring Seminar (February 2019)
- Appendix 6 – CIPFA Guidance – Preparing the Annual Report (2019)
- Appendix 7 – Training and Events Programme
- Appendix 8 – Learning Needs Analysis Template
- Appendix 9 – 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

Robert Browning, Principal Accountant – Treasury & Pensions on 020 8314 6274 or at robert.browning@lewisham.gov.uk

APPENDIX 1

Register of Conflicts of Interest: Lewisham Pension Board

Schemes should capture decisions about how any identified potential conflicts of interest will be managed in a Conflicts Register. The Register should be circulated to the Pension Board for ongoing review and published on the Lewisham Pensions website.

Date conflict identified	Name of PB member	Details of conflict	How notified of conflict	Action taken	Follow up required (Y/N)	Date resolved
06/03/18	Stephen Warren (Chair)	At the Board meeting held on this date, the Chair declared an interest in a separate scheme of which he is a Trustee Director, and which in the previous 18 months had invested in two of the managers chosen by the Pensions Investment Committee (PIC) to interview as part of the Fund's procurement of an infrastructure manager (which was carried out later that month on the 28 th .)	At Board meeting	None – The Chair did not reveal which of those managers shortlisted by Lewisham had been procured by the other scheme. He also had no input into the decision made by PIC Members, a decision which was made at a closed meeting following the interview of three separate managers. Those interviews were scored by panel members and results discussed to reach an agreed decision, independent of input from Pension Board members.	N	06/03/18

LONDON BOROUGH OF LEWISHAM PENSION FUND

COMMUNICATION POLICY STATEMENT

(LGPS) 2019

COMMUNICATIONS POLICY STATEMENT

Legislative background

This document sets out the Communications Policy of the Administering Authority of the London Borough of Lewisham Pension Fund as required under the Local Government Pension Scheme Regulations (2013), Regulation 61.

The Public Service Pensions Act 2013 also introduced a framework for the governance and administration of public sector service pension schemes and provided an extended regulatory oversight of the LGPS to the Pensions Regulator. The Regulator's Code of Practice No14 has detailed guidance on providing good quality communications to members and others, with reference to the Occupational & Personal Pensions Scheme (Disclosure of Information) Regulations 2013 and HM Treasury Directions 2014 on Information about Benefits.

Objectives

The aim of this communications strategy is to make sure that all stakeholders are kept informed of developments within the Pension Fund. We want to ensure transparency and an effective communication process will help to maintain the efficient running of the Scheme. Regulations require each Administering Authority to prepare, maintain and publish a statement setting out their policy on communicating with the following stakeholders and organisations:

London Borough of Lewisham Pension Fund

Contributing Scheme Members (Active members)

Deferred Scheme Members

Pensioner Scheme Members & Dependants

Prospective Scheme Members

Employers participating in the Fund

Elected Members (Trustees)

The Pensions Board

Other Bodies

Communications Methodology

The administering authority has at its disposal a wide range of options for communicating with the diverse groups that it needs to serve. The method of communication will vary depending on what needs to be communicated and to whom. The methods used by the Administering Authority to communicate with all interested parties are detailed below.

General Communications

We use a range of methods to communicate including a variety of paper-based and electronic means. The Fund has a dedicated Pensions website www.lewishampensions.org

We will accept some communications electronically and will respond electronically where possible. For security reasons, we will not use email for communicating sensitive information or where it is necessary to verify the address or identity of the sender.

□ **Website** – Communication in the form of a dedicated Pension Fund website is available which contains a wide range of information for not only scheme members but also scheme employers and other interested parties. The website can be accessed via www.lewishampensions.org. The website contains copies of scheme guides, newsletters and other relevant information pertaining to the LGPS. All email correspondence supplied by the administration team includes the direct link to our website.

□ **Policy Documents** – These are available for all stakeholders to access either on the website at www.lewishampensions.org in hard copy or electronically on application.

Data Protection Statement

To protect any personal information held on computer, the London Borough of Lewisham Pension Fund is registered under the General Data Protection Regulations (GDPR) 2018. This allows members to check that their details held are accurate.

The Fund may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Fund, for example, the Fund's AVC provider. Members who wish to apply to access their data on Data Protection grounds should contact us on 020 8314 7277 or by email pensionsteam@lewisham.gov.uk

National Fraud Initiative (NFI)

This authority is under a duty to protect the public fund it administers, and to this end may use information for the prevention and detection of fraud. This includes our participation in the Government's National Fraud Initiative (NFI), and it may also share information with other bodies responsible for auditing, or administering public funds, solely for the purposes of preventing and/or detecting fraud.

Policy on Communicating with Contributing (active) Scheme Members, Deferred and Pensioner Members

All members of the Scheme (active, deferred and pensioner members) will be kept informed about their benefits, developments in the Scheme and any changes to the scheme of a regulatory or operational nature. This includes consultation with representative groups as required.

□ **Scheme Guides** – There are scheme guides available for members setting out the conditions of membership and main scheme benefits that apply under the Local Government Pension Scheme (LGPS). A copy of these will be provided to new employees of the scheme on request. The scheme guides can also be found on the Pension Fund website at www.lewishampensions.org and the dedicated LGPS member's site at www.lgpsmember.org

□ **Annual Benefit Statements** – Active and deferred scheme members are entitled to an annual benefit statement detailing the benefits that they might expect at retirement. These are issued annually and would normally be issued within 5 months of the financial year end (31st March). These contain vital information for scheme members and enable individuals to make informed choices about their retirement options.

□ **Pensioner Payslips** – All pensioners receive a payslip each month along with their P60 at the end of the year.

□ **Pension Increase notifications** – The notification of the annual increase to pensioner benefits is available to view at <http://www.lewishampensions.org/lewisham-pension-fund/pensioners/how-we-keep-in-touch/>

□ **Certificates of Continued Entitlement to Pensions (Life Certificates)** – The Fund will undertake periodic exercises, conducted through correspondence, in order to establish the continued existence of the following pensioners:

- All pensioners living abroad (outside the UK).
- Those over the age of 80
- Those pensioners receiving pension benefits by cheque

□ **Pension Fund Report and Accounts Summary** – This provides a summary of the Pension Fund during the financial year and can be found at: <http://www.lewishampensions.org/lewisham-pension-fund/about-us/forms-and-publications>

Policy on Communicating with Prospective Scheme Members

We will make information available to all prospective scheme members, new employees and prospective employees. All new employees will be contractually enrolled into the LGPS where their employer is a scheduled body or a contractor has an open admission agreement, the terms of which are to enrol new members and will receive information regarding the scheme. They can still choose to opt-out should they wish to do so.

□ **Initial Contact** - All permanent new members of staff are contractually enrolled into the LGPS, where the employer is a scheduled body or open admission agreement contractor. Each new member is sent a statutory notification by the pension administrators confirming their membership of the LGPS. Further scheme information including scheme guides can be found on our website at www.lewishampensions.org

□ **Induction seminars** – A representative of the administration team attend the monthly induction seminars for all new employees of the Council, which are facilitated by HR, providing prospective new members of the scheme the opportunity to discuss any aspect of their membership of the scheme.

□ **Scheme Guides** – There are scheme guides available for prospective members setting out the conditions of membership and main scheme benefits that apply under the Local Government Pension Scheme (LGPS). The scheme guides can be found on the Pension Fund website www.lewishampensions.org or lgpsmember.org which are available for any member to access.

Policy on Communicating with Employers participating in the Fund

We will keep employers in the Pension Fund informed about developments in the Scheme and consult on changes to the Scheme as required. Potential scheme employers will also have access to information about the Pension Fund to ensure that they are fully informed in their relationship with the Fund.

□ **Employer Guide** – This is a guide for scheme employers outlining the details of the scheme and the administrative arrangements for the scheme. This has been distributed to all employers in the scheme and all new employers will receive copies. Training on procedures in relation to the employer guide is also available upon request.

□ **Website** – The website holds a wide range of information in regard to Employee Guides, pension forms, newsletters and policies. The website can be accessed via www.lewishampensions.org

□ **Annual Report and Accounts** – This contains details of the Pension Fund during the financial year, income and expenditure as well as other related details. This is a detailed and lengthy document and will therefore not be routinely distributed, except to employers participating in the Fund or on request. The full document will be published on the website at www.lewishampensions.org

Policy on Communicating with Elected Members

Information will be provided to Council Members in order for them to be able to fulfil their duties under the role of administering authority.

□ **Access to Pensions Investment Committee** – The Pensions Investment Committee is the Committee which has delegated power to review, administer and monitor the Pension Fund. The Committee meets a minimum of four times a year or more frequently, as required.

Meetings are open to members of the public, although there may be occasions when members of the public are excluded due to the confidential nature of matters under discussion.

□ **Committee Reports** – Reports to the Committee and to other Committees as necessary, for example Corporate Committee and Council, ensures that Council Members are kept informed of developments in relation to Pension Fund issues and the impact that these can have on overall Council policies and procedures. These are published on the Council's website. The agenda, reports and minutes of the meetings are available on the Council's website at <http://councilmeetings.lewisham.gov.uk/ieDocHome.aspx?=1>

□ **Training** – Committee Member training is a standing agenda item and the Committee liaise with Officers on training needed and received on an on-going basis each year. They are also kept informed of any relevant external training courses.

□ **Presentations** – Officers and advisers to the Fund deliver presentations on investment and administration matters to the Committee at each quarterly meeting upon request.

Policy on Communicating with the Pensions Board

The Pension Board will meet at least twice a year in the ordinary course of business and additional meetings may be arranged as required to facilitate its work.

□ **Reports to The Pensions Board** - The Pension Board is not a decision making body and is not a Committee constituted under the Local Government Act 1972, although in most regards will be treated in the same way. As such, members of the public may attend and papers will be made public in the same way as described above for the Pension Investment Committee.

□ **Training** – The Pension Board will be provided with, and be required to undertake, appropriate training, either provided internally by Officers or externally.

Policy on Communicating with Other Bodies

There are a number of other interested parties with whom we will communicate with as required, this includes:

□ **The Department for Communities and Local Government (DCLG)** – regular contact with DCLG as regulator of the scheme, participating and responding to consultations as required.

□ **Trade Unions** – we will work with relevant trade unions to ensure the Scheme is understood by all interested parties. Efforts will be made to ensure all pension related issues are communicated effectively with the trade unions.

□ **Employer Representatives** - we will work with relevant employer representative bodies to ensure that the Fund's views are represented to employer groups.

□ **Pension Fund Investment Managers, Advisers and Actuaries** –

➤ Regular meetings with the Fund Managers who invest funds on behalf of the Fund.

➤ Regular meetings with Investment Advisers who provide help and advice on the asset allocation and investments of the Fund.

➤ Regular meetings with the Fund Actuary to discuss funding levels, employer contributions and valuation of the assets and liabilities of the Fund.

□ **Pension Fund Custodian** – The Fund's Custodian is Northern Trust, who ensures the safekeeping of the Funds investment transactions and all related share certificates.

□ **AVC Provider** – Additional Voluntary Contributions (AVC) are a way to top up your pension benefits, and in some instances provide tax free lump sum depending on the policy, and are held and invested separately from the LGPS. The Funds preferred AVC provider is Clerical Medical.

□ **Pensions and Lifetime Savings Association (PLSA) (previously known as NAPF)** – The Fund is a member of PLSA, which provides an opportunity for administering authorities to discuss issues of common interest and share best practice.

□ **Local Authority Pension Fund Forum (LAPFF)** – The Fund is a member of LAPFF which was established to help local authority funds share information and ideas about socially responsible investing.

➤ Regular meetings with Investment Advisers who provide help and advice on the asset allocation and investments of the Fund

➤ Regular meetings with the Fund Actuary to discuss funding levels, employer contributions and valuation of the assets and liabilities of the Fund

□ **London Pension Officers Group (LPOG) & London Pension Officers Forum (LPOF)** – the Fund is a member of these voluntary groups. Meetings are held on a quarterly basis to share information and ensure standardised interpretation of LGPS regulations and best practice.

□ **Requests for Information (FOI)** - Requests for information either under the Freedom of Information Act or otherwise, will be dealt with as openly and swiftly as allowed providing that such information does not breach confidentiality.

□ **Consultations** – There are occasions when the administering authority will consult with interested parties either as a result of potential changes to the regulations governing the LGPS or specific policy changes relating to the London Borough of Lewisham Pension Scheme. In these instances, the most effective way of communicating with interested parties is to hold a period of consultation, during which, they are given the opportunity to respond to specific changes. Interested parties and representative groups will be approached to provide feedback to the policy changes before amendments are enacted.

□ **Minority Groups** – It is recognised that there may be occasions when some minority groups may not be able to access all the information available to others. The Pension Fund will try to ensure that information is available to the widest possible audience and as such will try to ensure that minority groups do have access to information. This is however a developing area, but feedback on how to promote better access for all minority groups is welcome.

Communication Material

The table below shows the Fund communications along with their publication frequency and the format in which they are available to their intended audience.

Communication Material	Paper form	Electronic form	Website	Frequency	Intended Audience (active, deferred, pensioner, prospective members, employers or ALL)
Annual Benefit Statements	✓	✗	✗	Annually	Active, Deferred
Annual Newsletter	✗	✗	✗	N/A	ALL
Pension Updates	✓	✗	✓	When details available	Active, Prospective, Employers
Ad hoc Newsletters	✓	✗	✗	As required	ALL
Newsletter	✗	✗	✓	Quarterly	Employers (& schools)

Payslips	✓	✗	✗	Monthly	Pensioners
Notice of Pension Increase (PI)	✗	✗	✓	Annually (April)	Pensioners
Scheme Updates	✓	✓	✗	As required	Active members/ Employers (& schools)
Scheme Guides	✓	✓	✓	When requested	ALL
Induction Sessions	✓	✓	✗	Monthly	New employees
Pre-Retirement Seminars	✗	✗	✗	Attend as requested	Active
Employer Forum	✗	✗	✗	N/A	Employers
Pensions Administration Strategy (PAS)	✓	✓	✓	Reviewed Annually (April) or as and when required	Employers (& schools)
Pension Committee	✓	✓	✓	4 to 6 meetings per financial year	ALL
Pension Board	✓	✓	✓	2 meetings per financial year	ALL

<p>LOCAL GOVERNMENT PENSION SCHEME</p> <p>LOCAL GOVERNMENT (EARLY TERMINATION OF EMPLOYMENT) (DISCRETIONARY COMPENSATION)</p> <p>LOCAL GOVERNMENT (DISCRETIONARY PAYMENTS) (INJURY ALLOWANCES)</p>
<p>SUMMARY OF DISCRETIONS POLICIES</p>

Background

The London Borough of Lewisham annually reviews its discretions policy.

This document summarises the London Borough of Lewisham's policies for the 2014 Pension Scheme as well as associated policies with regard to Discretionary Compensation and Discretionary Payments.

Summary of Policies

<i>Policy relating to:-</i>	<i>Description of the circumstances in which the London Borough of Lewisham will exercise their discretion.</i>
Award of Additional Pension to a Pension Scheme Member	The Council's policy is not to award additional pension.
Flexible Retirement	The Council will consider applications for flexible retirement from employees aged 55 or over. The decision on any application will be based on the merits of the case and in the light of service delivery needs. However, applications will normally only be considered where the member proposes to reduce their hours / pay by not less than 40%. Flexible retirement applications will be reviewed and a decision will be determined by the early retirement/voluntary retirement panel (ER/VR).
Early, voluntary retirement – employees aged 55 to 59	Where a member of "the 2014 scheme" elects to take early, voluntary retirement before age 60 their benefits are reduced to reflect their early payment even if the member meets the former '85 year rule'. The Council has the discretion to effectively reinstate the '85 year rule' in order to waive the reduction for a member who qualifies under the '85 year rule' (or who would qualify before age 60) but the Council would not normally agree to do so unless there are sound business reasons to justify such a course of action.
Voluntary retirement at / after age 60 but before Normal Pension Age (NPA)	The Council's general policy is not to waive any actuarial reduction that would be applied to a member's benefits to reflect the early payment of those benefits. Consideration would be given, however, where there are sound, compassionate reasons to waive the reduction.

Reviewed January 2019

<p>'Shared cost' Additional Pension Contributions</p>	<p>The Council makes substantial contributions to the pension fund in order to provide the main scheme benefits. Consequently, where a member decides to purchase additional pension on top of the standard scheme pension, the Council's general policy is not to subsidise the cost of buying additional pension benefits by entering into a shared cost agreement.</p>
<p>Pensioners re-employed in local government</p>	<p>Where a member, who is receiving a pension from the Lewisham pension fund, takes up employment with an employer whose employees can contribute to the local government pension scheme, the Council may reduce ('abate') their pension whilst they hold the new employment.</p> <p>The Council would only consider abatement where the member was paid their Lewisham pension early (e.g. on redundancy or health grounds) and where the pay of the new employment, when added to their Lewisham pension, totalled more than their final rate of pay before retirement (after adjustments for inflation).</p> <p>In those circumstances, the Council would reduce their Lewisham pension by £1 for every £3 by which their income exceeded their former rate of pay.</p>
<p>Redundancy Compensation</p>	<p>In addition to a statutory redundancy payment based on the provisions of the Employment Rights Act 1996 ('the 1996 Act'), which sets out the number of weeks payable but caps the weekly earnings used in the calculation, the Council will pay compensation as follows:-</p> <ol style="list-style-type: none"> 1) Where the weekly rate of pay of the redundant employee is greater than the maximum to be taken into account under section 227 of the 1996 Act, the Council will pay compensation, under regulation 5 of the 2006 regulations, equivalent to the difference between the statutory payment and the statutory payment that would have been paid had it been based on the employee's actual weekly pay. 2) Subject to paragraph 3 below, the Council will also pay compensation, under regulation 6 of the 2006 regulations, based on the number of weeks pay the employee is entitled to under the statutory scheme multiplied by the employee's actual weekly rate of pay. 3) Where an employee becomes entitled, as a result of being made redundant, to the immediate payment of unreduced pension benefits, and where payment of the unreduced pension results in a cost to Lewisham Council, the compensation described in paragraph 2 above will be reduced. The reduction to be applied to the compensation is the capital cost of releasing the pension benefits early. Where the cost to the Council is greater than the compensation described in paragraph 2 above then no compensation is payable under paragraph 2.

<p>Re-employment where an employee has been awarded 'added years'</p>	<p>Employees who were made redundant before April 2007 and awarded an immediate pension may have had their pension benefits enhanced by an award of 'added years'. Or from 2007, an employee leaves on redundancy or voluntary severance and there is a cost to the Council for reimbursement to the pension fund for early payment of pension benefits.</p> <p>Where an individual who is in receipt of added years, or the Council incurred a cost to the pension fund takes up new employment with a local government employer the Council would reduce the added years/early pension by £1 for every £1 by which the individual's income (i.e. new pay, plus LGPS pension, plus 'added years' pension) exceeds the individual's final rate of pay prior to their being made redundant. In carrying out this calculation, the former rate of pay is adjusted by inflation between the date of leaving and commencement of the new employment.</p>
<p>Discretionary Payments (Injury Allowances)</p>	<p>Lewisham Council has its own policy regarding payments to be made to staff who suffer an accident or injury during the course of their employment and therefore Lewisham Council does not make payments under the above regulations.</p>

Document is Restricted

APPENDIX 5

Chairs Notes - Barnett Waddingham/CIPFA Local Pension Board Members' Spring Seminar – 27 February 2019, London

2019 valuation

- The Scheme Advisory Board has asked local authorities to indicate whether they want a central position to be adopted on the assumption to be used for the 2019 valuation on the impact of the age discrimination decisions. It was suggested that Local Pension Boards might wish to enquire about the approach being adopted by the Council and its reasoning.

The Pensions Regulator

- The first Improvement Notice issued by TPR on a public sector scheme was highlighted: it related to a self-referral in relation to Annual Benefits Statements by the Scottish Teachers Pension Scheme, an area of increasing focus by TPR. It was suggested that Local Pension Boards might wish to enquire about the performance of the Council in this area;
- TPR had issued guidance on the potential impact of Brexit for pension schemes. It was suggested that Local Pension Boards might wish to enquire about the steps taken to prepare for potential Brexit impacts in relation to cross-border payments to members and associated communications to members;
- Some participants asked about the role of Local Pension Boards where employers were failing to submit information to the administering authority with a knock on impact for the quality and timeliness of Annual Benefit Statements. CIPFA suggested that Local Pension Boards should enquire into the extent and nature of problems in this area, including whether the administering authority had prepared an administration strategy and, if so, whether it had adopted a policy on the use of 'efficiency costs' allowed in legislation; and
- LGPS administering authorities will have participated in TPR's annual survey. CIPFA suggested that Local Pension Boards may wish to obtain a copy of the administering authority's submission and subsequently compare the administering authority's individual performance against aggregate performance published by TPR.

Pension Fund Annual Report

- CIPFA is recommending Local Pension Board review of the draft Pension Fund Annual Report prior to publication, including consideration of compliance with CIPFA guidance on its contents. It was suggested that Local Pension Boards should obtain and review the CIPFA guidance and enquire into the plans for preparation of 2018/19 Annual Report to ensure that a window to allow such a review was allowed; and
- CIPFA emphasised its guidance on transparency in reporting administration costs. It was suggested that Local Pension Boards had a role in satisfying

themselves on the arrangements for securing complete and accurate disclosure of all relevant costs; and

- Some participants asked whether Local Pensions Boards had a role in reviewing compliance with the requirements of the Accounts and Audit (England) Regulations 2015 as regards the Pension Fund accounts included in the Council's Statement of Accounts. CIPFA said that this was a grey area.

Pooling

- Many participants expressed concern about the 'informal consultation' process for the draft statutory guidance on pooling;
- CIPFA encouraged Local Pension Boards to respond to the consultation;
- Many participants expressed concern about the suggestion in the draft statutory guidance on pooling that Local Pension Board members might become involved in the governance structures for pool; and
- CIPFA encouraged Local Pension Boards to enquire about the flow of information from pools to administering authorities and how administering authorities obtained assurance about the operation of pools.

Operation of Local Pension Boards

- CIPFA advocated an annual review of the Terms of Reference of Local Pension Boards;
- CIPFA advocated development of a formal approach for Local Pension Boards to make written recommendations to administering authorities and seek a response; and
- CIPFA strongly advocated a minimum meeting frequency of quarterly.

Other matters

- Some participants were concerned about the impact of discontinuity in the membership of Pension Investment Committees. CIPFA did not identify specific action for Local Pension Boards.

Stephen Warren
28 February 2019

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APPENDIX 7 – Events Programme 2019 Quarter 2-3

Date	Conference/Event	Organiser	Venue	Cost & Additional Information
29/05/2019	LGPS Good Governance Project	Hymans Robertson	One London Wall, London, EC2Y 5EA	09:30 – 12:30 Free to attend If of interest or for further information, please contact the Principal Accountant (Robert.Browning@lewisham.gov.uk)
31/05/2019	LGPS Good Governance Project	Hymans Robertson	Webinar	12:00 – 13:00 Free to attend If of interest or for further information, please contact the Principal Accountant (Robert.Browning@lewisham.gov.uk)
06/06/2019	Risk Management in the LGPS	CIPFA	The Royal Society, 6 Carlton House Terrace, London, SW1Y 5AG	10:00 – 16:00 £345 If of interest or for further information, please contact the Principal Accountant to book (Robert.Browning@lewisham.gov.uk)
06/06/2019	Insight into Cost Transparency	PLSA	Webinar	10:00 – 10:45 Free for PLSA Members If of interest or for further information, please contact the Principal Accountant (Robert.Browning@lewisham.gov.uk)
12/06/2019	Aon Breakfast Event: Responsible Investment	Aon	Aon Centre, Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	07:45 – 09:00 Free to attend Registration via website
26/06/2019	LGPS Local Pension Board Annual Event	CIPFA/ Barnett Waddingham	Barnett Waddingham, London, 2 nd Floor, 2 London Wall Place, 123 London Wall, EC2Y 5AU	10:00 – 16:00 £185 If of interest or for further information, please contact the Principal Accountant to book (Robert.Browning@lewisham.gov.uk)
10/09/2019	Introduction to Trusteeship – Part 1: The Theory	PLSA	24 Chiswell Street, London, EC1Y 4TY	10:00 – 16:00 £505 for members Enquiries via Website
19/09/2019	DB Trustee Training	Barnett Waddingham	Barnett Waddingham, London, 2 nd Floor, 2 London Wall Place, 123 London Wall, EC2Y 5AU	08:45 – 16:30 £450 (£400 if block booking for 2 or more persons) If of interest or for further information, please contact the Principal Accountant (Robert.Browning@lewisham.gov.uk)

APPENDIX 8 – Learning Needs Analysis Template

Public service pension schemes: Learning needs analysis of certain governance and administration requirements					
Step 1 – Plan your learning					
Learning needs analysis			Personal development		
1 – My role, responsibilities and duties as a Pension Board member					
Do I know...?	Rate my skills 1 – no knowledge 5 – highly skilled	My objectives	Timescale	What learning am I planning to do?	Where to find information
Who The Pensions Regulator is	1 2 3 4 5				Introduction to public service pension schemes: www.tpr.gov.uk/PS-introduction
What my role, responsibilities and duties are	1 2 3 4 5				
How the Regulator’s code of practice will support me in assisting the scheme manager with running an effective and efficient scheme	1 2 3 4 5				
2 – The knowledge and understanding I need as a Pension Board member					
Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information
What I need to know about my scheme as a Pension Board member	1 2 3 4 5				Knowledge and understanding duty on Pension Board members: www.tpr.gov.uk/PS-knowledge
What I need to know about pensions law as a Pension Board member	1 2 3 4 5				
How to plan, follow and record my training, knowledge and understanding	1 2 3 4 5				

3 – Conflicts of interest					
Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information
What information I need to provide to the scheme manager	1 2 3 4 5				'Conflicts of interest' course in the Public Service toolkit: www.pensionseducationportal.com
How to disclose potential or actual conflicts of interest	1 2 3 4 5				
How to monitor and discuss the risk of potential or actual conflicts of interest	1 2 3 4 5				
4 – Publishing scheme information					
Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information
What information needs to be published about the Pension Board	1 2 3 4 5				Publishing scheme information: www.tpr.gov.uk/PS-publishing
How that information is to be recorded and published	1 2 3 4 5				
What the Pension Board's role is regarding the publication of that information	1 2 3 4 5				
5 – Risk management and internal controls					
Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information

How risks will be identified and assessed	1 2 3 4 5				'Managing risk and internal controls' course in the Public Service toolkit: www.pensionseducationportal.com
How internal controls will be set up	1 2 3 4 5				
How risk assessments will be documented	1 2 3 4 5				
How possible fraudulent activity will be identified and dealt with	1 2 3 4 5				
Who is involved in internal controls and risk management and their role	1 2 3 4 5				
What the Pension Board's role is in internal controls and risk management	1 2 3 4 5				
6 – Record-keeping					
Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information
How an effective scheme record-keeping process will be set up	1 2 3 4 5				'Maintaining accurate member data' course in the Public Service toolkit: www.pensionseducationportal.com
How the required records of scheme members' data, transactions and pension board decisions will be kept	1 2 3 4 5				
Who is involved in record-keeping and their role	1 2 3 4 5				
What the Pension Board's role is in record-keeping	1 2 3 4 5				
7 – Maintaining contributions					

Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information
How employer and employee payment contributions will be monitored and recorded	1 2 3 4 5				'Maintaining member contributions' course in the Public Service toolkit: www.pensionseducationportal.com
How late or failed payments which are likely to be of material significance to the Regulator will be reported to the Regulator	1 2 3 4 5				
What the Pension Board's role is in maintaining contributions and notifying the Regulator of late or failed payments	1 2 3 4 5				
8 – Communicating with members					
Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information
What information must be provided to members about the administration of the scheme and their benefits	1 2 3 4 5				'Providing information to members and others' course in the Public Service toolkit: www.pensionseducationportal.com
How that information will be provided to members	1 2 3 4 5				
Who is involved in member communications	1 2 3 4 5				
What the Pension Board's role is in member communications	1 2 3 4 5				
9 – Resolving disputes					

Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information
How disputes within my scheme will be resolved	1 2 3 4 5				'Resolving internal disputes' course in the Public Service toolkit: www.pensionseducationportal.com
How disputes within my scheme and their resolutions will be documented	1 2 3 4 5				
What the Pension Board's role is in the resolution of issues and disputes	1 2 3 4 5				
10 – Reporting breaches of the law					
Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information
How to identify breaches of the law	1 2 3 4 5				'Reporting breaches of the law' course in the Public Service toolkit: www.pensionseducationportal.com
How breaches of the law will be assessed	1 2 3 4 5				
How breaches of the law likely to be of material significance to the Regulator will be reported	1 2 3 4 5				
What my responsibility is to report breaches	1 2 3 4 5				
Who else is under a duty to report breaches	1 2 3 4 5				

APPENDIX 9**Lewisham Pension Board - Work Programme**

OPERATIONAL	Qtr 2 (Apr-Jun 2019)	Qtr 3 (Jul-Sep 2019)	Qtr 4 (Oct-Dec 2019)	Qtr 1 (Jan-Mar 2020)
Draft Pension Fund Statement of Accounts		X		
Pension Fund Annual Report (must be published by 1 December): Includes: <ul style="list-style-type: none"> • Administration update (including KPI monitoring) • Final Statement of Accounts • Pension Board Annual Report • Governance Compliance Statement 			X	
Pension Fund Internal Audit Report	X			
Monitoring of Investment Performance: <i>see Hymans Robertson Performance Reports reported to PIC</i>	X	X	X	X
Triennial and Interim Actuarial Valuations			X	
Progress Reports on the Arrangements for Pooling	X	X	X	X
Risk Register	X	X	X	X
Board's Learning Needs and Training	X	X	X	X
Review of the Fund's Business Plan: <i>prepared by Hymans Robertson and reported to PIC</i>		X		
Update on the work of the Scheme Advisory Board	X	X	X	X

STRATEGIC Policies, where available, can be found at the following site: http://www.lewishampensions.org/lewisham-pension-fund/about-us/forms-and-publications/	Qtr 2 (Apr-Jun 2019)	Qtr 3 (Jul-Sep 2019)	Qtr 4 (Oct-Dec 2019)	Qtr 1 (Jan-Mar 2020)
Investment Strategy Statement: Oversight. Includes: <ul style="list-style-type: none"> • Risk Management • Approach to ESG 				X
Funding Strategy Statement: Oversight Must be updated at least every 3 years (in line with the triennial valuation)				X
Terms of Reference and Membership of the Board Should be reviewed at least annually				X
Administration Strategy: <i>do not currently publish one</i>				X
Breaches of Law Policy: <i>do not currently publish one</i>				X
Risk Policy: <i>do not currently publish one</i>		X		
Internal Disputes Resolution Procedure			X	
Governance Compliance Statement: <i>do not currently publish one</i>			X	
Discretions Policy	X			
Communications Policy Statement	X			
Conflicts of Interest Policy				X
Code of Conduct Policy				X