

PENSION BOARD			
REPORT TITLE	Pensions Board – General Update		
KEY DECISION	No	Item No:	
WARD	N/A		
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CLASS	Part 1	Date:	26 June 2023

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:

- note the current position regarding the Statement of Accounts 2021/22;
- to agree the Pension Board Terms of Reference;
- note the Funding Strategy Statement report;
- note the Investment Strategy Statement report;
- note the Annual Business Plan 2023/24.

CURRENT CONSIDERATIONS

3. 2021/22 Statement of Accounts and Annual Report

- 3.1. The audit has not yet concluded due to a national issue in the valuation of the pension fund liability as at 31 March 2022. The Actuaries have reviewed the pension valuations and revised the Council's pension liability and life expectancy assumptions. The notes in the main Statement of Accounts have been amended to reflect the change in the Council's pension liability.
- 3.2. The Pension Fund Accounts life expectancy assumption note has been amended to reflect the change in the revised liability calculations. There has been not a change to the Pension Fund Annual report.
- 3.3. The auditors are holding the completed Statement of Accounts until they are satisfied on how to reflect these changes across all local authority accounts. Once they are satisfied the auditors will sign the accounts.

- 3.4. It remains that the Council has delegated to the Section 151 Officer the approval and agreement of the final Statement of Accounts for 2021/22, and to agree that the Chair will, in consultation with officers, agree the final Pension Fund Annual Report 2021/22 for publication.
- 3.5. PIC note the report at their meeting in June 2023.

4. Pension Board Terms of Reference

- 4.1. There have been minor changes to the Terms of Reference.
- 4.2. An Employer Representative will be standing down as Lewisham Homes Ltd will be taken back into the Council's operation and therefore will no longer be an employer. Clauses 16 – 19 sets out the process of appointing another employer representative. It is proposed to write to the larger employers of the scheme offering them an opportunity for someone to become a member of the Pension Board.

5. Funding Strategy Statement (FSS)

- 5.1. The triennial valuation has completed and the results of this were presented to the Pension Investment Committee (PIC) in draft form in November 2022 and in final form in February 2023. In addition to the results of the valuation, PIC was presented and reviewed the draft Funding Strategy Statement (FSS) at the February meeting.
- 5.2. A delegation was provided to the Executive Director of Corporate Resources to agree any final changes to the draft FSS to enable the publication of this by the statutory deadline of the 31 March 2023.
- 5.3. PIC noted that the FSS was finalised, with no substantive changes to the draft reviewed by the Committee, and that it has been published on the Fund's website as required.

6. Investment Strategy Statement (ISS)

- 6.1. The ISS was updated and approved by PIC in June 2022, following detailed discussion and agreement with the Committee.
- 6.2. The triennial valuation results have not necessitated material changes to the Fund's asset allocation and therefore to the ISS, but the Committee has since developed and adopted a Responsible Investment Beliefs Statement which supports the ISS.
- 6.3. The ISS report includes the newly adopted Responsible Investment Beliefs Statement as an appendix to create a single document. (see Appendix 1) This provides greater clarity and understanding of how the PIC's beliefs support and underpin the Fund's ISS and so PIC was asked to note that these have now been published as a single document.
- 6.4. PIC approved the report at their meeting in June 2023.

7. Data improvement plan update

7.1. Verbal update from Officers

8. Administration Strategy update

8.1. Verbal update from Officers

9. Annual Business Plan 2023-24

9.1. The Business Plan (see Appendix 2) sets out the work undertaken by the Pension Investment Committee during 2023/24 and the Business Plan is reviewed and updated annually.

9.2. The Business Plan list the major milestones for the fund in 2023/24 and lists the required policies and reports that are required:

List of Policies and Reports

Policies and Reports	Provided by	Approval required by:	Timetable	Review every
Acceptance of the triennial valuation report produced by the Fund Actuary	Actuaries	Officers	January 2023	3 years
Funding Strategy Statement*	Pension Advisors	PIC	March 2023	3 years
Investment Strategy Statement*	Officers	PIC	June 2023	3 years
Communications Strategy*	Officers	PIC	November 2022	3 years
Pension Administration Strategy*	Officers	PIC	Sept 2023	3 years
Annual Business Plan*	Officers	PIC	June 2023	1 years
Annual Report and Statement of Accounts (by 1 December)*	Pension advisors and Officers	PIC	November 2022	1 Year
Governance compliance statement*	Officers	PIC	November 2022	1 years
Review the appointment of Additional Voluntary Contribution providers.	Officers	Officers	June 2023	5 years
Review the appointment of investment managers, consultants and the custodian.	Officers	Officers	June 2023	5 years

*Required by the Pension Regulator

9.3. The Business Plan provides Administrative Targets:

- Members to attend at least 75% of Pension Committee meetings each year.
- Draft committee minutes to be issued within seven weeks of a meeting
- Committee papers to be sent out at least five working days before a meeting.

- To regularly review and agree changes to strategy/policy documents. All strategy/policy documents will be considered by Committee at least every three years, even if no changes are recommended.
- 9.4. The business plan covers the members knowledge, development and training and the PIC intends that each member completes a Knowledge and Skills assessment so that future training can be directed at any gaps in knowledge.
- 9.5. PIC discussed the report at their June meeting and queried the definition of attendance and quired if this included members who attended remotely. The attendance target is a minimum of 75% and members asked if officers could check if with the Corporate Governance regarding attendance criteria. Officers have since checked with the Director of Law & Corporate Governance and he agreed that this was for the PIC to agree internally as it is not connected to the constitutional requirements.

10. Retendering advisory and actuarial services

- 10.1. The retendering of the advisory and actuarial services contracts will commence in June and is expected to be completed by September 2023.

11. FINANCIAL IMPLICATIONS

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

12. LEGAL IMPLICATIONS

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

13. CRIME AND DISORDER IMPLICATIONS

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

14. EQUALITIES IMPLICATIONS

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

15. ENVIRONMENTAL IMPLICATIONS

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

APPENDICES

Appendix 1 – Investment Strategy Statement

Appendix 2 – The Annual Business Plan 2023-24

FURTHER INFORMATION

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

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