

<b>PENSION BOARD</b>			
<b>REPORT TITLE</b>	Pensions Board – General Update		
<b>KEY DECISION</b>	N/A	<b>Item No:</b>	
<b>WARD</b>	N/A		
<b>CONTRIBUTORS</b>	Tony McGuinness – Interim Head of Financial Strategy, Planning and Commercial Shida Ashrafi - Interim Head of Pensions and Payroll		
<b>CLASS</b>	Part 1	<b>Date:</b>	15 December 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 Draft Annual Report and Accounts 2022/23
- note the Climate Transition and Net Zero Policy;
- note the report on the Risk Register
- note the draft Administration Strategy and the draft Data Improvement Plan;
- note the policy for Reporting and Monitoring Late Payments
- note the Pension Board representation.

## CURRENT CONSIDERATIONS

### 3. Draft Annual Report and Accounts 2022/23

- 3.1. The Pension Fund Annual Report 2022/23 provides a summary of the years events and the Pension Fund financial statements year-end position – see Appendix 2a and 2b.
- 3.2. The External auditors have nearly completed their work on the 2022/23 accounts but the pension fund draft annual report and supporting financial statements were considered by the Audit Panel on 1st November 2023.
- 3.3. The Pension Fund Accounts for 2022/23 were presented to the full Council on 22 November 2023. The Council agreed to delegation to the Section 151 Officer, in consultation with the Chair of the Audit & Risk Committee, to agree any changes

to the agreed audit adjustments and the final Statement of Accounts for publication, alongside the Auditor's Annual Report.

- 3.4. Subject to any substantive issues with the Annual Report and accounts being raised by the auditors the details are not expected to change and will be submitted to the external auditors Grant Thornton for their consistency opinion.
- 3.5. The pension fund draft annual report was published by the statutory deadline of the 1 December 2023 and will be replaced by the final version once the external auditors have signed off the report and accounts.
- 3.6. The final version of the pension fund annual report and financial statements will be presented to the next Pension Investment Committee meeting and the next Pension Board meeting.

#### **4. Draft Administration Strategy and Data Improvement Plan**

- 4.1. The draft Administration Strategy and the Data Improvement Plan are for review. See Appendix 5a and 5b.
- 4.2. The comments from the last pension board meeting have been reviewed and the report has been updated.
- 4.3. Officers will give an update on the progress of the work in producing the draft Administration Strategy.

#### **5. Policy for Reporting Late Payment of Contributions**

- 5.1. This policy is a requirement of the Code of Practice and it sets out how to deal with late payments expected from Admitted and Scheduled bodies. See Appendix 6.
- 5.2. The policy sets out how the Admitted and Scheduled bodies schemes are set up and how payments are monitored. The policy also set out the definition of material payments and the course of action to be taken if payments are not received and when and how they are reported to the Pension Regulator and members.

#### **6. Climate Transition and Net Zero Policy**

- 6.1. The Pension Investment Committee (PIC) has been developing the Climate Transition and Net Zero Policy over the summer and they reviewed the final version at their November meeting. See Appendix 3.
- 6.2. The policy document is split into four areas:
  1. Portfolio Emissions;
  2. Climate Solutions and Opportunities;
  3. Alignment and
  4. Engagement.
- 6.3. Hymans Robertson explained that the policy which will be a live document and will change over time.
- 6.4. Members were pleased that the policy has targets and actions as well as longer term ambitions.

6.5. The members of PIC approved the Climate Transition and Net Zero policy.

## 7. Risk Register

7.1. The risk register is attached at Appendix 4 (with 'Tracked Changes'); its design is based on a template provided by the Pensions Regulator. Risk ratings fall into four categories:

<b>RISK CATEGORY</b>	<b>HOW THE RISK SHOULD BE MANAGED</b>	<b>NUMBER OF RISKS</b>
<b>Red (16-25)</b>	Immediate action required, senior management involved	0
<b>Amber/Red (10-15)</b>	Senior management attention needed and management responsibility specified	7
<b>Amber/Green (5-9)</b>	Manage by specific monitoring or response procedures	21
<b>Green (1-4)</b>	Manage by routine procedures, unlikely to need specific or significant application of resources	8

7.2. There has been three risk for which the score has improved and two have not improved and a total of nine which have reached their target score. There are seven amber, with the remaining twenty nine being either light green or green.

7.3. Members of PIC reviewed the Risk register and asked a few questions about some of the risks areas.

7.4. One question was should the funding risk be reduced? Officers stated that although the Triannual Valuation had improved the funding to 97% as at 31 March 2022 it was a time when valuations were high. Since that time there have been many changes with high inflation, increased interest rates and the wars in Ukraine and the Middle East. Therefore there is uncertainty about the world economy and the values could fall.

7.5. Another asked if the Liquidity risk should be changed? Officers stated that with the high inflation the pension payments have been increasing and although we have made changes to receive more income from funds it is still an area of risk.

## 8. Pension Board Representation

8.1. Welcome to Mark Booker Pension Administration Manager for Change Live Grow who is an employer representative on the Pension Board.

## 9. FINANCIAL IMPLICATIONS

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

## **10. LEGAL IMPLICATIONS**

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

## **11. CRIME AND DISORDER IMPLICATIONS**

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

## **12. EQUALITIES IMPLICATIONS**

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

## **13. ENVIRONMENTAL IMPLICATIONS**

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

## **APPENDICES**

Appendix 2 – Draft Annual Report and Accounts 2022/23

Appendix 3 – Climate Transition and Net Zero Policy

Appendix 4 – Risk Register

Appendix 5a. – Draft Administration Policy

Appendix 5b. – Draft Data Improvement Plan

Appendix 6 - Policy for Reporting and Monitoring Late Payments

## **FURTHER INFORMATION**

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

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