

PENSION BOARD			
REPORT TITLE	Pensions Board – General Update		
KEY DECISION	No	Item No:	8
WARD	N/A		
CONTRIBUTORS	Head of Corporate Resources		
CLASS	Part 1	Date:	23 October 2018

1. PURPOSE

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

2. RECOMMENDATIONS

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

- To review and note the current Register of Conflicts of Interest, as per section 4.1;
- To adopt The Pension Regulator’s Breaches of Law log, as per section 4.5, for ongoing use, to be reported as a standing item for future meetings of the Board;
- To delegate to the Chair the drafting of the Pension Board Annual Report 2017/18, for inclusion in the Pension Fund Annual Report, ahead of the statutory December deadline, as per section 4.13; and
- To note the remaining contents of the report.

3. BACKGROUND

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

4. CURRENT CONSIDERATIONS

Register of Conflicts of Interest

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

Breaches of Law

- 4.2. Section 241 to 275 of The Pension Regulator’s Code of Practice (the Code) sets out detailed guidance to help determine whether a breach of the law is reportable to the regulator. Breaches can occur in relation to a wide variety of the tasks

associated with the administration of a scheme, such as record maintenance, internal controls, calculating benefits, and making investment-related decisions. Smaller breaches which are not deemed to be of 'material significance' to the regulator should be logged and reported to the Board on a regular basis.

- 4.3. In deciding whether a breach is likely to be of material significance, the following should be considered:
- Cause of the breach;
 - Effect of the breach;
 - Reaction to the breach; and
 - Wider implications of the breach.
- 4.4. Lists of recorded breaches give indications as to the overall quality and timeliness of data flows and transactions, and whether processes are in place to capture individual activities which may not perhaps have been completed within appropriate timescales. The key for the Board is to understand why such breaches occurred, and whether the decision to record and not report was warranted.
- 4.5. The regulator has provided a template for the recording of breaches which uses a traffic light framework to help decide if a breach should be reported. The template, with example breaches, is attached at Appendix 2. Officers propose that this template is adopted for ongoing use, to be updated and reported to the Board as a standing item on the agenda.

CIPFA/Barnett Waddingham Local Pension Board Members' Annual Event

- 4.6. This event was held on 27 June 2018 and was attended by the Chair and Elizabeth Sclater. The slide deck from the event is attached at Appendix 3, whilst the Chair's key take away points from the event are included at Appendix 4 for further discussion

Pooling

- 4.7. The London CIV (LCIV) continues to implement governance changes following the outcome of the independent review carried out earlier in the year. The Chief Executive signed off on Lewisham's approval for the dissolution of the London Pensions CIV Sectoral Joint Committee (PCSJC) and the creation of a new Shareholder Committee in September 2018, ahead of its first meeting on 18 October.
- 4.8. As it stands Lewisham has yet to formally invest in any LCIV funds although remains in close contact with LCIV officers about future developments and potential opportunities for transition into the pool, including infrastructure and property. Representatives from LCIV will be attending the meeting of the Pensions Investment Committee (PIC) in November and providing further updates on pool developments.

Pension Board Annual Report 2017/18

- 4.9. The LGPS (Administration) Regulations 2008 require an administering authority of a Pension Fund to prepare an annual report which summarises the performance, management and administration of the Fund. It consolidates information from the accounts and a number of published statutory statements, including the

Investment Strategy Statement and Funding Strategy Statement, into one document.

- 4.10. The authority must publish the annual report on or before 1 December following the financial year end.
- 4.11. Included within that document should be a report from the Pension Board summarising the role of the Board, its activities in the year, and any training its members have undertaken.
- 4.12. The final overall annual report, which will include the audited financial statements, will be reviewed by the Council's auditors for consistency with the information within those statements before a final audit opinion for the Pension Fund can be awarded.
- 4.13. The 2017/18 annual report will be taken to PIC in November for approval for publication. Due to the timing of this Board meeting, it has not been possible to prepare a draft document for the Board's input. Officers ask that members delegate the drafting of the Pension Board Annual Report to the Chair, to be included in the overall Pension Fund Annual Report published before the December deadline.

Oracle Cloud Update

- 4.14. The Council has adopted a new finance system, Oracle Cloud, which went live in early June 2018, albeit at a reduced level of functioning. The new system will also implement HR and Payroll modules in an integrated cloud-based environment, transforming the way these functions are carried out.
- 4.15. Whilst the full functionality of the system continues to be rolled out, officers will provide a verbal, up-to-date progress report at the Board meeting to appraise members of latest developments and the impact on the administration of the Fund.

Training

- 4.16. Officers continue to recommend 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 two confirmations have been received from members that the toolkit has been completed.
- 4.17. External training opportunities, workshops and conferences will continue to be recommended by officers for members' attention. Appendix 5 lists a number of upcoming events; should members find any of the sessions of interest, or have identified other training they would like to attend, please can they keep the Principal Accountant for Treasury and Pensions informed so that the statutory training log can be updated.
- 4.18. 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.

5. FINANCIAL IMPLICATIONS

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

6. LEGAL IMPLICATIONS

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

7. CRIME AND DISORDER IMPLICATIONS

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

8. EQUALITIES IMPLICATIONS

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

9. ENVIRONMENTAL IMPLICATIONS

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

APPENDICES

Appendix 1 – Register of Conflicts of Interest

Appendix 2 – Template Breaches Log

Appendix 3 – Slide Deck from Pension Board Event

Appendix 4 – Chair's Notes from Pension Board Event

Appendix 5 – Training Programme

FURTHER INFORMATION

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

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