

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

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