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**Resources Department
Town Hall, Upper Street, London, N1 2UD**

AGENDA FOR THE PENSIONS BOARD

Members of the Pensions Board are summoned to attend a meeting which will be held in Committee Room 2, Islington Town Hall, Upper Street, N1 2UD, on **3 December 2019 at 6.00pm.**

Enquiries to : Mary Green
Telephone : (020) 7527 3005
E-mail : democracy@islington.gov.uk
Despatched : 25 November 2019

Membership

Employer representatives:

Maggie Elliott (Vice-Chair)
Councillor Paul Smith (Chair)
(vacancy)

Scheme member representatives:

Mike Calvert
Valerie Easmon-George (+ vacancy for substitute)
George Sharkey

Independent member

Alan Begg

Quorum is 3, including at least one employer representative and one member representative

A. Formal matters

1. Apologies for absence
2. Declaration of interests

If you have a Disclosable Pecuniary Interest* in an item of business:

- if it is not yet on the council's register, you must declare both the existence and details of it at the start of the meeting or when it becomes apparent;
- you may choose to declare a Disclosable Pecuniary Interest that is already in the register in the interests of openness and transparency.

In both the above cases, you must leave the room without participating in discussion of the item.

If you have a personal interest in an item of business and you intend to speak or vote on the item you must declare both the existence and details of it at the start of the meeting or when it becomes apparent but you may participate in the discussion and vote on the item.

- *(a)** Employment, etc - Any employment, office, trade, profession or vocation carried on for profit or gain.
- (b)** Sponsorship - Any payment or other financial benefit in respect of your expenses in carrying out duties as a member, or of your election; including from a trade union.
- (c)** Contracts - Any current contract for goods, services or works, between you or your partner (or a body in which one of you has a beneficial interest) and the council.
- (d)** Land - Any beneficial interest in land which is within the council's area.
- (e)** Licences- Any licence to occupy land in the council's area for a month or longer.
- (f)** Corporate tenancies - Any tenancy between the council and a body in which you or your partner have a beneficial interest.
- (g)** Securities - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

This applies to all members present at the meeting.

3.	Minutes of the previous meeting	1 - 2
B.	Non-exempt items	
1.	Pension administration performance	3 - 8
2.	Draft Funding Strategy Statement for employer consultation	9 - 14
3.	Forward Plan	15 - 20

C. Urgent non-exempt items

Any non-exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

D. Exclusion of press and public

To consider whether, in view of the nature of the remaining items on the agenda, any of them are likely to involve the disclosure of exempt or confidential information within the terms of Schedule 12A of the Local Government Act 1972 and, if so, whether to exclude the press and public during discussion thereof.

E. Confidential/exempt items

F. Urgent exempt items

Any exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

The next meeting of the Pensions Board will be on 24 March 2020

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Agenda Item A3

London Borough of Islington

Pensions Board - 10 September 2019

Minutes of the meeting of the Pensions Board held at Islington Town Hall on 10 September 2019 at 6.00 pm.

Present: **Members:** Alan Begg (Independent Member), Mike Calvert, Valerie Easmon-George, Maggie Elliott (Vice-Chair), George Sharkey and Councillor Paul Smith (Chair)

Observer: Councillor Paul Convery

Councillor Paul Smith in the Chair

74 APOLOGIES FOR ABSENCE (Item A1)

None.

75 DECLARATION OF INTERESTS (Item A2)

None.

76 MINUTES OF THE PREVIOUS MEETING (Item A3)

RESOLVED:

That the minutes of the meeting held on 17 June 2019 be confirmed as a correct record and the Chair be authorised to sign them.

77 PENSION ADMINISTRATION PERFORMANCE (Item B1)

In introducing his report, the Deputy Pensions Manager highlighted an amendment required to paragraph 3.3 of his report, by the substitution of the figure "90.86%" for the existing figure of "94.86%" in line 1. The reduction in performance since the last quarter reflected the fact that staff in the Pensions Team had had to prioritise work on the Pension Fund valuation.

The Board noted the fluctuations in the numbers of members auto-enrolled into the Local Government Pension Scheme (LGPS) from 16.67% in February 2019, 27.85% in April 2019, 3.23% in May 2019 and 4.76% in July 2019. They also noted that, as at 31 July 2019, the Council employed 6648 staff (excluding teachers and public health officers), 813 of whom were not members of the LGPS. A large percentage of these worked in Islington Schools and People Services, where many staff worked casual or part-time hours. A possible reason for staff not participating in the LGPS was that it simply was not practical for people on a lower salary to participate in the Scheme.

With a view to encouraging more members to join the LGPS and identifying the barriers in achieving this, Board members asked the Deputy Pensions Manager to provide a breakdown of part-time and full-time staff who were not in the LGPS for the next meeting.

RESOLVED:

- (a) That the performance of the Pensions Administration Team against key indicators, for the period from 1 May to 31 July 2019, including information on complaints and internal disputes, as detailed in the report of the Interim Corporate Director of Resources, be noted.
- (b) That the number and age profile of Islington employees who are not members of the LGPS, together with details of the Islington employees who auto-enrolled into the Local Government Pensions Scheme during the relevant period, as detailed in the report, be noted.
- (c) That the numbers of members auto-enrolled into the Local Government Pension Scheme, again as detailed in the report, be noted.
- (d) That the Deputy Pensions Manager provide information in the administration report to the next meeting with numbers of part-time and full-time staff, on a salary of below £15k, 15k to 30k and 30 k and above, who were not enrolled in the LGPS.

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DRAFT PENSION ANNUAL REPORT 2018/19 (Item B2)

The Board noted George Sharkey's verbal information of a climate change rally outside Islington Town Hall on 20 September at 12 noon, to which all were invited.

RESOLVED:

That the draft Pension Fund annual report, attached at Appendix 1 to the report of the Interim Corporate Director of Resources, including the 2018/19 Statement of Accounts, activities and performance, be approved for submission to the external auditors.

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FORWARD PLAN (Item B3)

Members of the Board discussed the availability of information to members of the Scheme, such as benefits to a partner in the event of a death in service and the length of time during which benefits could be made to dependents. The Board wished to see how information could be easily accessible to members of the Scheme. The general consensus was that the ideal place for such information was the Pensions site on the Council's website.

RESOLVED:

- (a) That the contents of Appendix A to the report of the Interim Corporate Director of Resources, detailing proposed agenda items for future meetings, be approved.
- (b) That the Deputy Pensions Manager submit a report to the next meeting of the Board detailing all the information currently available to members on the Pensions page of Islington's website and proposals for future inclusions.
- (c) That the latest LGA briefing on LGPS Community, appended to the report, be noted.

The meeting ended at 6.50 pm

CHAIR



Report of: Director of Corporate Resources

Meeting of	Date	Agenda Item	Ward(s)
Pension Board/Pension Sub-Committee	03 December 2019		
Delete as appropriate	Non-exempt		

SUBJECT: PENSION ADMINISTRATION PERFORMANCE

1. Synopsis

- 1.1 This report provides the Board with information on the administration activities of the Pension Administration. The information is in respect of the period from 1 August 2019 to 31 October 2019 and includes the number of LGPS members auto-enrolled into the scheme for this period.
- 1.2 The report proposes an amendment to the implementation of regulation 40, 43 and 46 of the LGPS in relation to the discretions available under the LGPS. As the Pension Board do not have the power to amend the regulations, the Pension Sub-Committee will be recommended to make the necessary amendment.
- 1.3 The report provides information on the Pensions page of Islington Council's website and proposals for future inclusions.
- 1.4 The report also provides information regarding the Internal Dispute Resolution Procedure, compliments and complaints.

2. Recommendations

- 2.1 To note the performance against key performance indicators for the relevant period.
- 2.2 To note the deferment of the report detailing the numbers, department and salary profile of Islington employees who are not members of the LGPS until March 2020 Pension Board meeting.

- 2.3 To note the number of members auto-enrolled into the Local Government Pension Scheme during the relevant period.
- 2.4 To consider and agree the proposals for future inclusion of information available to staff on the Pensions page of Islington Council's website.
- 2.5 To note the information in respect of the Internal Dispute Resolution Procedure, compliments and complaints.
- 2.6 To recommend that Pension Sub-Committee agree an amendment to regulation 40, 43 and 46 of the LGPS, concerning employer discretions, as detailed in paragraph 4.1 of this report.

3. Background – Statistics and key performance indicators

- 3.1 The membership profile at 31 July 2019 and 31 October 2019 is shown in the following table.

Category	Jul - 19	Oct - 19
Number of current active members	6,356	6,508
Number of preserved benefits	8,089	8,034
Number of Pensions in payment	6,118	6,205
Number of Spouses/dependants pensions in payment	1,041	1,047
Total	21,604	21,794

- 3.2 Key performance indicators from 1 August 2019 to 31 October 2019:

Process	Target days to complete	Volume	Target % Achievement	% Achieved within target days	Actual average days
Deaths	5	15	95%	93.75%	5.33
Retirement benefits	5	44	95%	86.29%	6.57
Pension estimates	10	80	95%	72.63%	13.70
Preserved benefit calculations	15	17	95%	70.59%	19.40
Transfer-in quotation	10	11	95%	100.00%	8.91
Transfer-in actual	10	11	95%	100.00%	9.80
Transfer out actual	12.5	15	95%	95.10%	13.05
Transfer out quotation	15	26	95%	100.00%	16.40
Legacy Cases - Valuation	-		-	-	-
All processes	-	219		82.10%	

- 3.3 The overall performance has slipped from the 85.33% achievement of processes completed within the target days as at the end of Jul 2019. This is because of an increase in the workload of the Pensions Office, staff vacancies not being filled and long-term sickness. After the actuarial valuation data was submitted, a review of the Pensions Administration function was undertaken to examine processes and quantify resourcing deficits. An additional resourcing of £61,500 per annum was agreed with the Interim Director of Finance and Property as part of the pension management cost. The new structure is designed to deliver on key performance targets as well as giving adequate capacity for work to be carried out on a strategic level in order to be

compliant with the Pensions Regulator codes of practice and instructions from the Pensions Board. The administration cost per member for last year was £78.26 and this new structure will add an extra £3 per member in a full year. Unfortunately, there is no London wide benchmarking data published now due to the variations on externalisation of service provision.

- 3.4 It has not been possible for our Payroll & Analytics teams to provide an accurate report on the exact numbers of part-time and full-time staff who are not enrolled in the LGPS, split by department and salary. The report received contained too many anomalies and inconsistencies. It is proposed to bring in a consultant to write a program to produce this report which will be available for the Pension Board meeting in March 2020.

- 3.5 Number of members auto-enrolled into the LGPS from August to October 2019:

Month	Starters No.	Opt Outs	Opt Out %
August	52	3	5.77
September	140	11	7.86
October	97	3	3.09
Total	289	17	5.88

- 3.6 It is proposed that the Pensions Page on Islington Council's website and intranet be updated. It is heavily text driven and needs to be more user friendly, with effective signposting, segmentation and optimising the use of white space and images. Pensions will be working with the Communication Team and plan on having an amending site in place by March 2020. Inclusion on the amended site will be forms which members frequently request (i.e. Nomination and Transfer Requests).
- 3.7 Since the September 2019 meeting of the board -3- communications have been received thanking Pension Administration staff for their service.
- 3.8 There has been one complaint during the period. A member who works for an Academy complained that she is only being offered a settlement agreement with the termination of her employment and not redundancy, which means that her pension benefits will be reduced. I have written to both parties explaining what benefits are payable under redundancy and any reductions to benefits taken early outside of redundancy. I have also made it clear that Islington Council's Pension's Office solely administers the LGPS on behalf of eligible members and does not get involved in any employer decisions by the Academy.
- 3.7 There are no Internal Disputes to report.

4 Employer Discretions

- 4.1 Regulations 40(2), 43(2) and 46(2) of the LGPS 2013 gives the Council absolute discretion in relation to the payment of the death grants to the executor of the estate of a deceased member. The current process by which this is exercised is that the Director of Finance and Property signs off any such payment. There have been situations in the recent past where the exercise of this function has been delayed because of the difficulty in obtaining the sign off due to the absence of the Director of Finance and Property. It is proposed that the Pension Board make a recommendation to the Pension Sub-Committee that the following key staff (each acting individually) have delegated authority to also provide the sign off function for these death grant payments, where the Director of Finance and Property is not available, to avoid any delay to bereaved families:

Chief Executive
Head of Treasury Management & Pension Fund
Chief Accountant
Director Service Finance

4. Implications

4.1 Financial Implications

4.1.1 The cost of administering the LGPS is chargeable to the Pension Fund.

4.2 Legal Implications

4.2.1 There are no specific legal implications in this report.

4.3 Resident impact assessment

4.3.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

4.3.2 In respect of this report, a Resident Impact Assessment is not being made because the contents of the report relate to processes that are strictly in accordance with the statutory Local Government Pension Scheme Regulations. The LGPS Regulations are made under the Superannuation Act 1972, and the Council has a statutory duty to comply with the LGPS Regulations.

4.4 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

None applicable to this report. Environmental implications will be included in each report to the Pension Board Committee as necessary. The current agreed investment strategy statement for pensions outlines the policies and targets set to April 2022 to reduce the current and future carbon exposure by 50% and 75% respectively compared to when it was measured in 2016 and also invest 15% of the fund in green opportunities. The link to the full document is <https://www.islington.gov.uk/~media/sharepoint-lists/public-records/finance/financialmanagement/adviceandinformation/20192020/20190910londonboroughofislingtonpensionfundinvestmentstrategystatement.pdf>

5 Conclusion and reasons for recommendations

5.1 The report will be made to each meeting of the Pension Board and is provided in order to assess administration performance, dispute resolution and agree to the proposed amendment to Employer discretion on regulation 40.

Background papers:

None

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Report of: Corporate Director of Resources

Meeting of:	Date	Agenda item	Ward(s)
Pension Board/Pensions Sub-Committee	3 December 2019		n/a
Delete as appropriate	Exempt	Non-exempt	

SUBJECT: 2019 ACTUARIAL VALUATION – DRAFT FUNDING STRATEGY STATEMENT

1. Synopsis

- 1.1 The Council must produce a Funding Strategy Statement (FSS) a requirement by The Local Government Pension Scheme Regulations 2013 (as amended) ("the 2013 Regulations") and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 ("the 2014 Transitional Regulations") (collectively; "the Regulations") provide the statutory framework from which the Administering Authority is required to prepare a Funding Strategy Statement (FSS). Under the Regulations, the administering authority must prepare, maintain and publish a written statement setting out their funding strategy. In doing so the administering authority must consult with such persons as they feel appropriate. The Fund's actuary must have regard to the FSS in carrying out the formal actuarial valuation of the Fund.

A Funding Strategy Statement will be prepared by London Borough of Islington (the Administering Authority) to set out the funding strategy for the Islington Council Pension Fund (the "Fund"), in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013 (as amended) and guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

- 1.2 This report informs the pension board and pensions sub-committee of the main issues that employers admitted into the Fund are to be consulted on, in the draft FSS, as part of the 2019 actuarial review.

2. Recommendations

- 2.1 To review and note a summary of the main updates in the draft FSS , that employers are going to be consulted on between December and January 2020.
- 2.2 Agree that officers with the Fund Actuary update the FSS for consultation with Employers admitted into the Islington Fund .

3. Background

Introduction

- 3.1 The 2019 actuarial valuation is now underway and as part of the process preparatory work is being undertaken to determine the funding position and investment strategy review that can support sustainable contributions from employers.
- 3.1.1 The LGPS Regulations provide the statutory framework under which the Administering Authority is required to prepare and publish a Funding Strategy Statement (FSS) alongside each actuarial valuation. The Fund Actuary must have regard to the FSS as part of the actuarial valuation process.

The FSS must also be revised and published whenever there is a material change in either the policy set out in the FSS or the Investment Strategy Statement.

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- 3.1.2 The draft FSS is being prepared and, the main updates since the last valuation include the following:
 - a) An update for the latest Regulations i.e. to reflect the introduction of Exit Credits that were introduced in 2018.
 - b) Review of the discount rate - Expected return analysis has been performed to inform the decision on the appropriate discount rate for the 2019 valuation. The discount rate is expressed as the "real" expected asset return above CPI. Following a period of strong investment returns, the outlook is now for lower returns in the future. Therefore, following discussions between the Actuary, Officers and Members, it will be proposed to reduce the expected level of real return above CPI for past service from CPI +2.2% p.a. at the 2016 valuation (CPI+2.3% for the Council) to CPI+1.8% p.a., to maintain an appropriate level of prudence in the discount rate. It will also be proposed to reduce the discount rate for future service from CPI +2.75% p.a. at the 2016 valuation to CPI+2.25% p.a.
 - c) It is also proposed to make an allowance for additional real returns of up to 0.2% p.a. to be earned during the Council's recovery period. A similar approach was adopted at the 2016 valuation, reflecting the long-term covenant of the Council and is based upon potential investment strategy changes that will support the additional return assumption without a corresponding increase in risk. This to ensure the Council's budgetary requirements are met based on the outcomes of the valuation calculations discussed with the Actuary, Officers and Members.
 - d) Updates to the life expectancy assumptions following analysis performed on the Fund's membership. The analysis indicates that whilst life expectancy is still increasing, the rate of increase experienced in short-term since the 2016 valuation was less than was built into the assumptions. This has been incorporated into the assumptions for the 2019

valuation along with an adjustment to the longer-term projection to reflect current views.

- e) Alongside the long term salary increase assumption of CPI+1.5% p.a., it is proposed to allow for expected short term pay restraint of 2% p.a.(covering both headline increases and incremental drift) up to 31 March 2023 although employers will be able to opt for the long-term assumption only should they wish.
- f) There is a proposed reduction in the average deficit recovery period of 3 years, which is generally equivalent to maintaining the same end date as the 2016 deficit recovery plan. This would apply to employers, subject to covenant and affordability considerations, and has been incorporated into the assumptions.
- g) Updates to the Fund policies included within it (e.g. admission and termination) to allow for the potential Regulation and guidance changes. Whilst these are still at the consultation stage, it is important that they are built into the FSS as they may be implemented before the valuation report is signed off. The key changes which have been incorporated are as follows:

- i) **The Cost Management Process** - The cost management process was set up by HMT, with an additional strand set up by the Scheme Advisory Board (for the LGPS). The aim of this was to control costs for employers and taxpayers via adjustments to benefits and/or employee contributions. The outcomes of the cost management process were expected to be implemented from 1 April 2019. However, this has now been put on hold due to the McCloud case discussed below and if, as expected, it is not implemented the wording in the draft FSS will fall away
- ii) **McCloud judgment** - These are age discrimination cases brought in respect of the firefighters and judges schemes, relating to protections provided when the public sector schemes were changed (which was on 1 April 2014 for the LGPS and 1 April 2015 for other public sector schemes). It is not known how these cases will affect the LGPS or the cost management process at this time and is almost certainly not going to be known by the time the valuation is signed off. The potential impact of McCloud/the cost management process will need to be quantified as reasonably as possible based on the information available. This is in line with the guidance from the Scheme Advisory Board. The potential impact of the McCloud judgment on contribution outcomes will be communicated to employers as part of the consultation on the FSS to ensure that they are aware of the budget risk and are able to make provisions accordingly.
- iii) **4 yearly valuation cycle and interim valuations/employer contribution reviews** – MHCLG have proposed to amend the local fund valuation cycle of the LGPS from the current three year (triennial) cycle to a four year (quadrennial) one with effect from 2024. It is proposed to phase this in by requiring a valuation in 2022, 2024 and 4 years thereafter. It is also proposed to introduce a power for LGPS funds to undertake interim valuations (in full or in part) and allow LGPS administering authorities to amend an employer's contribution rate in between valuations. The situations when this would be applied will therefore be incorporated into the FSS.

- iv) Deferred employers** - the introduction of a 'deferred employer' status that would allow funds to defer the triggering of an exit payment for certain employers who have a sufficiently strong covenant.
- v) Deemed employers** - This is an alternative route to the admitted body route for achieving pension protection. It relates to employers which have employees working for a third party but fall under the deemed employer for the purposes of the Regulations. An update to Fund policies will therefore be required.

Further updates on the progress of these Regulatory issues will be provided to the Board and Committee in due course.

- 3.1.3 Members are asked to note the updates and agree that officers with the Fund Actuary update the FSS for consultation with Employers admitted into the Islington Fund. The results of the consultation will be reported to Members at the March meeting so that an informed decision can be made to approve the final version of FSS for publication by end of March.

4. Implications

4.1 Financial implications

- 4.1.1 The cost of providing actuarial advice is part of fund management and administration fees charged to the pension fund.

4.2 Legal Implications

The Local Government Pension Scheme Regulations 2013 (as amended) ("the 2013 Regulations") and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 ("the 2014 Transitional Regulations") (collectively; "the Regulations") provide the statutory framework from which the Administering Authority is required to prepare a Funding Strategy Statement (FSS).

Prior to agreeing the statement, the Council must have proper regard to any comments received from the consultees.

4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

None applicable to this report. Environmental implications will be included in each report to the Pension Board Committee as necessary. The current agreed investment strategy statement for pensions outlines the policies and targets set to April 2022 to reduce the current and future carbon exposure by 50% and 75% respectively compared to when it was measured in 2016 and also invest 15% of the fund in green opportunities. The link to the full document is <https://www.islington.gov.uk/~media/sharepoint-lists/public-records/finance/financialmanagement/adviceandinformation/20192020/20190910londonboroughofislingtonpensionfundinvestmentstrategystatement.pdf>

4.4 Resident Impact Assessment

None applicable to this report. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

- 4.4.1** An equalities impact assessment has not been conducted because this report is an update on existing exercise and the consultation of employers will mitigate any inequality issues.

5. Conclusion and reasons for recommendation

- 5.1** Members asked to review and note the updates to prepare the draft FSS for employers' consultation.

Background papers:

None

Final report clearance:

Signed by: Corporate Director of Resources Date

Received by:

Head of Democratic Services Date

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Report of: Corporate Director of Resources

Meeting of:	Date	Agenda item	Ward(s)
Pensions Board	3 December 2019		n/a
Delete as appropriate	Non-exempt		

SUBJECT: PENSIONS BOARD 2019/20– FORWARD WORK PLAN

1. Synopsis

- 1.1 The Appendix to this report provides information for Members of the Board on agenda items for forthcoming meetings and training topics where required as per its work programme objectives.

2. Recommendations

- 2.1** To consider and note Appendix A attached
- 2.2** To amend the forward plan where there is change in priorities

3. Background

- 3.1 The Public Services Pensions Act 2013 requires the establishment of local pension boards for each Local Government Pension Fund. Each administering authority must establish a pensions board no later than 1 April 2015.
- 3.2 Local Government Pension Scheme (Amendment) Governance Regulations 2014 (the Governance Regulations) provide that Pensions Board will have responsibility for assisting the

'scheme manager' (the Pensions Sub Committee in Islington's case) in relation to the following matters:

To ensure compliance with:

- the Local Government Pension Scheme Regulation (LGPS),
- other legislation relating to the governance and administration of the LGPS, and
- the requirements imposed by the Pensions Regulator in relation to the LGPS to ensure the effective and efficient governance and administration of the scheme.

3.3 The Pensions Sub- committee is the decision making body of the Fund and the Pension board can only advise or make recommendations to the Pensions -Sub Committee
The Pension Board should therefore be mindful;

- Its work plan should take account of the Fund's own work programme and seek to add value
- Servicing the Pension board will consume Fund management resources and time
- Senior Fund officers servicing the pension Board may on some fund performance issues be personally compromised and conflicted
- Some work items required may need the use of specialist external consultancy resources rather than using the officers servicing the Fund.

3.1 Based on the LGPS and The Pension Regulator's guidance on the role of the pension boards, the focus should include the following:

- A)Its own training, knowledge and understanding
- b) Avoiding any conflicts of interest
- c) Ensuring its own statutory compliance
- d) Checking fund governance
- e) Reviewing fund risks and internal systems and controls
- f) Checking fund external advisors/service providers and their internal controls
- g) Reviewing fund member record keeping
- h) Checking fund contributions
- i) Reviewing fund administration
- j) Benchmarking fund performance and Value for Money (VFM)
- k) Fraud prevention
- l) Employer and member communications
- m) Complaints and dispute resolution
- n) Reporting regulatory breaches

3.2 The Pension Board must also consider its Annual Report and the review of Pension Fund's draft Annual Report and audited accounts and triennial actuarial review.

3.3 Members agreed a work programme at the March meeting and this will be reviewed annually for progress and amendment if required. The objectives are as follows:

- To ensure accurate record keeping, data quality and improvements
- To ensure Governance Compliance Statement sets out delegation, function and structure
- To ensure Fund has the appropriate policies in place to safeguard the Fund's assets through appropriate methods of risk management
- To ensure members have the necessary skills knowledge and understanding
- The General Data Protection Regulation (GDPR is upheld

- To ensure the effective and efficient governance and administration of the Scheme
- That the Pension board are able to make recommendations on Statutory and non-statutory policies and strategies
- Self-Assessment review of the effectiveness of the Board

3.4 Members need to consider their priorities for the next 12months and use that to formulate their agenda for forthcoming meetings. The draft plan attached as Appendix A is a guide for members to discuss and amend. It will be updated as necessary at each meeting, to reflect any changes in administration policy, new regulation and pension fund priorities after discussions with Members.

4. Implications

Financial implications

4.1 Any cost associated with the governance of the fund will be treated as administration cost and charged to the Fund.

Legal Implications

The Public Services Pensions Act 2013 requires the council to establish a local pension boards by 1 April 2015. The board must comply with the requirements of the relevant Legislation.

Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

None applicable to this report. Environmental implications will be included in each report to the Pension Board Committee as necessary. The current agreed investment strategy statement for pensions outlines the policies and targets set to April 2022 to reduce the current and future carbon exposure by 50% and 75% respectively compared to when it was measured in 2016 and also invest 15% of the fund in green opportunities. The link to the full document is <https://www.islington.gov.uk/~media/sharepoint-lists/public-records/finance/financialmanagement/adviceandinformation/20192020/20190910londonboroughofislingtonpensionfundinvestmentstrategystatement.pdf>

4.4 Resident Impact Assessment

None applicable to this report. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

4.4.1 An equalities impact assessment has not been conducted because this report is seeking opinions on a policy document and therefore no specific equality implications arising from this report

5 Conclusion and reasons for recommendation

5.1 To advise Members of forthcoming items of business to the Pension Board and training topics,

Background papers:

None

Final report clearance:

Signed by:

Corporate Director of Resources Date

Received by:

Head of Democratic Services Date

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APPENDIX A**Pensions Board Forward Plan for December 2019 to March 2020**

Date of meeting	Work programme objective	Reports
	To ensure the effective and efficient governance and administration of the Scheme	<p><u>Please note:</u> there will be a standing item to each meeting on:</p> <ul style="list-style-type: none"> • Admin Performance report • Forward work plan
3 December 2019		Draft funding strategy statement consultation- employers
24 March 2020		Annual cashflow projection 20/21 Pension admin budget-20/21
June 2020		Draft 19/20 Statement of Accounts
September 2020		Draft Pension Annual Statement.

Planned and Proposed Training on committee meeting dates

November 2018- pension sub cttee meeting	Training Actuarial Review update
September 2019 joint pension sub and board training	Funding strategy and actuarial valuation

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