

**Report of: Corporate Director of Resources**

<b>Meeting of:</b>	<b>Date</b>	<b>Agenda item</b>	<b>Ward(s)</b>
Pensions Board Committee	25 March 2019		n/a
<b>Delete as appropriate</b>	<b>Non-exempt</b>		

**SUBJECT: PENSIONS BOARD COMMITTEE 2019/20– FORWARD WORK PLAN AND WORK PROGRAMME**

**1. Synopsis**

1.1 The Appendices to this report provides information for Members of the Board on agenda items for forthcoming meetings and training topics where required and work programme. . .

**2. Recommendation**

2.1 To consider and note Appendix A attached  
To consider the objectives and draft business plan attached as Appendix B and amend where required.  
To agree the work programme will be reviewed annually.

**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 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 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
- 3.4. The draft work programme –Appendix B address some of the roles and responsibilities of the local board and how to fulfil these responsibilities. Members are asked to consider, amend and agree a plan that will be reviewed annually.

#### **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.

##### **4.2 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.

#### **4.3 Environmental Implications**

None applicable to this report. Environmental implications will be included in each report to the Pension Board Committee as necessary.

#### **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

## **5 Conclusion and reasons for recommendation**

- 5.1 To advise Members of forthcoming items of business to the Pension Board-Committee and training topics, agree a work programme that will be reviewed annually.

## 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-Committee Forward Plan for November 2018 to March 2020**

Date of meeting	Reports
	<p><u>Please note:</u> there will be a standing item to each meeting on:</p> <ul style="list-style-type: none"><li>• Admin Performance report</li><li>• Forward work plan</li></ul>
25 March 2019	Assess members training, skills and knowledge Consultation on Fair Deal Auto enrolment
17 June 2019	Draft Accounts
10 September	Annual pension report
7 October	AGM
3 December 2019	
3 March 2020	

### **Proposed Training committee meetings**

November 2018- pension sub cttee meeting	Training Actuarial Review update

## Appendix B- Draft Work Programme

Objective	Process and responsible persons	Progress
To ensure accurate record keeping, data quality and improvements	<ul style="list-style-type: none"> <li>• Undertake data quality assessment</li> <li>• Improvement plans</li> <li>• Reconciliation of data from other employers/payroll/HMRC</li> </ul> <p><b>Responsible person-DOF administering authority</b></p>	Had discussions with actuary to populate database benchmark that will identify areas that fall short
To ensure Governance Compliance Statement sets out delegation, function and structure	<p>To review the existing governance statement</p> <p><b>Responsible- DOF/pension board</b></p>	
To ensure Fund has the appropriate policies in place to safeguard the Fund's assets through appropriate methods of risk management.	<p>To prepare a risk register and regularly monitor the register</p> <p>To undertake UK mortality checks</p> <p><b>Responsible person- DOF</b></p>	Board agreed draft register in September 2018
The General Data Protection Regulation (GDPR) is upheld	<p>To ensure that appropriate arrangements are in place to comply with the GDPR from a data controller perspective</p> <p><b>Responsible person- DOF, pension board and pension cttee</b></p>	GDPR policy for pensions has been published
To ensure the effective and efficient governance and administration of the Scheme	<p>Pension administration KPI collected and monitored</p> <p>Contributions and overpayments are up to date</p> <p><b>Responsible person- DOF/local board</b></p>	Pension administration KPI are reported to the board every quarter
That the Pension board are able to make recommendations on Statutory and non-statutory policies and strategies	<p>To review the following fund documents:</p> <p>Investment Strategy Statement</p> <ul style="list-style-type: none"> <li>• Governance Policy and Compliance Statement</li> <li>• Annual Report and Statement of Accounts</li> <li>• Funding Strategy Statement</li> <li>• Administration Strategy</li> <li>• Statement of policy about exercise of discretionary functions</li> <li>• The Pension Communication Strategy</li> <li>• Actuarial Valuation Report</li> <li>• Reporting Breaches of the Law to the Pensions Regulator Policy</li> <li>• Risk Strategy</li> </ul>	<p>The documents are published on the Council website and board members have been sign posted to the link:</p> <p><a href="https://www.islington.gov.uk/jobs-and-careers/council-pension-scheme">https://www.islington.gov.uk/jobs-and-careers/council-pension-scheme</a></p> <p>The local board members reviewed the 17/18 pension annual accounts</p>

	<b>Responsible person- local board</b>	
Self Assessment- review of the effectiveness of the Board	<p>Local board should give feedback on</p> <ul style="list-style-type: none"> <li>• Board structure and culture</li> <li>• Management of meetings</li> <li>• Skills, Knowledge and Training</li> <li>• Risks and conflicts</li> <li>• The role of Advisors</li> <li>• Documents and Policies</li> </ul> <p><b>Responsible person- DOF/local board</b></p>	