



**Report of: Interim Section 151 Officer**

Meeting of:	Date	Agenda item	Ward(s)
Pensions Board	24 March 2020		n/a

<b>Delete as appropriate</b>	Exempt	
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**Appendix B attached** is exempt and not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **SUBJECT: PENSIONS BOARD 2020/21– FORWARD WORK PLAN**

### **1. Synopsis**

- 1.1 The Appendix A 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.
- 1.2 Appendix B (private and confidential) is a check list of issues that need to be considered on the possible impact of COVID-19 virus so mitigating actions can be planned for.

### **2. Recommendation**

- 2.1 To consider and note Appendix A attached
- 2.2 To amend the forward plan where there is change in priorities
- 2.3 To consider the check list and consider any action plans that may be required .

### **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 12 months 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.

3.4.1 The COVID -19 virus has already had impact on people, lifestyles, business and financial matters. The impact on Funds will vary, and to different extents. The checklist attached as Appendix B (private and confidential) has been prepared by Mercer (Fund actuary) to enable members to consider issues and begin to plan mitigating actions if required. The checklist will be a living document so it can continually be considered as situations evolve.

## **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 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 and to consider the COVID- 19 virus checklist attached as (Appendix B –private and confidential) to plan mitigating actions if required.

### **Background papers:**

None

Final report clearance:

### **Signed by:**

Interim Section 151 Officer

Date

### **Received by:**

Head of Democratic Services

Date

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**APPENDIX A****Pensions Board Forward Plan for March 2020 to March 2021**

Date of meeting	Work programme objective	Reports
	To ensure the effective and efficient governance and administration of the Scheme	<u>Please note:</u> there will be a standing item to each meeting on: <ul style="list-style-type: none"><li>• Admin Performance report</li><li>• Forward work plan</li></ul>
24 March 2020		Pension Admin Budget and cashflow projection 20/21 Draft FSS with consultation results
22 June 2020		Draft 19/20 Statement of Accounts Governance Review
15 September 2020		Draft Pension Annual Statement.
12 October 2020	AGM	
8 <sup>th</sup> December 2020		
24 March 2021		

## 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