



Report of: Corporate Director of Resources

Meeting of: Pension Board

Date: 6th March 2023

Ward(s): n/a

Pension Board 2023/24 Forward Work Programme

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.

2. Recommendations

- 2.1 To consider and note Appendix A attached and amend the forward programme where there is change in priorities.
- 2.2 To note current news and consultations on the Scheme Advisory Board website

3. Background

- 3.1 The Public Services Pensions Act 2013 required the establishment of local pension boards for each Local Government Pension Fund.
- 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.

3.4 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

3.5 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.

3.6 **News From the Scheme Advisory Board**

- (i) 30th January- DLUHC has today launched an 8-week consultation on changes to the Scheme Advisory Board's cost management process – the process that operates separately from but alongside the quadrennial scheme-level cost management process, which is based upon HM Treasury legislation and directions. The consultation follows the report from the Government Actuary's Department into changes to the HM Treasury cost management process, and the resulting policy and legislative changes set out in HM Treasury's response to that report. It acknowledges the differences between these two processes but proposes measures

suggested by SAB in its consultation response to better integrate the SAB process within the statutory HMT mechanism. The consultation closes on 24th March 2023 and [can be found here.](#)

- (ii) 26th January- The Secretariat is currently in the process of planning for the Board's 2022 Scheme Valuation Report. The report is aggregated using data from individual fund valuation reports. It would be a great help if funds could send their valuation reports to the SAB's Data Analyst, Gareth Brown (gareth.brown@local.gov.uk) as soon as they have a final version.
- (iii) **DLUHC Annual Revaluation date change in LGPS Consultation -10th Feb to 24 Feb**

This consultation seeks views on changing the Local Government Pension Scheme for England and Wales (LGPS) annual revaluation date from 1 April to 6 April. This is to mitigate against the impact of high inflation on LGPS revaluation this year and consequent tax liabilities arising as a result. These tax liabilities would arise because the timing of LGPS revaluation on 1 April is not aligned with HMRC's process for assessing the annual allowance tax charge. The proposed change would bring it into alignment. The Government is seeking views on draft regulations to affect this change. Thank you in advance for your assistance. [respond online.](#)

- 3.7 Members need to consider their priorities for the next 12 months and use that to formulate their agenda for forthcoming meetings. The draft programme and timetable 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.

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/information/adviceandinformation/20212022/20211123islingtonpensionfundinvestmentstrategystatementdec20.pdf.

4.4 **Equalities 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 and note some current news from the SAB website.

Appendices: Appendix A- Work programme for 2023/24

Background papers:

None:

Final report clearance:

Authorised by Corporate Director of Resources

Date : 23 February 2023

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Finance implication author: Joana Marfoh

Legal implications author: n/a

APPENDIX A

Pensions Board Forward Plan for March 2023 to June 2024

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 programme
6 th March 2023		Final FSS with consultation results Risk register review 3 yr Budget and Annual Cash Flow
3 July 2023		Draft Financial Statements
18 th Sept 2023		Risk register review
21 st Nov 2023		Draft Annual Report
		Annual Pension Meeting
11 th March 2024		3 yr Budget and Annual Cash Flow Risk Register Review
25 th June 2024		Draft financial statement

Planned and Previous 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
February 2021- joint pension sub and board training	Net zero carbon transition training
September 2022- joint pension sub and board training	Actuarial Valuation training
On going self training	The Pension Regulator Toolkit