

## Local Pension Board

Wednesday 24 January 2024  
10.00 am  
Meeting Room 224, 160 Tooley Street

### Membership

Mike Ellsmore (Independent Chair)

Dominic Cain (Vice Chair) – Employer Representative

Vacant – Employer Representative

Mike Antoniou – Schools Employer Representative

Diana Lupulesc – Employee Representative

Stuart Mumford – Employee Representative

Tony O'Brien – Retired Employee Representative

# Local Pension Board

Wednesday 24 January 2024  
10.00 am  
Meeting Room 224, 160 Tooley Street

## Order of Business

**Item No.**

**Title**

### **PART A – OPEN BUSINESS**

- 1. TRAINING SESSION – CONFLICTS OF INTEREST**
- 2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**
- 3. NOTIFICATION OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING**
- 4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

Members of the board to declare any interests and dispensation in respect of any item of business to be considered at this meeting.

- 5. MINUTES**

To agree as a correct record, the open minutes of the meeting held on 11 October 2023.

- 6. ACTION TRACKER**
- 7. PENSIONS SERVICES**
- 8. BREACHES LOG**
- 9. TPR ANNUAL SURVEY**

**Item No.**

**Title**

**Page No.**

**10. UPDATE ON CURRENT LGPS ISSUES**

**11. INVESTMENT UPDATE**

**12. FORWARD PLAN: 2024-25**

**13. TRAINING PLAN: 2024-25**

**14. ANY OTHER OPEN BUSINESS**

**PART B – CLOSED BUSINESS**

**EXCLUSION OF PRESS AND PUBLIC**

The following motion should be moved, seconded and approved if the sub-committee wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure rules of the Constitution.”

**ANY OTHER CLOSED BUSINESS**

Date: 18 December 2024

## Local Pension Board

MINUTES of the Local Pension Board meeting held on Wednesday 11 October 2023 at 10.00am in Meeting Room 224, 160 Tooley Street.

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- PRESENT:** Mike Ellsmore (ME) – Independent Chair  
Dominic Cain (DC) – Vice Chair, Employer Representative  
Mike Antoniou (MA) – Schools Employer Representative  
Allan Wells (AW) – Employer Representative  
Diana Lupulesc (DL) – Employee Representative
- OTHERS PRESENT:** Clive Palfreyman (CP) – Strategic Director of Finance  
Caroline Watson (CW) - Senior Finance Manager  
Barry Berkengoff (BB) – Pensions Manager  
Jack Emery (JE) – Divisional Accountant  
Louise Charman (LC) – Pensions Payroll Manager  
Josef Gorecki (JG) – Graduate Finance Trainee, Corporate Finance  
Steven Parker (SP) – Head of HR Operations (in attendance for item 1)

### 1. SOUTHWARK COUNCIL – SCHEME EMPLOYER ISSUES

Item delivered by SP. This report contained two key themes: contribution collection and ill-health retirements.

On the topic of under- and over-collection of pension contributions from employee salaries, MA asked if the system could automatically put through a fix at financial year-end to correct any incorrect collections throughout the year. SP explained that there are a number of 'fixes' outlined by LGPS guidance but all will still result in some incorrect collection. He went on to explain that due to the number of employees on the LBS payroll, there is unlikely to be a single fix that would rectify this situation for all employees.

MA noted that the Teachers Pension Scheme has previously had similar issues and suggested that this was a potential area where lessons could be learned,

noting that he would feedback on any solutions from the academies he works with.

On the topic of ill-health retirees, AW asked if a figure was known for the number of ill-health retirees in the Council. SP agreed to share this figure following the meeting. AW went on to ask if there are any performance criteria in place for responding to ill-health cases. SP noted the initial referral deadline is 10 days, but the total process for ill-health retirement (past the initial referral) often takes far longer than this due to the individualised circumstances seen in all cases.

ME thanked SP for his attendance at the Board and for providing further context to matters previously discussed by the Board.

## **2. TRAINING SESSION – COST TRANSPARENCY INITIATIVE (CTI)**

Item delivered by CW. A brief introduction was provided by ME, who reminded the Board of the Scheme Advisory Board's approval of CTI use.

ME queried if the current Statement of Accounts for the LBS Pension Fund (LBSPF) reflects the full cost of investment. CW responded that the Statements reflect all available information but there are ongoing issues due to the deadline of data input from fund managers being later than the deadline for completion of the Statement of Accounts.

The training notes a 'small pension fund' group and ME asked for further explanation on what this covers. CW explained this is LGPS funds and they have been grouped with the intention of improving comparability of data. DC questioned if the platform allowed for reduction in transaction costs that is expected as an impact from the pooling of funds. CW went on to say that CTIs are completed at a fund level and are unlikely to explicitly outline the savings allocated to pooling of funds. The platform is being reprocured and the Scheme Advisory Board are asking about the needs of clients to improve the service. Inclusion of pooling-related savings could be a likely improvement given the recent Mansion House speech involving increased pooling requirements of LGPS funds.

ME and CW both noted to the Board that the system for CTIs is still developing and not all data sourced via the templates is accurate. CW commented that as the system becomes more reliable, officers are looking to report on CTI information to the Board on a regular basis.

## **3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies were received from Stuart Mumford (Employee Representative) and Tony O'Brien (Retired Employee Representative).

#### **4. NOTIFICATION OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING**

No business was conducted in a closed meeting.

#### **5. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

There was a disclosure of interest made for all London Borough of Southwark employees present for Item 1.

ME noted his own interest in Item 14 and confirmed he would leave the meeting prior to this item. DC chaired the remainder of the meeting.

#### **6. MINUTES**

The minutes of the meeting previously held on Monday 10 July 2023 were agreed upon and approved.

#### **7. ACTION TRACKER**

ME noted that the points covered in the Action Tracker report would be picked up by BB in Item 8.

#### **8. PENSIONS SERVICES**

Item delivered by BB.

An initial update was provided on recruitment within the team. A Senior Pension Officer has been appointed and due to join in November 2023. A Data Systems Manager role has been appointed internally. Senior Data Officer and Data Officer interviews have been completed but not yet appointed. BB confirmed the team's first Apprentice role has been filled. This role will consist of four six-month rotations, alongside studying for relevant professional qualifications.

An update was provided regarding the IT system, with end-to-end testing of the UPM system ongoing. BB suggested that hiring additional capacity would aid the team in completing more value-adding projects within Data Services but BAU work continued as normal. BB has also engaged with Aon to complete a cyber-security assessment of the IT system and he hopes to be able to bring a findings report to the January 2024 meeting of the Local Pension Board.

The majority of Annual Benefits Statements were issued to members in August 2023, but there were some delays due to additional data checks. Due to some

outstanding information from employers, a number of statements are yet to be delivered, with a provisional completion for full issue of November 2023. BB went on to confirm Annual Allowance Statements were delivered by the statutory deadline. However, Southwark Council made a self-report to the Pension Regulator as the non-issued Annual Benefit Statements are now past the statutory deadline.

BB confirmed the team would be able to circulate data regarding statutory KPIs to Board members in November 2023. This will cover performance seen in August, September and October 2023. He went on to assure the Board that there were still no breaches of any statutory KPIs.

DC queried if communications had been circulated to any members with outstanding Annual Benefit Statements. BB stated he had asked for communication to be sent out but would confirm with members of the team if this had been actioned. AW queried the reason behind delays to Council members' statements. BB explained it was mainly due to additional data checks, particularly for members who purchased AVCs, APCs or JNC. He assured the Board this would be part of the Action Plan for addressing UPM system issues and did not foresee it being an issue again next year.

A discussion was had by members of the Board around how best to convey to employers the importance of sharing data on time, to avoid some of these statement delays in future. BB explained they engage with schools and unions but the basis of the issue sits with employer outsourced Payroll Providers. As the Council is not party to the contract between the employer and the provider, there is little which can be done by the Council to hold the provider accountable for data quality and timeliness.

## **9. RISK REGISTER**

Item delivered by CW and BB, each covering their respective areas. CW outlined that a new column has been added to the register to highlight any changes to the register.

ME noted that there is no mention on the register of Pension Services' failure to report to the Board on statutory KPIs. BB responded that this is not a legal breach but CP added that it should be included in the register if the Chair of the Board feels it is important.

DC noted the inclusion of delayed Annual Benefit Statements in the register and that the likelihood risk appears to be too low, due to these statements being delayed two years in a row.

## **10. PENSION FUND TRAINING POLICY**

Item delivered by CW. CW confirmed to the Board that this policy is fund-wide, covering Local Pension Board, the Pension Advisory Panel and fund officers,

and that it was completed in line with updates that are likely to be required under the potential LGPS pooling initiatives. CW recommended that a Training Needs Analysis should be completed for the Board, as the last was undertaken in 2019.

AW noted that the requirement for four hours of training annually for members is particularly low, especially where a member is new to the Board. He went on to emphasise the importance of relevance of training especially where there are longer timeframes between the training and the next Board meeting. CW agreed that more frequent training may be suitable but increasing the minimum training requirement may act as a deterrent to new Board members. ME noted that there are external organisations who can be engaged for online training which can be completed by members at home, which may be more suitable for new members.

ME went on to encourage Board members to take part in the Scheme Advisory Board's Governance Conference to support training for the Board.

#### **11. UPDATE ON CURRENT LGPS ISSUES**

Item delivered by JG. JG delivered the key points of the paper and there was no discussion on the detail included.

#### **12. PENSIONS ADVISORY PANEL MEETING PAPERS – OPEN PAPERS**

Item delivered by CW. There was no discussion on the detail of the report.

#### **13. LOCAL PENSION BOARD ANNUAL REPORT**

Item delivered by ME. ME noted the need to add an update on the Equality, Diversity and Inclusion policy to the Chair of the Local Pension Board section of the Annual Report, once the policy was agreed.

#### **14. OPTION TO RE-APPOINT LOCAL PENSION BOARD CHAIR**

Item delivered by DC. The Board moved and unanimously agreed to re-appoint ME as the Chair of the Local Pension Board.

#### **15. ANY OTHER OPEN BUSINESS**

Prior to leaving ahead of Item 14, ME thanked AW for his service to the Board ahead of his upcoming retirement.

#### **16. DATE OF NEXT MEETING**



This meeting ended at 11:40am.

**Item 6**  
**Local Pension Board - Action Tracker**

Date of Meeting	Action Ref	Action	Due Date	Response	Status
07 April 2021	18	Revised Administration Strategy to be tabled at a future LPB meeting	April 2024	Following the procurement of new UPM admin and payroll software, Barry Berkengoff will be updating the existing Administration Strategy. This needs to link with the fund's proposed Data Management Policy; thoughts from the Strategic Director, Finance around areas such as fining employers; and employer responsibility ownership work which has begun with the Council. The new KPIs within the Administration Strategy will take into account advice from our benefit advisors to ensure they meet pension fund and member needs. Once completed, this will be tabled at PAP, then at a future LPB meeting, before going to all Southwark employers for consultation.	Progressing
10 July 2023	19	Reporting of key administration KPIs to the Board	January 2024	Due to ongoing remediation work following the implementation of new software, detailed KPI reporting was expected to commence from Q4 2023-24, and metrics were provide on 9 January 2024. Please note:- SAB is now looking to replace CIPFA metrics with a new set of metrics.	Progressing

<b>Item No.</b> 7	<b>Classification:</b> Open	<b>Date:</b> 24 January 2024	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Pension Services – admin/ops update	
<b>Ward(s) or groups affected:</b>		None	
<b>From:</b>		Pensions Manager, Finance	

## RECOMMENDATION

1. The Local Pension Board (the Board) is asked to note this update on the pensions administration function.

## BACKGROUND INFORMATION

2. The Board received an update in October 2023 setting out specific information on recruitment, IT/systems, National Dashboard Programme, communication initiatives and complaint management.

## RECRUITMENT

3. Pensions Officer interviews took place in late October 2023 where an internal candidate already working within Corporate Risk and Insurance was successful.
4. An experienced Senior Pensions Officer (with a Mercers TPA background) has now joined the pensions admin team; start date was 7 November 2023.
5. Following interviews in November 2023 an existing Pensions Officer was appointed to Senior Pensions Officer. In line with our career progression policy, this was managed as an internal recruitment campaign where a number of other Southwark candidates applied. One Pensions Officer role remains vacant.
6. A new Senior Data and Data Officer both started in late November 2023. Both Officers have a SQL reporting (Structured Query Language) and IT background.
7. Since the last Board update, a formal review of the Data/Systems team function has been undertaken, relevant to current pension fund IT/software needs and work volumes. As a result, two distinct teams are being formed to manage all pension fund data/interface and IT/technology support needs<sup>1</sup>.
8. A wider LGPS apprenticeship feasibility plan has been drafted and is with the Strategic Director, Finance for further consideration. This would provide an additional LGPS resource stream across Southwark and other London Boroughs, with possible funding coming from the Local Government Association.

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<sup>1</sup> See Appendix 1 for detailed team breakdown.

## IT/SYSTEMS

9. Ongoing 'end to end testing' and data analysis continues on IT/admin software to ensure all data fields were captured following the original data migration.
10. Southwark's Senior Management Pensions Team met with Civica's MD and new Client Manager back in November 2023. An open and honest discussion took place about Southwark's day-to-day user experience of UPM. We believe this will pave the way forward to conclude any remaining data migration issues.
11. To re-iterate, ongoing remediation work does not affect BAU/transactional work (processing retirements, death benefits etc.) within the admin team. It does however mean additional quality assurance checks remain in place at this time.
12. We still await the results of a Cyber Risk assessment against new pension fund software. An independent review is being undertaken through Aon and the initial results will be communicated to the Board as soon as available.

## NATIONAL DASHBOARD PROGRAMME

13. It has been confirmed that the proposed staging date for public service pension schemes will now be around 30 September 2025.
14. Civica is developing a dashboard ecosystem as part of the legal requirement for all administering authorities to adhere to the new Pensions Dashboards Regulations 2022.

## PROGRESS TO JANUARY 2024

Since the last Board update, further progress has been made in the following areas.

## COMMUNICATION INITIATIVES

15. Annual Benefit Statements (**ABS**) are being issued to active members at the end of January 2024. A 2024 ABS Action Plan is in place and will be communicated to all pension fund employers and payroll providers, and followed up with Employer Hub training.
16. Weekly training (in various formats) continues to be provided to Southwark pension fund staff. The training service has also been extended to the LB of Haringey, Berkshire Council, and more recently the LB of Harrow. Discussions are currently taking place with North Yorkshire Council.
17. The pension fund will now consider making LGPS training part of a chargeable service going forward as it attracts other interested local authorities.

## COMPLAINT MANAGEMENT

- Pensions Ombudsman single complaint - ill-health tiering award appeal against a former school employer. All ill-health tiering awards are recommended by Occupational Health following medical assessment, but the employer makes the final decision. **Matter still with Ombudsman pending a formal decision.**

- Pensions Ombudsman single complaint - a cohabiting partners' pension claim and a claim for the death grant was made against the pension fund where the applicant alleged that both he and the deceased were financially dependent on one another and living together as husband and wife, however there was no evidence of that. **Matter with Ombudsman pending a formal decision.**
- Pensions Ombudsman single complaint - a protracted employer complaint from a former member of Council staff about pension benefits detailed in a Settlement Agreement. **Southwark has submitted its formal response.**
- IDRP stage 1 - approximately 10 formal complaints with the Council concerning claimed incorrect employee pension deductions made from the Council's payroll system. All complaints are with Council HR as the stage 1 adjudicator. The pension fund is monitoring and is aware of Union involvement in some cases. **This forms part of a wider piece of work and has oversight from the Director of People and Organisational Development. The Council has indicated it will make refund payments for 2022/23 in February 2024 pay.**

## **ADMIN PERFORMANCE MONITORING**

Metrics will be system reinstated once all data migration issues are resolved. For now, all transactional work is recorded outside of the admin system.

Performance metrics covering the period October, November and December 2023 are detailed in Appendix 2.

All financially sensitive transactions around payroll cut off dates (retirements, death benefits) have always been processed on time.

Going forward, metrics will be extended to cover other key areas of the wider service including Payroll and First Contact.

## **FUTURE WORK PLANNING**

18. Due to existing resourcing levels across Pension Services, a work plan and their implementation timeframes are still to be signed off by the Pensions Manager.

## **CONCLUSIONS**

19. Recruitment and retention of key staff with the necessary skills is critical to the achievement of all future plans, as is succession planning.
20. There will continue to be some reliance on specialist external support. However, with internal training now firmly established and taking place each week, 95% of all BAU and project work is managed in-house by Pension Services.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy framework implications**

21. There are no immediate implications arising from this report.

**Community, equalities (including socio-economic) and health impacts  
Community impact statement**

22. There are no immediate implications arising from this report.

**Equalities (including socio-economic) impact statement**

23. There are no immediate implications arising from this report.

**Health impact statement**

24. There are no immediate implications arising from this report.

**Climate change implications**

25. There are no immediate implications arising from this report.

**Resource implications**

26. There are no immediate implications arising from this report.

**Legal implications**

27. There are no immediate implications arising from this report.

**Financial implications**

28. There are no immediate implications arising from this report.

**Consultation**

29. There are no immediate implications arising from this report.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

**Director of Law and Governance**

30. Not applicable.

**Strategic Director, Finance**

31. Not applicable.

**Other officers**

32. Not applicable.

## APPENDIX 1

### Team A – Data Management and Interfacing

- responsible for all Employer Hub work, i.e. all inbound data/interfaces from around 90 employers, including principal employer (Southwark Council) and external pension fund employers such as maintained schools who sign up to a number of different HR and payroll service providers;
- all outbound data interfaces including NI Database, DWP ‘Tell Us Once’ database, LPFA and NHS annual data returns;
- annual scheme return to Pensions Regulator capturing common data and scheme-specific data scores;
- all data cleansing initiatives as identified from data migration, valuation process, Fraud Hub (NFI) data matching service, and any pre-agreed data improvement exercises; and
- responsible for data management best practice in accordance with the fund’s Data Management Policy, TPR guidelines, including regular IT housekeeping and reporting in line with agreed Audit/Internal Audit recommendations.

### Team B – IT/System pension fund support

- supports Pension Services operations and staff;
- provides admin support on UPM processes and calculations;
- manages Civica Service Desk enquiries and third party relationship;
- responsible for all UAT/testing, cyber security, software updates and annual LGPS factor updates through LGA or GAD;
- provides UPM online Portal support to members and general systems support to employers/outsourced payroll providers and other stakeholders such as HR;
- provides IT support to all pension fund staff; and
- manages all UPM (SQL) reporting requirements (specification, building and testing) to the wider pension fund team (i.e. Pensions Finance colleagues).

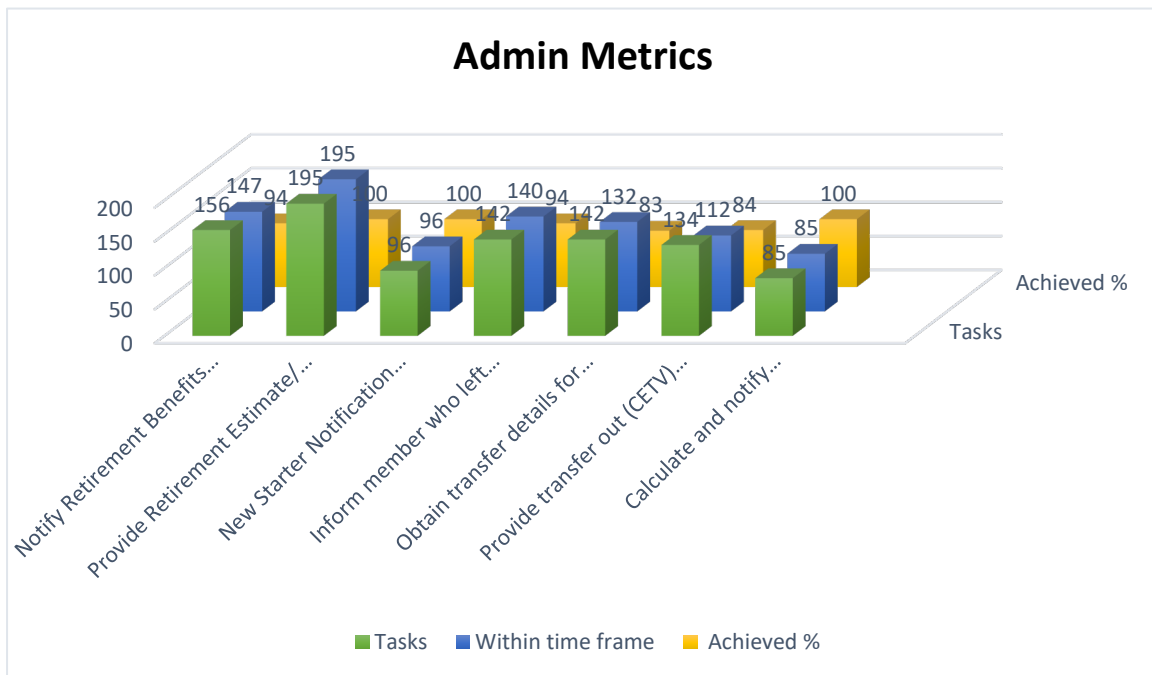
## AUDIT TRAIL

<b>Lead Officer</b>	Clive Palfreyman, Strategic Director, Finance	
<b>Report Author</b>	Barry Berkengoff, Pensions Manager, Finance	
<b>Version</b>	final	
<b>Dated</b>	16 January 2024	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance	No	N/a
Strategic Director of Finance and Governance	No	N/a
List other officers here		
<b>Cabinet Member</b>	No	N/a
<b>Date final report sent to Constitutional Team / Scrutiny Team</b>		

## APPENDIX 2

### Admin Metrics – October/November/December 2023

	Total Tasks	Within Time Frame	Achieved %
Notify Retirement Benefits (Within One Month of Retirement)	156	147	94%
Provide Retirement Estimate/ Quote on request	195	195	100%
New Starter Notification joining the LGPS	96	96	100 %
Inform member who left scheme of leaver rights and options	142	140	94%
Obtain transfer details for transfer in, calculate and provide quote	142	132	92%
Provide transfer out (CETV) request (Three months from date of request)	134	112	84%
Calculate and notify dependants about death benefits	85	85	100 %





<b>Item No.</b> 8	<b>Classification:</b> Open	<b>Date:</b> 24 January 2024	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Southwark Pension Fund – Breaches Log	
<b>Ward(s) or groups affected:</b>		None	
<b>From:</b>		Pensions Manager	

## RECOMMENDATION

1. The Local Pension Board (the **Board**) is asked to note this update on breaches during 2023-24.

## BACKGROUND INFORMATION

2. The pension fund records all legal and data breaches and these are reported to the Board every six months.
3. Additionally, all data breaches are reported to the Corporate Information Governance Manager, and the pension fund prepares a report to the Corporate Governance Panel (**CGP**) twice a year covering all pension fund breaches.
4. Breaches that are reported to the Pensions Regulator (the **Regulator**) are also reported to the Board as well as the CGP.

## UPDATE AT JANUARY 2024

Attached as an Appendix is the 2023-24 breaches log, which contains all carried forward items and recent breaches, including details of actions taken.

All material breaches are reported to the Regulator along with details of why the event occurred and a proposal to remedy matters within a specified timeframe. The pension fund will be guided by the Regulator if it wishes to investigate matters further.

Whilst the pension fund aims to minimise breaches some remain outside of its control; namely employer/payroll matters that have an impact on the pension fund.

The pension fund takes breaches seriously as part of its regulatory responsibilities in promoting good governance and working in partnership with the Regulator whose primary role is to help safeguard pension benefits.

## KEY ISSUES FOR CONSIDERATION

5. N/a

## Policy framework implications

6. There are no immediate implications arising from this report.

**Community, equalities (including socio-economic) and health impacts  
Community impact statement**

7. There are no immediate implications arising from this report.

**Equalities (including socio-economic) impact statement**

8. There are no immediate implications arising from this report.

**Health impact statement**

9. There are no immediate implications arising from this report.

**Climate change implications**

10. There are no immediate implications arising from this report.

**Resource implications**

11. There are no immediate implications arising from this report.

**Legal implications**

12. There are no immediate implications arising from this report.

**Financial implications**

13. There are no immediate implications arising from this report.

**Consultation**

14. There are no immediate implications arising from this report.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

**Director of Law and Governance**

15. Not applicable.

**Strategic Director - Finance**

16. Not applicable.

**Other officers**

17. Not applicable.

## APPENDICES

No.	Title
Appendix	Updated Breaches Log 2023-24

## AUDIT TRAIL

<b>Lead Officer</b>	Clive Palfreyman, Strategic Director of Finance	
<b>Report Author</b>	Barry Berkengoff, Pensions Manager	
<b>Version</b>	Final	
<b>Dated</b>	16 January 2024	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance	No	N/a
Strategic Director of Finance	No	N/a
List other officers here		
<b>Cabinet Member</b>	No	N/a
<b>Date final report sent to Constitutional Team / Scrutiny Team</b>		

## Breaches Log 2023-24

Date of Breach	Description of Breach	Report to tPR?
01/12/2020 c/forward	<p>Haberdashers Aske is a new free school started within Southwark <a href="https://www.habsborough.org.uk">https://www.habsborough.org.uk</a> School contacted us but are still taking no action in providing member details so staff can be enrolled into the LGPS.</p> <p><b>ACTIONS: Awaiting further contact from the school.</b></p>	<b>No</b>
01/12/2020 c/forward	<p>Movement of non-paid refund monies (over five years) from pension fund account to new bank account not occurring.</p> <p><b>ACTIONS: Waiting for regulatory clarity.</b></p>	<b>No</b>
01/12/2020 c/forward	<p>Injury Allowance (IA) has no current valid policy in place, a member being paid IA had reached age of 65 in February 2021.</p> <p><b>ACTIONS: HR are currently working on a revised IA policy.</b></p>	<b>No</b>
01/12/2020 c/forward	<p>Notification of employee LGPS contribution bandings (changes) - no notifications are being sent by Southwark in its employer function.</p> <p><b>ACTIONS: Southwark has put a plan together to resolve.</b></p>	<b>No</b>
01/12/2020 c/forward	<p>Discretionary and IDRPs policies are not held for all external employers.</p> <p><b>ACTIONS: All external employers have been written to and asked to submit their discretionary policies and the names of their appointed person(s) for appeals.</b></p>	<b>No</b>
01/04/2021 c/forward	<p>Newlands Academy outsourced catering staff via TUPE to Aspens in April 2021 without informing the Fund and before an Admission Agreement was in place. The Fund could not confirm the status of the members of staff who had been affected, including one who had joined the day before the TUPE.</p> <p><b>ACTIONS: Contribution Rate agreed, but Admission Agreement is still outstanding. Regulator responded saying they would not interfere as it may delay matters further and be detrimental to the process.</b></p>	<b>Yes</b>

**Breaches Log 2023-24**

Date of Breach	Description of Breach	Report to tPR?
01/12/2022 c/forward	<p>Employee contributions bandings claimed as being incorrect on SAP Payroll system with some employees having had higher pension contributions deducted from pay.</p> <p><b>ACTIONS: Reported to the Regulator and advised that Council HR are resolving with their SAP Consultant, Zalaris. No further action required at this stage.</b></p>	<b>Yes</b>
11/05/2023	<p>A data breach where a list of deceased members were sent to another Southwark department.</p> <p><b>ACTIONS: Referred to Information Governance Team who confirmed that technically it was not a personal data breach, as data protection does not apply once someone passes away, therefore logged as an "incident" only.</b></p>	<b>No</b>
11/05/2023	<p>10 stage 1 IDRPs appeals for the main Southwark employer have passed the three-month period they should be actioned in.</p> <p><b>ACTIONS: Technically, the employer should be reported to Secretary of State. However this action was rejected by former Strategic Director of Finance &amp; Governance.</b></p>	<b>No</b>
24/08/2023	<p>Auto Enrolment (AE) – tPR contacted Southwark Council (as employer) to raise concerns that there may be an operational risk with the AE process.</p> <p><b>ACTIONS: Council (with pension fund support) is working with the Regulator to identify any potential risks around the AE process.</b></p>	<b>No</b>
01/09/2023	<p>ABS – data upload delays and data quality issues have delayed the issue of the 2023 ABS. The ABS will be issued by the end of January 2024.</p> <p><b>ACTIONS: Reported to the Regulator who has taken no further action. An employer action plan will be in place for ABS 2024.</b></p>	<b>Yes</b>

**Breaches Log 2023-24**

<b>Date of Breach</b>	<b>Description of Breach</b>	<b>Report to tPR?</b>
Throughout 2023/24	Cintra, a payroll provider for two Southwark schools has stopped paying pension fund contributions for Teachers' and LGPS pensions.  <b>ACTIONS: Employer reported to the Regulator on 28 December 2023. Currently awaiting a response from tPR.</b>	<b>Yes</b>

<b>Item No.</b> 9	<b>Classification:</b> Open	<b>Date:</b> 24 January 2024	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		The Pensions Regulator Annual Survey	
<b>From:</b>		Senior Finance Manager – Treasury and Pensions	

## Recommendations

1. The Local Pension Board (LPB) is asked to note the findings of the Pensions Regulator's (TPR) report on governance and administration practices in public service pension schemes (PSPSs), as set out in this report.

## Background

2. The Pensions Regulator (TPR) published its 2022-23 report on governance and administration practices among PSPSs in November 2023.
3. This follows a survey of all PSPSs between January and March 2023. This report sets out details of the findings and considers their relevance and application to the Southwark Pension Fund. It should be noted that the decision was made not to complete the survey, and we are therefore unable to benchmark the findings against our response.
4. Since its remit was extended to PSPSs in 2015, TPR has issued a survey to them every year from 2016 onwards. Key points relating to the Local Government Pension Scheme (LGPS) include:
  - The top risk for LGPS funds is cyber risk (51%);
  - 60% of LGPS funds indicate that recruitment, training and retention of staff knowledge is a barrier to improving governance and administration. This is the second highest governance and administration risk for LGPS funds (49%).

## Trends Identified by the Survey Results

### Cyber Risk

5. Cyber risk is recognised as a significant risk for pension schemes and it is therefore not surprising that it was identified as the top governance and administration risk for 51% of LGPS funds.
6. Cyber risk has also been identified as a key risk for the Southwark Fund. Aon are undertaking a cyber-assessment which covers the UPM system. Their

report will benchmark Southwark against other LGPS employers that Aon have also done the cyber assessment for. Details will be shared with the Board once this has been completed.

### **Recruitment and Retention**

7. Sixty per cent of LGPS funds indicated that recruitment, training and retention of staff knowledge is a barrier to improving governance and administration over the next twelve months.
8. This is a widespread issue and has been a key issue for the Southwark fund. Officers are working to put initiatives in place to improve the ability to recruit staff with the required levels of knowledge and skills, and to ensure development and progression opportunities are in place that encourage staff retention.

### **Scheme Employers**

9. The results of the survey demonstrate the challenges of the LGPS's multi-employer structure, with only eight per cent of funds having monthly data submitted by all employers on time and accurately. Thirty six per cent of funds suggested employer compliance is a barrier to improving governance and administration over the next twelve months.

### **Scheme Members**

10. Seventy two per cent of LGPS funds have increased investment in administration technology/automation over the last two years.

### **Key Findings**

11. Each year TPR aims to obtain an assessment of performance, understand barriers to improvements, and understand the risks facing PSPSs. The findings on key areas are set out below:
  - i. Key Processes: three quarters of schemes had in place all six of the key processes that TPR monitors as indicators to PSPS performance. These cover breaches, contributions, knowledge and understanding, assessing/managing risk and completeness of data. Eighty one per cent of LGPS funds have all six in place.
  - ii. Scheme Governance: seventy nine percent of LGPS funds held four or more pension board meetings in the previous year.



- iii. **Managing Risk:** there was evidence of improved risk management, although remediation remains a key challenge. Thirty six percent of LGPS funds identified McCloud as the top risk. The next most widely identified risks were staff recruitment/retention; cyber risk; record keeping; and securing compliance with changes in scheme regulations.
- iv. **Administration and Record Keeping:** administration tended to be included on the agenda at pension board meetings. Ninety four per cent of schemes had an administration strategy and sixty seven per cent had a formal data management plan. Two thirds of all employers submitted their data electronically. Eighty eight per cent of funds indicated that increased budgets for managing and improving data in the last two years were to deliver improved services to members.
- v. **Annual Benefit Statements:** ninety seven per cent of active members received their annual benefit statement by the statutory deadline in 2022. Only a small proportion of those who missed the deadline for any active members reported it to TPR.
- vi. **Reporting Breaches:** ninety seven per cent of schemes documented breaches of the law but only four percent had reported any breaches to TPR. The late or non-payment of contributions by employers was the most common cause of breaches.
- vii. **Addressing Governance and Administration Issues:** schemes were asked to identify their top three barriers to improving their governance and administration over the next twelve months. Remediation and legislative changes were seen as the top barriers. Improvements to governance over the last twelve months were mainly attributed to a better understanding of the risks facing the scheme and increased resource allocation to risk.
- viii. **Climate Change:** nine in ten funds had allocated time or resources to assessing financial risks and opportunities arising from climate change.
- ix. **Pensions Dashboards:** awareness of pensions dashboards was not universal. But more schemes were aware than in the previous year that they would be required by law to provide data to savers through dashboards.

- x. Equality, Diversity and Inclusion: a small number of funds formally obtained and recorded any diversity data about pension board members. A third of schemes indicated that they already consider or assess pension board diversity but do not formally record this.

## **Community, Equalities (including socio-economic) and Health Impacts**

### **12. Community Impact Statement**

No immediate implications arising.

### **13. Equalities (including socio-economic) Impact Statement**

No immediate implications arising

### **14. Health Impact Statement**

No immediate implications arising

### **15. Climate Change Implications**

No immediate implications arising

### **16. Resource Implications**

No immediate implications arising

### **17. Legal Implications**

No immediate implications arising

### **18. Financial Implications**

No immediate implications arising

### **19. Consultation**

No immediate implications arising

## AUDIT TRAIL

<b>Lead Officer</b>	Clive Palfreyman, Strategic Director of Finance	
<b>Report Author</b>	Caroline Watson, Senior Finance Manager – Treasury and Pensions	
<b>Version</b>	Final	
<b>Dated</b>	19 January 2024	
<b>Key Decision?</b>	N/A	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
List other officers here		
<b>Cabinet Member</b>	N/A	N/A
<b>Date final report sent to Constitutional Team</b>		N/A

<b>Item No.</b> 10	<b>Classification:</b> Open	<b>Date:</b> 24 January 2024	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Update on Current LGPS Issues	
<b>From:</b>		Senior Finance Manager – Treasury and Pensions	

## **Recommendations**

1. The Local Pension Board (LPB) is asked to note the updates provided in this report.

## **The Pensions Regulator (TPR) General Code of Practice**

2. TPR has published its new General Code of Practice (the Code) which has now been laid in parliament. It replaces the Code of Practice (number 14) for Public Service Pension Schemes, and is expected to come into force on 27 March 2024.
3. The Code consolidates and modernises ten previous Codes into a single Code and sets out governance standards for pension schemes.
4. There are five sections within the Code: The governing body, Funding and Investment, Administration, Communications and Disclosure and Reporting to TPR.
5. As there are a number of new modules in the Code when compared to Code of Practice 14, we are currently reviewing and interpreting the Code and considering how we assess compliance. This will include an action plan being prepared to address the changes needed, including identifying any new policies or procedures, or changes to existing policies that may be required.
6. We will table a report at the next Board meeting setting out an action plan for the Fund to ensure full compliance with the requirements of the Code.

## **LGPS Next Steps on Investments Consultation – Government Response**

7. The Government has issued a response to the LGPS consultation which closed on 2 October 2023. Given the 2025 deadline for the transfer of assets is being maintained, it is hoped that guidance will be issued soon to enable funds to identify the steps they will need to take to fully comply with the requirements.
8. The key points from the consultation response are set out below:

## **Pooling**

- 2025 stays as the pooling transition deadline for transition of liquid assets to the pool on a comply or explain basis.
- The Government Actuary's Department estimate that the LGPS could reach around £950 billion in assets in 2040, the government is therefore looking towards a smaller number of pools with assets under management averaging £200 billion.
- Revised guidance will include a preferred model of pooling which is expected to be adopted over time based on "characteristics and outcomes" rather than prescribed structures. Inter-pool collaboration will be encouraged.
- Investment in other pools should only be done via a Fund's existing pool.
- Greater transparency on reporting to be developed in conjunction with the Scheme Advisory Board (SAB).

## **Levelling Up**

- Government keen to maintain a broad definition of levelling up but UK wide.
- Where scale for local investment is an issue funds may wish to continue to invest outside the pool.
- Five percent investment in levelling up remains an ambition, but recognises it is not a separate asset class.

## **Private Equity**

- On private equity the Government remains committed to unlocking capital to support growth businesses. However, "investment in the UK is particularly welcome but it is not proposed to restrict this ambition to investments in private equity in the UK".
- Ten percent investment in private equity remains an ambition and would not be mandated (need to still take into account fiduciary duty). Ten percent does relate to private equity, but funds can also include other investments in private markets outside of this where appropriate on risk/return grounds.
- Pools to be encouraged to strengthen partnerships with British Business Bank to support opportunities in venture capital and growth equity.

## **CMA Objective Setting for Advisers**

- LGPS regulations will be amended to require objective setting for all advisers including consultants, pools and independent advisers when providing advice

on investments, investment strategy statements, strategic asset allocation and manager selection.

## **Governance and Other**

- Requirement to formally publish a training policy for the pensions advisory panel and to report on training undertaken.
- LGPS definition of investments amendment to be made in regulations.
- Guidance to be issued to increase consistency of reporting on asset allocation in annual reports, working with the Scheme Advisory Board.

## **Scheme Advisory Board (SAB) Statement on Surpluses**

9. The SAB issued a statement on surpluses in December 2023. ([LGPS Scheme Advisory Board - Home \(lgpsboard.org\)](https://www.lgpsboard.org)). This is intended to be of assistance to LGPS fund officers, LGPS employers, and pensions committee and board members. It was drafted with input from the Board's surpluses working group. The key points covered in the statement are as follows:
  - Funding levels across the scheme increased at the 2022 valuation and subsequent market movements have led to some funds experiencing further improvements
  - Local Government Pension Scheme (LGPS) regulations emphasise the desirability of stability in primary contributions for employers
  - Funds should carefully consider their approach to employer-specific investment and funding strategies and take professional advice as needed
  - Clear communication with employers about the impact (or lack of impact) of funding improvements is key – as well as the potential longevity of those improvements
  - Funds should have a clear rationale and be able to explain their approach to setting secondary contributions and how employers' covenant positions have been recognised
  - Employer flexibilities regulations, statutory guidance and the Board's guide are clear on the circumstances in which mid-cycle reviews of employer contributions are appropriate
10. The statement covers advice relating to the following situations:
  - Increased appetite from scheme employers to try to influence fund investments and funding strategies;
  - Proposals by some employers for "partial termination" where an employer exits the fund for deferred and pensioner members but remains a participating employer for active members;
  - Review of employer contributions between valuations: regulation 64A of the LGPS Regulations permits administering authorities to review an employer's contribution rate between valuations where there has been a

significant change to the circumstances of that employer. Examples of appropriate triggers for such a review should be set out in the funding strategy statement.

### **Update on Outstanding Audits - Pension Fund Statement of Accounts**

11. The audit of the 2021-22 pension fund accounts is expected to be completed shortly. The auditors are then expected to issue the signed opinion within two to three weeks. The statement of accounts and audit findings report will be tabled in a report to the pensions advisory panel and will then be tabled at the Board. Given the timetable set out above, it is expected that we will table the report at the April 2024 Board meeting.
12. The 2022-23 audit is planned to be completed by the end of March 2024. There will be a change of auditor from Grant Thornton to KPMG from 1 April 2024. KPMG have commenced the planning audit for the 2023-24 accounts.
13. In order to address the backlog of local authority audits and ensure a return to timely delivery of high quality financial reporting, the Minister for Local Government, Simon Hoare MP, has confirmed that consultations will be launched soon on proposals to clear the current backlog. These will include an initial backstop date of 30 September 2024 for all outstanding local audits in England up to and including the financial year 2022-23. Subject to the outcome of the consultations, the intent is to bring forward legislation to implement the backstop proposals.

### **Community, Equalities (including socio-economic) and Health Impacts**

#### **14. Community Impact Statement**

No immediate implications arising.

#### **15. Equalities (including socio-economic) Impact Statement**

No immediate implications arising

#### **16. Health Impact Statement**

No immediate implications arising

#### **17. Climate Change Implications**

No immediate implications arising

## 18. Resource Implications

No immediate implications arising

## 19. Legal Implications

No immediate implications arising

## 20. Financial Implications

No immediate implications arising

## 21. Consultation

No immediate implications arising

## AUDIT TRAIL

<i>Lead Officer</i>	Clive Palfreyman, Strategic Director of Finance	
<b>Report Author</b>	Caroline Watson, Senior Finance Manager – Treasury and Pensions	
<b>Version</b>	Final	
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
List other officers here		
<i>Cabinet Member</i>	N/A	N/A
<i>Date final report sent to Constitutional Team</i>		N/A



<b>Item No.</b> 11	<b>Classification:</b> Open	<b>Date:</b> 24 January 2024	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Investment Update	
<b>From:</b>		Pensions Investments Manager	

## Recommendations

The Local Pension Board is asked to:

1. Note the investment update set out in this report.

## Investment Performance: Quarter to September 2023

2. The Fund's assets increased by £4.3m during the quarter to September 2023, from £2,053.6m to £2,057.9m. Fund performance relative to benchmark is set out in the table below:

	Quarter to September 2023 (%)	1 Year (%)	3 Years (%)	10 Years (%)
Fund	-0.8	3.2	5.0	8.3
Benchmark	+0.6	6.9	6.3	9.0
Relative	-1.4	-3.8	-1.4	-0.7

3. Absolute returns over the longer term have been strong and are well ahead of the investment return assumption of 4.05% set at the 2022 actuarial valuation.

## New Investment Mandates

4. The Pensions Advisory Panel (PAP) has agreed a new ESG priority investment with an existing manager. Action was also taken to fund part of the Multi-Asset Credit allocation that was agreed in March 2023:

## Glennmont Clean Energy Fund IV

5. Following meetings with Glennmont Partners during the summer, officers recommended that the Fund make a commitment to the Glennmont Clean Energy Fund IV. This was to maintain the Fund's commitment to Glennmont's

funds given that the existing investment, Glenmont Clean Energy III, is nearing maturity and is expected to return capital over 2024 and 2025.

6. The capital raising for the new fund was to conclude ahead of the next PAP meeting, so voting PAP members were asked and gave approval for officers to proceed with the commitment.
7. Following the completion of legal and investment due diligence, the legal documentation was signed ahead of the 31st December 2023 deadline. The commitment is expected to be drawn down over 2024 and 2025.
8. Glenmont focus on investment in infrastructure in clean energy (e.g. such as electricity power stations) and proven technologies such as on/offshore wind and solar.

#### **Robeco Global Climate Credits Fund**

9. Following the PAP's agreement to make a 10% allocation to multi asset credit, as part of the investment strategy review, a fixed income manager selection took place in March 2023. The PAP agreed to invest £100m in the Robeco Global Climate Credits Fund. The on boarding process was completed ahead of assets transitioning to Robeco on 6<sup>th</sup> September 2023.
10. This fund has an active investment strategy that invests globally in corporate bonds. It has explicit climate targets in line with the goals of the Paris Agreement.

#### **Community, Equalities (including socio-economic) and Health Impacts**

##### **11. Community Impact Statement**

No immediate implications arising.

##### **12. Equalities (including socio-economic) Impact Statement**

No immediate implications arising

##### **13. Health Impact Statement**

No immediate implications arising

**14. Climate Change Implications**

No immediate implications arising

**15. Resource Implications**

No immediate implications arising

**16. Legal Implications**

No immediate implications arising

**17. Financial Implications**

No immediate implications arising

**18. Consultation**

No immediate implications arising

**AUDIT TRAIL**

<i>Lead Officer</i>	Clive Palfreyman, Strategic Director of Finance	
<b>Report Author</b>	Tracey Milner, Pensions Investments Manager	
<b>Version</b>	Final version	
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<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance	N/A	N/A
List other officers here		
<i>Cabinet Member</i>	N/A	N/A
<i>Date final report sent to Constitutional Team</i>		N/A

<b>Item No.</b> 12	<b>Classification:</b> Open	<b>Date:</b> 24 January 2024	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Local Pension Board Forward Plan 2024-25	
<b>From:</b>		Senior Finance Manager – Treasury and Pensions	

## RECOMMENDATIONS

- Local Pension Board (LPB) members are asked to review the suggested agenda items for 2024-25.

## BACKGROUND INFORMATION

1. In order to consider the coming year's rolling work programme, it is useful to consider the Local Pension Board's Terms of Reference which can be found at:

<https://southwarkpensions.co.uk/about-us/local-pension-board>

2. The core functions of the LPB, extracted from the Terms of Reference, are set out below:
  - *The first core function of the Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider.*
  - *The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider.*

## Work Programme for 2024-25

3. The work programme for 2024-25 is set out below:

Date	Agenda Items
April 2024	<ul style="list-style-type: none"> <li>• Risk Register</li> <li>• Conflicts Policy - Whole Fund</li> <li>• Pension Fund Statement of Accounts and Audit Findings report 2021-22</li> <li>• Equalities, Diversity and Inclusion (EDI)</li> <li>• TPR General Code of Practice</li>   <li>• Training: Spring Budget and LGPS Developments</li> </ul>
July 2024	<ul style="list-style-type: none"> <li>• LPB Annual Report</li> <li>• Pension Fund Statement of Accounts and Audit Findings Report 2022-23</li> <li>• Cyber Security: Annual Audit of External Providers</li> <li>• Breaches Log</li> <li>• LPB Conflicts of Interest Policy – 3 yearly review</li> <li>• Pensions Administration Strategy – 3 yearly review</li>   <li>• Training: Cyber security general</li> </ul>
October 2024	<ul style="list-style-type: none"> <li>• Statement of Accounts</li> <li>• Audit Report 2023-24</li> <li>• Risk Register</li> <li>• Option to re-appoint LPB Chair</li>   <li>• Training: LGPS Pooling update</li> </ul>
January 2025	<ul style="list-style-type: none"> <li>• Training plan 2025-26</li> <li>• Breaches Log</li> <li>• TPR Annual Survey</li>   <li>• Training: Net Zero Carbon target governance framework and developments in Responsible Investment reporting</li> </ul>
Standing Items	<ul style="list-style-type: none"> <li>• Pension Services Update</li> <li>• Update on Current LGPS Issues</li> <li>• Investment Update</li> <li>• PAP Agenda Items</li> </ul>
Items with no defined date	<ul style="list-style-type: none"> <li>• Scheme Advisory Board Good Governance Project</li> <li>• Report on National Pensions Dashboard</li> </ul>

4. Local Pension Board members are asked to contribute other areas of work that might be included.

**Community, Equalities (including socio-economic) and Health Impacts**

**5. Community Impact Statement**

No immediate implications arising.

**6. Equalities (including socio-economic) Impact Statement**

No immediate implications arising

**7. Health Impact Statement**

No immediate implications arising

**8. Climate Change Implications**

No immediate implications arising

**9. Resource Implications**

No immediate implications arising

**10. Legal Implications**

No immediate implications arising

**11. Financial Implications**

No immediate implications arising

**12. Consultation**

No immediate implications arising

## AUDIT TRAIL

<b>Lead Officer</b>	Clive Palfreyman, Strategic Director of Finance	
<b>Report Author</b>	Caroline Watson, Senior Finance Manager – Treasury and Pensions	
<b>Version</b>	Final version	
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<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
List other officers here		
<b>Cabinet Member</b>	N/A	N/A
<b>Date final report sent to Constitutional Team</b>	N/A	



<b>Item No.</b> 13	<b>Classification:</b> Open	<b>Date:</b> 24 January 2024	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Local Pension Board Training Plan 2024-25	
<b>From:</b>		Senior Finance Manager – Treasury and Pensions	

## RECOMMENDATIONS

Local Pension Board (LPB) members are asked to:

- Agree the LPB training plan set out as Appendix A of this report.
- Note the training undertaken by LPB members to date, assessed against the CIPFA knowledge and skills framework as Appendix B.

## BACKGROUND INFORMATION

1. The CIPFA Knowledge and Skills framework sets out the areas of knowledge required by Local Pension Board members to properly exercise the functions of a member of the pension board as required by the Public Service Pensions Act 2013.

## APPROACH TO TRAINING

2. At the LPB meeting of 11 October 2023 LPB members considered and agreed a draft training policy for the Pensions Advisory Panel (PAP) members, Local Pension Board members and for those officers dealing with matters relating to the Pension Scheme.
3. At the meeting it was agreed that a refresh of the LPB members training needs analysis (last carried out in 2019) is now required to ensure that the training plan for the LPB for 2024-25 is not only consistent with the wider Pension Fund training plan, but serves to address any gaps in knowledge that LPB members may have.

LPB members are therefore asked to complete the training needs assessment, which is attached as Appendix C.

4. A draft detailed training plan for 2024-2025 is attached as Appendix A of this report – this will be updated as required for the findings of the training needs assessment.
5. Training sessions will take place prior to quarterly meetings. Where relevant, members of the Pensions Advisory Panel will be invited to join these training sessions.
6. LPB members are asked to advise of any training gaps going forward in order that suitable training can be arranged to address them.

7. Details of the training undertaken by LPB members to date are included for reference as Appendix B of this report.

## **INDIVIDUAL LEARNING**

8. The Pensions Regulator Public Service Toolkit can be accessed from the following link:

<https://education.thepensionsregulator.gov.uk/my/>

9. The CIPFA Guide for Local Pension Boards has been sent to Local Pension Board members.

## **Community, Equalities (including socio-economic) and Health Impacts**

### **10. Community Impact Statement**

No immediate implications arising

### **11. Equalities (including socio-economic) Impact Statement**

No immediate implications arising

### **12. Health Impact Statement**

No immediate implications arising

### **13. Climate Change Implications**

No immediate implications arising

### **14. Resource Implications**

No immediate implications arising

### **15. Legal Implications**

No immediate implications arising

### **16. Financial Implications**

No immediate implications arising

### **17. Consultation**

No immediate implications arising

## AUDIT TRAIL

<b>Lead Officer</b>	Clive Palfreyman, Strategic Director of Finance	
<b>Report Author</b>	Caroline Watson, Senior Finance Manager – Treasury and Pensions	
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
List other officers here		
<b>Cabinet Member</b>	N/A	N/A
<b>Date final report sent to Constitutional Team</b>		

## Appendix A – TRAINING PLAN

<b>Date</b>	<b>Description</b>	<b>Provider</b>
Apr-24	Spring Budget and LGPS Developments	CW/BB
Jul-24	Cyber security	CW/BB
Oct-24	LGPS Pooling update	CW
Jan-25	Net Zero Carbon target governance framework and developments in Responsible Investment reporting	CW

## Appendix B

### LOCAL PENSION BOARD TRAINING UNDERTAKEN TO DATE

The following table assesses training undertaken by LPB members to date, against the CIPFA knowledge and skills framework.

Training Category	Training Undertaken
<b>1 – Pensions legislation</b>	LPB Introduction session - June 2015 Recent LGPS developments - July 2018 General Data Protection Regulations - April 2018 Pensions Benefits - January 2017 LGPS Benefits - January 2016 Breaches of the Law – July 2022
<b>2 – Pensions governance</b>	LPB Introduction session - June 2015 Recent LGPS developments - July 2018 SAB Good Governance Project – July 2021 Equality, Diversity and Inclusion – July 2023 Conflicts of Interest – January 2024
<b>3 – Pensions administration</b>	LPB Introduction session - June 2015 Taxation & the LGPS - October 2018 Admitted & Scheduled Bodies - September 2017 Complaints Management – April 2021 Additional Voluntary Contributions – October 2021 Administration Strategy – Administering Authority and Employer Responsibilities – January 2022
<b>4 – Investment decision making, performance and risk management</b>	LPB Introduction session - June 2015 Asset Classes (Mercer) - October 2015 Diversified Growth & Absolute Return Bonds - April 2016 Investment Strategy and Approach to Fossil Fuel Divestment – April 2022 UK Budget 2023 – April 2023 Cost Transparency – October 2023
<b>5 – Actuarial methods, standards and practices</b>	LPB Introduction session - June 2015 Joint actuarial training with PAP - June 2016 Actuarial Valuations – October 2022

**Appendix C**  
**LPB training needs assessment 2024**

Rate your knowledge - please score each item according to the following scale:

- 1 = Poor, Not effective, No Understanding
- 2 = Satisfactory, Quite Effective, Limited Understanding
- 3 = Good, Effective, Some understanding
- 4 = Very Good, Very effective, Full Understanding

	<b>Area of Understanding</b>	Score 1 - 4
	<b>1 – Pensions legislation</b>	
1	A general understanding of the pensions legislative framework in the UK	
2	An overall understanding of the legislation and statutory guidance relating to LGPS benefits, administration and investment.	
3	An appreciation of LGPS discretions and how the discretionary policies impacts on the pension fund, employers and local taxpayers	
	<b>2 – Pensions governance</b>	
4	Knowledge of the role of the administering authority in relation to the LGPS.	
5	An understanding of the roles and powers of the following bodies and how they relate to the workings of the scheme:	
	i) • DLUHC	
	ii) • Pensions Regulator	
	iii) • Pensions Ombudsman	
	iv) • CIPFA	
	v) • LGPS Scheme Advisory Board	
6	A detailed knowledge of the duties and responsibilities of Pensions Advisory Panel and Local Pension Board members in the context of Good Governance	
7	Knowledge of mandatory and desirable policies, e.g. Investment Strategy Statement, Governance Compliance Statement	
8	Knowledge of the stakeholders of the pension fund	
9	Knowledge of how pension fund risk is monitored and managed.	
10	An understanding of how conflicts of interest are identified and managed.	
11	Knowledge of how pension fund service providers (e.g. actuary, investment consultant) are procured and monitored	
12	An understanding of how breaches in law are reported.	
13	A broad knowledge of Pension Fund accounting and an understanding of the role of both internal and external audit in the governance and assurance process.	

	<b>3 – Pensions administration</b>	
14	An understanding of best practice in pensions administration e.g. performance and cost measures	
15	Understanding of the required and adopted scheme policies and procedures relating to:	
	i) • member data maintenance and record-keeping processes	
	ii) • internal dispute resolution	
	iii) • contributions collection	
	iv) • scheme communication and materials.	
16	Knowledge of the pensions administration strategy and delivery	
17	An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration.	
18	An understanding of what AVC arrangements exist and the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.	
	<b>4 – Investment decision making, performance and risk management</b>	
<b>19</b>	An understanding of the fund's investment strategy statement	
20	An understanding of the limits placed by regulation on the investment activities of local government pension funds.	
21	An understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.	
22	An understanding of the key risks the Fund faces with regard to investment markets.	
23	An understanding of the Fund's approach to being a responsible asset owner, including the management of climate and other non-financial risks	
24	Knowledge of how the Fund can seek to limit the extent of such risks through portfolio construction or through specific risk mitigation instruments.	
25	Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.	
26	A broad understanding of LGPS pooling and the relationship between LBS PF and London CIV pool	
27	A broad understanding of the workings of the financial markets and of the investment vehicles (including via the London CIV LGPS pool) available to the pension fund and the nature of the associated risks.	

	<b>4 – Investment decision making, performance and risk management (cont)</b>	
28	An understanding of the risks involved in the investment of particular asset classes and their specific return characteristics and their role in long term investment.	
	i) <i>Listed Equities</i>	
	ii) <i>Unlisted Equities - e.g. Private Equity</i>	
	iii) <i>Fixed Interest Gilts/Bonds</i>	
	iv) <i>Index Linked Gilts</i>	
	v) <i>Property</i>	
	vi) <i>Infrastructure - Debt and Equity</i>	
	vii) <i>Derivatives and Risk Mitigation</i>	
	<b>5 – Actuarial methods, standards and practices</b>	
29	A general understanding of the role of the fund actuary	
30	Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.	
31	An awareness of early and ill health retirement strain costs and risks to employers.	
32	A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.	
33	A general understanding of the relevant considerations in relation to outsourcings and bulk transfers.	
34	A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers.	