



Local Pension Board

4 February 2021

Title	Local Pension Board – Annual Report 2020
Report of	Head of Governance
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A –Terms of Reference for Local Pension Board Appendix B – Local Pension Board, Forward Work Plan 2021/22
Officer Contact Details	Paul Frost, Senior Governance Officer 020 8359 2205, paul.frost@barnet.gov.uk

Summary

This report provides an update on the work of the Local Pension Board which will be reported to the Pension Fund Committee and Full Council in line with the reporting guidelines set out in the terms of reference.

The report includes the Local Pension Board Terms of Reference and its Forward Work Plan for consideration.

Recommendations

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| 1. That the Local Pension Board note the report |
| 2. That the Local Pension Board note Terms of Reference as highlighted within Appendix A |
| 3. That the Local Pension Board note and comment on the annual work plan attached at Appendix B. |
| 4. That the Local Pension Board note that this report be submitted to the next possible meeting of the Pension Fund Committee and Full Council. |

1. WHY THIS REPORT IS NEEDED

- 1.1 The Public Service Pensions Act 2013 requires the establishment of Local Pension Boards to assist local authorities with the effective management of local pension funds. The Department for Communities and Local Government (now the Ministry for Housing, Communities and Local Government) has issued regulations and reporting guidelines concerning the implementation of Local Pension Boards.
- 1.2 This report provides a summary of the work carried out by the Council's Local Pension Board. The report covers the period from the Board's meeting from November 2019 to date. It presents details of the Board members, training and items covered during the Board's meetings. It also raises several items the Board wishes to draw to the Council's attention.
- 1.3 The Local Pension Board's terms of reference, at Appendix A, set out the reporting guidelines which states that the Board shall report to the Pension Fund Committee as often as is necessary and at least annually:
- a summary of the work undertaken;
 - the work plan for the next 12 months;
 - details of training received and planned; and
 - details of any conflicts of interest and how they were dealt with.
- 1.4 The Local Pension Board is requested to consider whether any breach in compliance or other significant issues that has come to their attention should be reported to Full Council such as:
- any areas of persistent non-compliance
 - any area of non-compliance within the LGPS Regulations that have been reported to the Pension Fund Committee
 - areas raised to the Board to be investigated and how they were dealt with;
 - any risks or other areas of potential concern it wishes to raise;

Local Pension Board Membership

1.5 The membership of the Board during the year was as follows:

Representative	Type of Membership	Term of Office
Professor Geoffrey Alderman – Chairman	Retired Employee	21 May 2019 – 20 May 2023
Hem Savla – Vice Chairman	Retired Employee	30 January 2018 – 29 January 2022
Stephen Ross	Independent Member	21 May 2019 – 20 May 2023
Salar Rida	Active Employee	7 March 2017 – 6 March 2021
Rebecca Doctors	Employer – Admitted Body (Alma Primary School)	20 October 2020 – 19 October 2024
David Woodcock	Employer – Admitted Body (Middlesex Uni)	30 January 2018 – 29 January 2022
Councillor Thomas Smith	Councillor	20 October 2020 – 24 May 2021
Alice Leach – Substitute Member	Retired/ <u>Deferred</u> Employee	30 January 2018 – 29 January 2022
Councillor Helene Richman	Councillor	20 October 2020 – 24 May 2021

Summary of Work Undertaken

1.6 The follow items have been considered by the Local Pensions Board since 19 November 2019:

Meeting	Item
19 November 2019	Triennial Valuation update Local Pension Board update Penson Committee Decisions External Audit report Compliance with code of practice Chairman’s Urgent Item – Capita Performance and The Pensions Regulator Update
10 February 2020	Decision mand by the Pension Fund Committee Consultation on Funding Strategy Statement Administration Risk Register Remediation Plan and Regulatory Intervention Communication Policy Scheme Risk Register
25 June 2020	Internal Auditor’s Planning Report for the year 201920 Valuation and Funding Update Decision mand by the Pension Fund Committee

	External Auditors Planning report for the year 2019/20 Pension Administration Transition (PAT) Project update Capita Remediation Plan and Pension Regulator Update Performance Report Risk Register
2 September 2020	Decision mand by the Pension Fund Committee Pension Administration Transition (PAT) Project update Pensions Administration Risk Register Performance Report
17 November 2020	Pension Administration Transition (PAT) Project update Pensions Administration Risk Register Decision mand by the Pension Fund Committee Administration Performance Report Legislative and Regulator Update External Auditors Report

Recommendations and Comments to the Pension Fund Committee

- 1.7 The Local Pension Board can bring any recommendations or observations concerning the governance, management and administration of the fund to the attention of the Pension Fund Committee.

Board Training

- 1.8 Members are required to attend all meetings and training sessions during the year. Training is important to ensure the Board, as a whole, have the appropriate skills, knowledge and understanding to support the Scheme in running effectively. Board Members had the opportunity to attend the CIPFA LGPS Local Pension Board Members annual conference. As detailed below, four CIPFA training events were attended by at least one Board Member.
- 1.9 During 2020/21 the Board received additional briefings and bespoke training that was delivered by the Fund actuary, Hymans, at its June meeting.
- 1.10 Local Pension Board Members are required to complete the Pensions Regulator (TPR) toolkit. The Board should note that two Board Members have not provided evidence that they have completed this. It should be further noted that The Pensions Regulator had requested that all Members of the Board complete this free online programme.

Key Areas 2019/20

- 1.11 The Local Pension Board raised several concerns that are set out below:
- a) The performance of the outsourced administrator, Capita, had been an ongoing concern for the Board. Council on 3 March 2020 agreed to transfer the administration of the Barnet Pension Fund from Capita to the West Yorkshire Pension Fund. This transfer was completed on 30

October 2020. The Board have monitored the progress of the transfer and have raised concerns regarding the backlog of unresolved issues for Members of the Fund.

- b) The statutory deadline for issuing Annual Benefit Statements (ABS) is 31 August annually. ABS were issued to 9,811 deferred members in early August 2020 and to 6,538 active members on 28 August 2020. However, there were c2,600 Members who did not received an ABS mainly due to outstanding information due from employers. This was particularly disappointing as it had been expected that the ABS process would have improve by addressing the issues encountered in 2019.
- c) Areas of Non-Compliance – the Board has noted that reports have been submitted to the Pension Fund Committee that have outlined matters in relation to the intervention of the Pensions Regulator and the Council's response via its Improvement Plan. This also outlined delays in the receipt of contributions.

Local Pension Board Budget

- 1.12 The terms of reference include a requirement to prepare an annual budget for approval by the Pension Fund Committee. The annual budget proposed by the Board at its November 2019 meeting and approved by the Pension Fund Committee was £32,572 comprising attendance and training costs of £7,572 and Board support (advice) of £25,000.
- 1.13 Collective training was provided at Board meetings e.g. the attendance of the Scheme Actuary.
- 1.14 The Member attendance costs which impact on the Board's Budget are outlined below:

Meeting	Attendance Cost
19 November 2019	£127 x 6 = £762
10 February 2020	£127 x 6 = £762
25 June 2020	£127 x 7 = £889
2 September 2020	£127 x 7 = £889
17 November 2020	£127 x 6 = £762
Total	£4,064

- 1.15 Board members attending external conferences incurred fees of £1,305 during 2020. The courses attended were:
- Local Pension Board Autumn Seminar (4 members)
 - McCloud Update (1 member)
 - LGPS Pension Board Annual Event (1 member)
- LGPS Members Spring Conference (3 members)

- 1.16 The budget below is proposed for the next municipal year. In addition to attendance fees and external training a budget of £25,000 has been included for Board support.
- 1.17 From time to time, the Board may wish to commission an independent external advisor to review and make recommendations in relation to a specific issue. Should there be a requirement to call on this support, the Board should agree the issue to be considered and the terms of engagement (i.e. scope and upper funding limit). Attendance at meetings by Scheme advisors is not charged against the Board's budget although if the Board were to commission additional work, this will be reflected in their expenses.

Attendance and Training	Board Member attendance fees	£4,064
	Board Member Training attendance fees	£3,000
Board Administration	Board support	£25,000
Total		£32,064

- 1.18 The Local Pension Board is invited to consider the budget and the reporting matters above.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The terms of reference of the Local Pension Board outline the reporting requirements for the Board's annual report.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None in the context of this report.

4. POST DECISION IMPLEMENTATION

- 4.1 This report will be included on the agenda for the next Pension Fund Committee. The Board will be informed of responses from the Committee.
- 4.2 Following consideration by the Pension Fund Committee, the report will be considered by Full Council in accordance with the Board's terms of reference.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.2.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the Pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT,

Property, Sustainability)

5.2.1 The budget for the Board is outlined in section 5 of the report.

5.3 Social Value

5.3.1 None in the context of this report.

5.4 Legal and Constitutional References

5.4.1 The Public Service Pensions Act 2013 and the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 required the Council to establish a Pension Board by 1 April 2015.

5.4.2 The Board's terms of reference of the Board state that "...the Board shall report to the Pensions Committee as often as the Board deems necessary and at least annually in relation to:

- a summary of the work undertaken;
- the work plan for the next 12 months;
- details of training received and planned; and
- details of any conflicts of interest and how they were dealt with.

5.4.3 It is noted that no conflicts of interested were recorded.

5.5 Risk Management

5.5.1 There are no specific risk management implications arising from this report.

5.6 Insight

5.6.1 None in the context of this report.

5.7 Equalities and Diversity

5.7.1 There are no Equalities and Diversity issues arising from this report.

5.7.2 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups

5.7.3 The protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

5.8 Consultation and Engagement

5.8.1 None in the context of this report.

6. BACKGROUND PAPERS

- 6.1 Reports relating to Local Pension Board Meeting can be found at: [Committee details - Local Pension Board \(moderngov.co.uk\)](#)