

	<h2>Local Pension Board</h2> <h3>3 February 2022</h3>
Title	Local Pension Board – Annual Report 2021/22
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 2022/23
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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 and comment on its 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 Levelling Up, Housing and Communities 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 Boards meeting from 04 February 2021 to date. It presents details of the Board members, training and items covered during the Board's meetings.
- 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

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

Member	Role	Appointed	Term	Status
Stephen Ross	Independent Member	21 May 2019	4 years	Current
Geoffrey Alderman	Employer Representative Chairman (Retired/ Deferred)	21 May 2019	4 years	Current
Hem Savla	Employer Representative Vice-Chairman (Retired/ Deferred)	25 Jan 2022	4 years	Current
Salar Rida	Employee Representative (Active)	02 March 2021	4 years	Current
Deepani De Silva	Employer representative - scheduled body (Barnet homes)	19 October 2021	4 years	Current
David Woodcock	Employer representative – Admitted body (Middlesex University)	25 Jan 2022	4 years	Current
Councillor Thomas Smith	Councillor (employer representative)	May 2021	1 years	Current
Councillor Helene Richman (substitute)	Councillor Employer Representative	May 2021	1 years	Current
Alice Leach (substitute)	Employer Representative (Retired/ Deferred)	25 Jan 2022	4 years	Current

1.5 The Local Pension Board are to note the appointments listed for re-appointment which be report to the Full Council meeting on 25 January 2022.

- 1.6 As illustrated in the table above Ms Deepani De Silva was appointed to the Local Pension Board on 19 October replacing out going Member Ms Rebecca Doctors who resigned.

Summary of Work Undertaken

- 1.7 Local Pension Boards were established to ensure that staff and participating employers can have sight and influence the management of the pension fund. The role of the Board is to help the Council to ensuring the effective and efficient governance and administration of the fund. The Board achieves that role through reviewing the decisions made by the Committee and officers and the performance of appointed service providers, in particular the administrator, WYPF. The Board applies a wide range of experiences that enable them to probe management's plans and outcomes.
- 1.8 The follow items have been considered by the Local Pension Board since 4 February 2021:

Meeting	Substantiative Item
04 February 2021	Compliance with TPR code of practice Internal Audit Performance Report Pension Combined Risk Register Local Pension Board – Annual Report
24 June 2021	Actuarial Valuation Update Administration Performance Report Review of Administration Strategy, IDRPs and Breaches Policy LPB External Audit Plan Decision made by the Pension Fund Committee Pension Combined Risk Register Compliance with The Pension Regulator Code of Practice Training Policy
12 October 2021	Administration Performance Report Pension Administration Risk Register Annual Performance Report Consultation on Contribution Policies Decision made by the Pension Fund Committee
6 December 2021	Administration Performance Report Communication Policy Pension Administration Risk Register Good Governance Project LPB Committee Decisions

Recommendations and Comments to the Pension Fund Committee

- 1.9 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 or Council. The Comments of Board Members is therefore request, such comments would then feature in the reporting process to the Pension Fund Committee and Full Council reports.

Board Training

- 1.9 Members are required to attend 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. Members complete annual training needs assessments which are used to identify knowledge gaps that are addressed either through internal training or external training e.g. attendance at CIPFA organised events. As detailed in 1.15 below, four CIPFA training events were attended by at least one Board Member.
- 1.10 Local Pension Board Members are required to complete the Pensions Regulator (TPR) toolkit. The Board should note that the only the newly appointed Member is yet to complete this. It is expected that this will be completed soon.

Key Areas 2021/22

- 1.11 The Local Pension Board raised several concerns that are set out below:
- a) The outsourced administrator changed to West Yorkshire Pension Fund on 31 October 2020. The Board have monitored the progress of the new provider and have noted in meetings an improved performance. However, a backlog of data improvement issues and progress is being monitored by the Board.
 - b) Areas of Non-Compliance – the Board has not noted any areas of non-compliance during the year. However, members are encouraged to make comment in respect to this.

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. At the Local Pension Board meeting on 04 February 2021 it was noted and subsequently agreed by the Pension Fund Committee and Full Council a budget of £25,000 for board support.
- 1.13 The Member attendance costs for attending are meetings and for training is set at £127 respectfully for attendance.

Meeting	Attendance Cost
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4 February 2021	£127 x 6 = £762
24 June 2021	£127 x 6 = £762
12 October 2021	£127 x 5 = £635
6 December 2021	£127 x 7 = £889
Total	£2,976

- 1.14 Board members attending external conferences incurred fees of **£1,524** from February 2021 to date. The courses attended were:

Session	Date	Attendance
Barnett Waddingham and CIPFA LPB Spring 2021 Webinar	22 February 2021	4 members
LGPS Local Pension Board Members' Annual Event Webinar 2021	23 June 2021	4 members
Barnett Waddington and CIPFA seminar (autumn)	28 September 2021	3 Members
LGPS / LGA - Fundamentals Day	12 October 2021	1 member

- 1.15 The budget below is proposed for the next municipal year. In addition to attendance fees and external training a budget of £10,000 has been included for Board support.

- 1.16 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. The external support provision has been reduced to £10,000 (prior years £25,000) as more in line with the Board's potential requirements and absence of any previous spending. Should a higher spend be required this will be brought to the attention of the Committee.

Attendance and Training	Board Member meeting attendance fees	£3,048
	Board Member Training attendance fees	£3,048
	External Course fees	£5,000
Board Administration	Board support	£10,000
Total		£21,096

- 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. Contained within the Board's terms of reference as illustrated in section 5.4.2 the report's recommendations are captured accordingly.

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. All costs are billed to the Pension Fund.

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;

