

Item No. 13.	Date: 31 October 2022	Meeting Name: Pensions Advisory Panel
Report title:		Update on the Local Pension Board
From:		Chair of the Local Pension Board

RECOMMENDATION

1. The pensions advisory panel is asked to note the update from the local pension board (LPB) meeting of 19 October 2022.

KEY AREAS OF DISCUSSION

2. AON provided a training session on the actuarial valuation process.
3. The main business included an update on pensions services, a draft policy on formal board appointments, TCFD consultation for the LGPS, an update on current issues in the LGPS, an investment update and the reappointment of the LPB chair.

Pensions services

4. This primarily covered the improved payment system through Civica allowing weekly payroll and payment of lump sums closer to date of retirement.
5. Discussion was had over improvements required on the UPM side of Civica, focusing on data migration and bulk calculations issues and it was noted that four other local authorities moved to Civica at the same time, with the same issues.
6. The LPB chair encouraged an action plan to be put in place to address ongoing issues, along with engaging with Civica at a senior level and the other impacted authorities.
7. An update was provided around staffing within the Services function as the Pensions Payroll Manager has handed in their notice and staff sickness being higher than usual.
8. Recruitment is underway for a Deputy Pensions Manager and Senior Pensions Officer, with a new First Contact Officer due to start at the end of November 2022.

Formal board appointments

9. This covered a draft policy for appointing board members, including scheme and employer representatives and substitute members.

10. This was deferred to the LPB meeting in January 2023 to allow board members to have more time to consider the proposals included in the report.

TCFD consultation for LGPS

11. This involved an update on what the upcoming TCFD disclosures will require, outlining that new reporting requirements will come into force from December 2024.
12. Concerns were raised over the additional resource that will be required to meet the new reporting requirements but it was noted that Officers of the fund already meet a number of the new requirements.

Update on current issues in the LGPS

13. Initial consultation has completed on phase one of the Good Governance project, with phase two to be undertaken next year.
14. There is due to be ongoing monitoring of diversity and inclusion on the Board, in line with The Pensions Regulator action plan.
15. The Scheme Advisory Board has written to Government Ministers to recommend separation of Local Authority and Pension Fund accounts at year-end to avoid ongoing issues around delays on signing off the Pension Fund accounts based on issues with the Local Authority accounts.

Investment update

16. Affirmation that the ongoing volatility in the market following the recent mini-budget has had minimal impact on the long term funding position of the LBS Pension Fund.
17. This update provided an opportunity to remind the Board that there is an upcoming Investment Strategy review due in December 2022.
18. There was a further update that the Fund intends to recall a portion of investment returns from fund managers if the upcoming increase in pension benefits poses liquidity risk.

Re-appointment of the local pension board chair

19. The board voted in favour of retaining Mike Ellsmore as Chair of the local pension board

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

Community impact statement

20. No immediate implications arising

Equalities (including socio-economic) Impact Statement

21. No immediate implications arising

Health Impact Statement

22. No immediate implications arising

Climate Change Implications

23. No immediate implications arising

Resource Implications

24. No immediate implications arising

Legal Implications

25. No immediate implications arising

Financial Implications

26. No immediate implications arising

Consultation

27. No immediate implications arising

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance		
Report Author	Mike Ellsmore, Chair of the Local Pension Board		
Version	Final		
Dated	24 November 2022		
Key Decision?	N/A		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Director of Law and Governance	N/A	N/A	
Strategic Director of Finance and Governance	N/A	N/A	
Cabinet Member	N/A	N/A	
Date final report sent to Constitutional Team		28 November 2022	