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| <b>Item No.</b><br>14. | <b>Date:</b><br>6 March 2023 | <b>Meeting Name:</b><br>Pensions Advisory Panel |
| <b>Report title:</b>   |                              | Update on the Local Pension Board               |
| <b>From:</b>           |                              | 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 18 January 2023.

## KEY AREAS OF DISCUSSION

2. Aon delivered a presentation on the results of the 2022 actuarial valuation of the Fund
3. Main business included an update on Pension Services, the draft appointment process for Pension Board membership, the breaches log, the Forward Plan and the Training Plan for 2023-24

### Pension Services

4. Update lead by Barry Berkengoff (BB).
5. A number of vacancies within the team have been filled, including the Pensions Payroll Manager and Pensions Admin Manager, both of whom are now in place.
6. Data Systems Manager had been filled on an acting-up basis, with a further recruitment exercise anticipated for later in the year to permanently fill the position.
7. A number of ongoing data migration/IT issues with UPM had been resolved as a result of the work on Annual Benefit Statements and any ongoing IT issues are with the system provider to fix with additional quality assurance controls in place whilst these fixes continue.
8. 97% of Annual Benefit Statements were issued, with the remaining 3% being contacted, offering a similar projection to the benefits at normal retirement age.
9. Additional work is being undertaken to ensure smooth processing of the updated pensions benefit increase of 10.1%, due to take place from April 2023. As this is the first benefits increase being applied through UPM, additional focus will be placed on quality assurance.

10. The anticipated launch date for the Pensions Dashboard for local authority employers is now late 2023 to early 2024.
11. Work resulting from the McCloud judgement is ongoing, but BB assured the board that this would only impact a small number of members and the work is due to commence in late 2023.
12. Outstanding complaints around claimed incorrect employee pension contribution deductions were discussed, with BB and Dominic Cain (DC) assuring those in attendance that the problems were in hand with an anticipated date of resolution as the end of the financial year.
13. It was noted that performance data for the Service continued to be unavailable but BB assured the Board that there were no reportable breaches in the area.

### **Draft Appointments Process**

14. Delivered by Geraldine Chadwick (GC)
15. The report highlighted the following:
  - The LPB's terms of reference specify that the terms of office for Board members is 2 years, although these can be extended. Given the depth of knowledge and training required to be an effective member of the Board, the appointment process requests that potential members commit to a 3 year term of office. The Board approved this suggestion.
  - The Board consists of one independent non-voting member, the Chair, and six voting members, three scheme member representatives and three employer representatives. It was agreed that scheme member appointments would be made on the basis of two nominations from the recognised trade unions and one other nomination from the wider Fund membership, which would be advertised through the Southwark Pensions website.
  - It was agreed that clear and transparent criteria for any appointments would be set out in advance and reflect the Council's recruitment principles and commitment to equality and diversity.
16. Assurance was gained that there are substitutes currently in place to cover non-attendance of scheme member representatives on the Board. However, these have been infrequently enacted.
17. It was suggested by the Chair that contact should be made with any board members if multiple meetings are missed.

## **Breaches Log**

18. Delivered by BB.
19. Confirmed that all data and legal breaches of pensions regulation were up to date as at January 2023 and are communicated to the Corporate Governance Panel every six months.

## **Forward Plan 2023-24**

20. Lead by Caroline Watson (CW).
21. Outlined the business plan for the coming financial year and what would be covered in each meeting for the Local Pension Board as part of the agenda, ensuring this was not exhaustive and items could be added as they arise across the year.

## **Training Plan 2023-24**

22. Lead by CW, outlining the key training being offered at each meeting of the LPB for 2023-24.

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

### **Community impact statement**

23. No immediate implications arising

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

24. No immediate implications arising

### **Health Impact Statement**

25. No immediate implications arising

### **Climate Change Implications**

26. No immediate implications arising

### **Resource Implications**

27. No immediate implications arising

### **Legal Implications**

28. No immediate implications arising

## Financial Implications

29. No immediate implications arising

## Consultation

30. No immediate implications arising

## AUDIT TRAIL

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|---|--|--------------------------|
| <b>Lead Officer</b>   | Duncan Whitfield, Strategic Director of Finance and Governance |                          |
| <b>Report Author</b>  | Mike Ellsmore, Chair of the Local Pension Board                |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 22 February 2023   |                          |
| <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> |
| Assistant Chief Executive – Governance and Assurance                    | N/A  | N/A                      |
| Strategic Director of Finance and Governance                            | N/A  | N/A                      |
| <b>Cabinet Member</b>   | N/A  | N/A                      |
| <b>Date final report sent to Constitutional Team</b>                    | 24 February 2023   |                          |