

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 17 July 2023	<b>Meeting Name:</b> 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 (PAP) is asked to note the update from the local pension board (LPB) meeting of 5 April 2023.

## **KEY AREAS OF DISCUSSION**

2. Caroline Watson and Barry Berkengoff provided a training session on the impact of the Spring Budget on the London Borough of Southwark (LBS) Pension Fund.
3. The main business included an update on Pension Services, DLUHC's cost management process consultation, current issues within the LGPS, updates to the risk register and the triennial valuation.

### **Pension Services**

4. An update was provided around staffing within the Pension Services function as a new pension manager had joined. A number of vacancies still exist and there are continuing difficulties finding a Systems and Data manager, though there is an existing senior officer currently acting up in this role.
5. It was noted that difficulties were being encountered in recruiting specialist staff and that the issue will be raised with the Strategic Director of Finance in order to discuss possible solutions.
6. There was a discussion on the impact of staff shortages on the work of Pension Services. Operational activities have not been impacted but strategic projects have been delayed, such as finding a new AVC provider. It was also noted that information on key performance indicators continues to be unavailable.
7. Most issues surrounding Civica have been resolved and a technical resource at Civica has been secured to help complete outstanding tasks.

### **DLUHC's Cost Management Process Consultation**

8. This involved a report on the results of DLUHC's consultation on changes to the cost management process and the recommendations made, including increasing valuations to every four years, changes to the cost corridor and further implementation of economic checks.

## **Current issues**

9. There were no updates to the Scheme Advisory Board's Good Governance Project or Climate reports at the time of the LPB meeting.
10. Members of the LPB questioned the underlying reasons for previous years' pension fund statement of accounts not yet being signed off by external audit. It was explained that there are national issues with audits that are yet to be resolved. Once these issues have been rectified, the accounts should be closed.
11. An update was given on the restructure of the pension fund investments and accounting team, which will increase the number of staff in the team with particular support for the wider investment team.
12. The new Pension Regulator's General Code of Practice is yet to be released but was confirmed to largely combine existing codes with further information to follow in a webinar in May 2023.

## **Risk Register**

13. This covered an update of the Pension Fund register of key financial, operational and reputational risks and the controls in place to mitigate them. These are kept in line with council risk management procedures.
14. The main updates involved reweighting the impact and likelihood scores, reviewing and amending mitigation measures and addition of a column with a revised risk score after mitigations.

## **Triennial Valuation**

15. The Board received confirmation that the funding strategy statement was updated on time and sent out for consultation with no comments received.

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

### **Community impact statement**

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

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

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

### **Health impact statement**

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

### **Climate change implications**

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

### **Resource implications**

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

### **Legal implications**

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

### **Financial implications**

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

### **Consultation**

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

### **AUDIT TRAIL**

<b>Lead Officer</b>	Clive Palfreyman, Strategic Director, Finance	
<b>Report Author</b>	Mike Ellsmore, Chair of Local Pension Board	
<b>Version</b>	Final	
<b>Dated</b>	19 May 2023	
<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>
Assistant Chief Executive – Governance and Assurance	No	No
Strategic Director, Finance	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>	5 July 2023	