

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 27 September 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 10 July 2023.

## KEY AREAS OF DISCUSSION

2. Aon representatives provided a training session on Equality, Diversity and Inclusion and how it can benefit London Borough of Southwark Pension Fund.
3. The main business included an update on Pension Services, an audit into fund manager cyber security, the breaches log, an update on current LGPS issues, an investment update and an update on the upcoming Local Pension Board (LPB) training plan.

## Pension Services

4. An update was provided around staffing within the Pension Services function as a data officer has resigned. This role has gone to recruitment and a new Senior Pension Officer has recently been hired.
5. There was discussion around the underlying reasons for the difficulty in hiring new staff for the service, particularly regarding salaries. The manager for the function confirmed that salaries are in line with other LGPS funds but struggle to compete with the private sector.
6. There was a discussion on the impact of staff shortages on the work of Pension Services. Operational activities have not been impacted but there are delays on value-adding work. It was also noted that information on key performance indicators continues to be unavailable.
7. An update on Pension Services IT Systems was provided, noting that it had been agreed with Civica that some retrospective testing should be undertaken following the initial implementation of legacy data. A working group has also been set up with other local authorities who have engaged with Civica in order to mitigate further issues.

## **Fund Manager Cyber Security**

8. A report outlining the results of an annual audit of cyber security policies of the Fund's custodian, banking provider and investment managers was completed to assess their alignment with national Cyber Security Standards.
9. The report showed an improvement in alignment from the 2022-23 audit. Officers assured the Board that policies would continue to be monitored.

## **Breaches Log**

10. An update was provided on any new items added to the Breaches Log.
11. A member of the Board queried if the outstanding unaudited Statement of Accounts should be included as a breach, but was assured that as this sits outside of the Pension Fund's control, it does not need to be added as a breach.

## **Current LGPS Issues**

12. Both the TCFD Disclosures and the Pension Regulator's General Code of Practice have been delayed, with no new date provided for the General Code and a suggested implementation for TCFD in 2024.
13. The Board were informed that the Fund intended to complete a shadowing year ahead of the implementation of TCFD so it would be prepared once the disclosures became mandatory.

## **Investment Updates**

14. An update was provided on the intention to invest £100million in Robeco's multi-asset credit fund. Since this meeting, this investment has been completed and the funds have successfully been transferred to Robeco, funded by a divestment from the fund's legacy investment in a diversified growth fund.
15. Further updates were given on the recent investment of £30million in Darwin Leisure Services fund.

## **Local Pension Board Training Plan**

16. The Board were informed of the intention to build a fund-wide business plan that would cover both the LPB and the Pension Advisory Panel and would be used to inform a more structured training plan for the fund.
17. Suggestions were made to organise a meeting for senior officers across the Fund to discuss further training requirements once this business plan is formalised.

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

### **Community impact statement**

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

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

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

### **Health impact statement**

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

### **Climate change implications**

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

### **Resource implications**

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

### **Legal implications**

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

### **Financial implications**

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

### **Consultation**

25. 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>	18 September 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>	19 September 2023	