



Havering
L O N D O N B O R O U G H

**LONDON BOROUGH OF HAVERING
LOCAL PENSION BOARD**

ANNUAL REPORT

2020/21

INDEX

Opening Remarks	Page 2
Introduction	Page 3
Role of the Local Pension Board	Page 3
Membership of the Board	Page 4
Board Meetings	Page 4
Matters Discussed by the Board	Page 5
Training	Page 5
Financial Position	Page 6
The Future	Page 7
Appendix 1 - LPB Members Training	Page 8

Opening remarks.

It is my pleasure to introduce the Local Pension Board's 2020/21 Annual Report. The Board's task is to assist the Council in ensuring effective governance and administration of the Local Government Pension Scheme (LGPS). I took the role of Chair, following Mark Holder, who I would like to thank for his work and the effective running of the board. I am very pleased that Mark remains a member of the Board and I would like to thank everyone, officers and Board members for their willingness to debate differences, ideas and improvements.

In March 2020 and in response to the COVID-19 pandemic, Havering Council and the Local Pensions Partnership Administration successfully initiated their Business Continuity Plans to ensure that services to LGPS members and employers remained excellent and scheme governance was maintained. Where possible officers continue to work from home and Board meetings are currently held virtually.

The COVID-19 pandemic led to a temporary postponement of meetings and therefore the Board only met formally three times from April 2019 to March 2020 to discharge its duties.

The Board have a two year work plan to tackle the areas deemed as most important to the successful running of the fund and has worked hard during the year to deliver the objectives of the plan. More detail on the work plan and the work completed can be found in the body of this report.

Board members completed online training, attended webinar training during this period and spent time reviewing documents in preparation for board meetings. Details of the completed training are provided in Appendix 1.

I would like to thank officers for their hard work in researching and preparing information for the discussions at Board meetings and for their on-going support.

The pension environment is continually changing and the Board endeavours to keep abreast of these changes and is working hard to support and assist the Council in maintaining the high standards of administration and governance of the Fund.

Andrew Frater
Chair of the Local Pensions Board

Introduction

1. Local Pension Boards are constituted entirely under the Public Service Pensions Act 2013 and are not local authority committees.
2. The role of each Board is to help ensure each scheme complies with governance and administration requirements. They may have additional duties, if scheme or other regulations so specify.
3. Pension Boards need to have an equal number of employer and member representatives. They may also have other members, such as independent experts. All Pension Board members have a duty to act in accordance with scheme regulations and other governing documents.
4. Scheme regulations (or scheme-specific guidance) may provide further detail on the scope of the Pension Board and how it should operate, for example how many Pension Board members need to attend a meeting to be quorate and how often it should meet.
5. This Annual Report has been established to ensure Pensions Committee are aware of work undertaken during the year and the future work plans.

Role of the Local Pension Board

1. The role of the Local Pension Board, as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to: -
 - Assist the London Borough of Havering Administering Authority as Scheme Manager:-
 - To secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS;
 - To secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator;
 - In such other matters as the LGPS regulations may specify;
 - Secure the effective and efficient governance and administration of the LGPS for the London Borough of Havering Pension Fund;
 - Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.
2. The Pension Board will ensure it effectively and efficiently complies with the code of practice of the governance and administration of public service pension schemes issued by the Pension Regulator;
3. The Pension Board will also help ensure that the London Borough of Havering pension Fund is managed and administered effectively and complies with the code of practice

on governance and administration of public service pensions schemes issued by the Pension Regulator;

4. The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively;
5. In support of its core functions the Board may make a request for information to the Pensions Committee with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing;
6. In support of its core functions the Board may make recommendations to the Pensions Committee which should be considered and a response made to the Board on the outcome within a reasonable period of time.

Membership of the Board

The Board consists of 4 voting members, two representing employers and two representing scheme members.

Board members are appointed for a fixed term of 4 years, which can be extended for further periods subject to re-nomination.

Substitute members are not permitted.

Each Board member should endeavour to attend all Board meetings during the year and are required to attend at least 4 meetings each year, one of which must be the Annual Meeting.

In the event a Board member failed to attend three consecutive meetings, that individual would automatically be disqualified, unless failure was due to some reason approved by the Board before the date of the third consecutive meeting.

The Board membership as at March 2021 consisted of Denise Broom and Andrew Frater, Employer representatives, and Mark Holder and Anne Giles, Scheme Member representatives.

Board Meetings

The Board met on three occasions up to the end of the financial year.

Meetings took place on 22 September 2020, 21 January 2021, and 30 March 2021.

Matters discussed by the Board

The following matters have been discussed by the Board:

- Review of work plan
- Support for the Board
- Details of the Board's budget
- Pensions Committee meeting updates
- The Pensions Regulator compliance checklist
- The Pensions Regulator's review of the Havering Fund
- Performance of the Pensions Administration Service
- Communications Campaign
- The Risk Register
- Audit of the Pensions Administration provider
- Legislation Changes
- Data Improvement Plan

There have been no conflicts of interest involving any of the work undertaken by the board or during any agenda items. Minutes of the meetings can be found on the [Havering website](#).

Risk management

There are no specific risk management implications arising from this report.

Training

The Board members are committed to the legal requirement to acquire the appropriate knowledge and skills and to demonstrate and evidence these legal requirements. To do this the Committee and the Board jointly adopted the CIPFA Knowledge and Skills Framework (KSF) in 2015. The Administering Authority maintains a register of the training and development that has been undertaken. The extract of training undertaken during 2020/21 can be found in Appendix 1.

To summarise:

- Members have completed a variety of externally provided courses and seminars and online learning.
- All members have undertaken a training needs analysis.
- Further training events will be organised once the training requirements of the pension committee have been assessed.

Financial Position

Local Government Pension Scheme Governance Regulations 2015 section 106(9) states that the expenses of a Local Pension Board (LPB) are to be regarded as part of the costs of administration of the fund held by the administering authority.

Guidance issued in January 2015 suggested that it is appropriate for the LPB to be given adequate resources to fulfil its task.

Terms of reference adopted by Governance Committee on the 11 March 2015 and then the Council meeting on the 25 March 2015 also states that the LPB is to be provided with adequate resources to fulfil its role.

The estimated budget agreed by the Administering Authority's Statutory Section 151 officer and costs incurred for 2020/21 are shown in the following table:

Description	2018/19 Actual £	2019/20 Estimate £	2019/20 Actual £	2020/21 Estimate £	2020/21 Actual £	2021/22 Estimate £	2022/23 Estimate £
Members Allowance & Travelling	1,673	3,000	946	3,000	391	3,000	3,000
Support Services – Internal Recharge	1,075	1,000	640	1,000	360	1,000	1,000
Printing, Stationary & Office Expenses	0	3,400	0	3,400	0	3,400	3,400
Communication & Computing	0	500	0	500	0	500	500
Professional Advice	0	10,000	0	10,000	0	10,000	10,000
*Training & Development	1,430	10,000	295	10,000	**325	10,000	10,000
Total	4,178	27,900	1,881	27,900	1,075	27,900	27,900

*Training costs of £10,000 is to be shared with the Pensions Committee to keep officer time and training costs to a minimum. The amounts shown above represent the LPB share of the costs.

**Includes charge for February 2020 training, invoiced in 2020/21

Budgets have been set to cover a four year period from 2019/20 to 2022/23 to reflect the period of term that the LPB appointees will serve. 2020/2021 is the sixth operational year of the LPB.

The LPB is accountable to the Administering Authority and prior approval was sought from the Section 151 officer to amend budgets. It was agreed by the board that the 4 year budget be reduced by £7,000 from £34,900 to £27,900 as a reduction in support service recharges had resulted in low costs year on year.

The cost for the LPB is met from the Havering Pension Fund and approved by the Administering Authority's Statutory Section 151 Officer.

The Future

A new 18/24 month work plan for 2021/22 has been agreed.

The list below are the areas being considered:

1. To ensure that the Pensions Regulator and Scheme Advisory Board compliance checklist has been completed and is reviewed regularly.
2. To ensure that a process is in place to make any items that have been identified as being non-compliant or partially compliant from the Pension Regulator and Scheme Advisory Board compliance checklist are made fully compliant within agreed and acceptable timescales. Any items that cannot be made fully compliant are added to the risk register with a clear explanation as to the reasons why. The risk register is to be reviewed by Board as a standing item on each agenda.
3. To request that the scheme manager provide evidence that the Administering Authority is meeting the pension regulators requirements in any areas that we require further assurance.
4. To regularly review the key performance indicators and statistical information relating to the administration of the scheme and ensure an action plan is in place for indicators that are not meeting the agreed target.
5. To ensure that investment managers disclose all their fees and charges and are progressing towards the local government pension scheme cost transparency code.
6. To ensure that the scheme manager fully plans for any new legislation and we are compliant with all aspects of any new legislation.
7. Report regularly to the pensions committee on the work of the pension board and ensure that there is good communication between the two boards
8. To have an oversight of the transition to the new administration software platform and the review any risks that are involved.
9. To review any impact COVID-19 had on the scheme.

The Work Plan is a live document and subject to change as necessary with a formal review at least every two years

APPENDIX 1 - LOCAL PENSION BOARD MEMBER TRAINING 2020/21

Date	Topic Covered	Location	Cost	Attended By
14/05/2020	Introducing Pension Schemes	The Pensions Regulator online learning	No fee	Andrew Frater
14/05/2020	The Trustees Role	The Pensions Regulator online learning	No fee	Andrew Frater
14/05/2020	Running a Scheme	The Pensions Regulator online learning	No fee	Andrew Frater
14/05/2020	Pensions Law	The Pensions Regulator online learning	No fee	Andrew Frater
18/05/2020	Conflicts of Interest	The Pensions Regulator online learning	No fee	Anne Giles
18/05/2020	Managing Risks and internal controls	The Pensions Regulator online learning	No fee	Anne Giles
18/05/2020	Maintaining accurate member data	The Pensions Regulator online learning	No fee	Anne Giles
18/05/2020	Maintaining member contributions	The Pensions Regulator online learning	No fee	Anne Giles
18/05/2020	Reporting Breaches of Law	The Pensions Regulator online learning	No fee	Anne Giles
24/06/2020	LPB Members Seminar	Barnett Waddingham/Cipfa Webinar	£195 + vat	Anne Giles