

## Local Pension Board

Wednesday 19 October 2022  
10.00 am  
Meeting Room 224, 160 Tooley Street

### Membership

Mike Ellsmore (Independent Chair)

Dominic Cain (Vice Chair) – Employer Representative

Allan Wells – Employer Representative

Mike Antoniou – Schools Employer Representative

Diana Lupulesc – Employee Representative

Stuart Mumford – Employee Representative

Tony O'Brien – Retired Employee Representative

# Local Pension Board

Wednesday 19 October 2022  
10.00 am  
Meeting Room 224, 160 Tooley Street

## Order of Business

Item No.	Title
	<b>PART A – OPEN BUSINESS</b>
1.	<b>TRAINING SESSION: ACTUARIAL VALUATION</b>
2.	<b>APOLOGIES FOR ABSENCE AND SUBSTITUTIONS</b>
3.	<b>NOTIFICATION OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING</b>
4.	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>
	Members of the board to declare any interests and dispensation in respect of any item of business to be considered at this meeting.
5.	<b>MINUTES</b>
	To agree as a correct record, the open minutes of the meeting held on 06 July 2022.
6.	<b>ACTION TRACKER</b>
7.	<b>PENSIONS SERVICES</b>

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
8.	APPOINTMENTS PROCESS DRAFT POLICY	
9.	TCFD CONSULTATION FOR LGPS	
10.	LOCAL PENSION BOARD ANNUAL REPORT	
11.	UPDATE ON CURRENT ISSUES IN LGPS	
12.	INVESTMENT UPDATE	
13.	OPTION TO RE-APPOINT LOCAL PENSION BOARD CHAIR	
14.	ANY OTHER OPEN BUSINESS	

Date: 27 SEPTEMBER 2022

# Local Pension Board

Wednesday 06 July 2022  
10.00 am  
Meeting Room 224, 160 Tooley Street

## **Present**

Mike Ellsmore (Independent Chair)

Dominic Cain (Vice Chair) – Employer Representative

Allan Wells – Employer Representative

Mike Antoniou – Schools Employer Representative

Tony O'Brien – Retired Employee Representative

## **Others Present**

Caroline Watson – Senior Finance Manager

Peter Hughes – Deputy Pensions Manager

Josef Gorecki – Graduate Finance Trainee

## **PART A – OPEN BUSINESS**

### **1. TRAINING SESSION: BREACHES OF PENSIONS LAW**

Peter Hughes (PH) delivered a training session on how the Fund is required to deal with breaches of pensions law, focussing particularly on the Pensions Regulator's traffic light reporting system.

PH detailed that the Fund was required to record breaches of pensions law and must classify them according to a traffic light system signifying the severity of the infraction. Green represents a minor breach, amber is used for more serious breaches, with red reserved for potentially severe breaches as might be revealed by a whistleblower. The Fund must then report only amber and red breaches to the Regulator, which would otherwise be overwhelmed by time-consuming, inconsequential breaches. PH then emphasised that scheme managers and trustees had personal liability for serious breaches of pension law.

PH also detailed three recent case studies in how the Fund had dealt with breaches of pension law. The first detailed how the Council's payroll did not send out P60s to retired members after there was some confusion on the print template. This had not yet been reported but will be done so as a 'red' breach as it affected many members, but it was unlikely the Regulator would take action as it did not affect any member's benefits. It would also not happen again as the Fund now manages its own pensioner payroll.

Allan Wells (AW) enquired about the timescale the breach needed to be reported by to which PH replied that he did not know. Mike Ellsmore (ME) emphasised that this process should not be delayed and PH responded that he would confirm with a colleague.

The second case study related to the annual pensions increase in 2020 as decided by HM Treasury. The Council's payroll system failed to calculate the increase for all pensioners and the issue was resolved four months after members should have received their increased benefits. The Fund did not have to pay interest in addition to the late payments as the delay had been less than one year but the red breach had been reported to the Regulator and no further action was taken.

PH assured the board that the problem would not happen again. ME stressed that if the same issue were to occur again next year the sums involved would be much higher due to the planned cost of living-related increase. AW asked why the problem would not happen again. PH said that the external SAP consultant who had been brought in had resolved the issue, and that the Fund now manages its own pensioner payroll.

The third case study related to an employer breach by an Academy, which outsourced its catering staff via TUPE to a contractor in April 2021, without informing the Fund, and before an admission agreement had been put in place. This meant that the Fund could not confirm the status of the members of staff who had been affected, including one who had joined the day before the TUPE. In June 2022, the Fund received the employer contribution rate from the actuary but there is still not an admission agreement in place, which PH emphasised, would present a problem if a member were to die before such an agreement had been concluded.

Dominic Cain (DC) asked what had happened to the staff's pension contributions. PH replied that they had been held by the contractor, which itself represented another breach

of the law. ME added that the Academy needed to be held to account and that he hoped staff would get a backdated admission.

Finally, PH reiterated his previous point that officers of the Fund and its board members can be held personally liable for breaches of pensions law and referred to the case of the pensions scheme manager at the London Borough of Barnet who after failing to submit legally required documents was personally fined £1,000.

PH emphasised that most people who work in pensions would know of this and would not fail to respond to such breaches. Pension Officers can also act as whistleblowers to the Regulator and while this cannot be done anonymously, the 1996 legislation provides support and whistleblowing can also cover officers against personal fines by the Regulator.

Mike Antoniou (MA) asked if the Fund has its own whistleblowing policy. PH responded that it would be covered by the Council's whistleblowing policy.

**Actions:**

1. The breaches log is to be reported to the board twice a year.
2. The board expressed its concern that the Academy had not handled the TUPE process correctly or in the best interests of the staff involved. The board requested that BB follow this up.
3. The Fund is to clarify its breaches of law policy.

**2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Diana Lupulesc (Employee Representative) and Barry Berkengoff (Pensions Manager) sent their apologies.

**3. NOTIFICATION OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING**

There was no business held in a closed meeting.

**4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

ME declared that he contributed to the organisational review detailed in point 8 for which he was remunerated in addition to his role as independent chair of the Board.

**Resolved:** The one declaration of interest was noted.

## **5. MINUTES**

Allan Wells (AW) asked for his name to be corrected in the minutes of the meeting previously held on Wednesday 6 April 2022.

CW followed up on one item relating to the Fund's insurance policy, noting that the Fund now had a full year policy put in place and resolved. The wording has been tightened but this does not affect the policy itself.

With exception of the point made by AW, the minutes of the meeting previously held on Wednesday 6 April 2022 were agreed and approved.

## **6. ACTION TRACKER**

Led by CW. ME asked if the Board will have early sight of the Appointments Process draft policy to be tabled at the next Board meeting in October as it will be a complex matter. CW confirmed that it would.

## **7. PENSION SERVICES**

Led by PH. The new UPM system is still bedding in but it is a lot more functional than the old system, particularly in how it shows errors immediately and provides an employer hub for external employers. There are currently some issues, namely member self-service which is not currently online, due to an IT issue with the multi-factor authentication process required for logging in.

DC asked if the system would go online before the next Board meeting. PH responded that it would, as that was the only issue. ME reminded the Board that critical benefits statements are sent on 31 August. PH assured the Board that it was possible to revert to sending them via email if the new portal was not functional, but that using the portal would be preferable.

PH noted that 25% of Fund members were signed up to the online portal. ME added that while this figure was normal for London boroughs, the Board would like to see this increase and there were broader issues with getting people to engage with pensions in general.

PH mentioned possible plans to engage with school employees through large presentations that staff from multiple schools could attend, owing to the large number of individual member schools.

## **8. UPDATE ON CURRENT ISSUES IN THE LGPS**

Led by CW. CW began by noting the membership changes on the Pensions Advisory Panel (PAP) after May's election with the panel now chaired by Cllr. Cryan. The first quarterly meeting will be held in September but the Labour members have already had their first briefing. ME noted that continuity is key for pensions and hoped that in future members of PAP might serve a four-year term.

CW then moved on to the issue of pensions and investment team changes noting that five additional members of staff were now required to manage the Fund's investments particularly with the 2030 net zero deadline. Following the recommendations of the Good Governance Review, the Fund is also considering whether a head of pensions oversight role is required.

AW asked how many were currently employed in the pensions finance team. CW replied that there were currently three accountants and so there were a lot to catch up on now. ME spoke of the need for a governance compliance officer as that role is currently fulfilled by an interim and supported by external bodies.

Tony O'Brien (TOB) asked about the table in point 3 of the report and enquired as to why the Fund's value had doubled since 2016 when membership had only increased by 15 percent. CW replied that previous valuations had shown the fund was in deficit and 75 percent funded but since then there had been strong investment performance and was now 118 percent funded.

DC asked if the new structure had already been agreed and evaluated. CW replied that it was currently with the Council's Strategic Director of Finance and Governance. ME added that it had gone through iterations with him.

## **9. CYBER SECURITY**



Led by CW. CW reported that an audit of the cyber security policies of the Fund's custodian, banking provider and investment funds had been conducted. All bodies surveyed had one in place but they differentiated by how detailed and how strong they were. The policies will continue to be monitored.

ME asked about the need for action for those that had not responded and CW replied that there would be a mini update in future but that at least one of those that had not responded, Brockton Capital, was closing down its fund.

MA mentioned that the London Borough of Hackney had been subject to a cyber-attack recently and if Southwark was going to conduct a cyber-security review. CW assured that Barry Berkengoff had taken the new administration system into account. DC added that the Council had a corporate policy on cyber security as part of the Shared IT Service.

ME gave thanks for the report and expressed hopes that it would be an annual exercise. CW confirmed that it would.

## **10. ANY OTHER BUSINESS**

CW tabled a note on the results of the annual LGPS league tables for investment performance. It ranked the Fund against 63 other local authorities in several key areas and CW noted that the Fund always outperforms the average.

ME added that someone from PIRC, which produced the league tables, should come to speak at PAP. CW noted that David Cullinan who sits on PAP had set up the league-tabling project and often conducts an interesting independent review of its findings.

CW also added that the Fund would also receive the latest Southwark specific report, which has been tabled at Board meetings in previous years.

The meeting ended at 11.37pm.

**Item 6**  
**Local Pension Board - Action Tracker**

Date of Meeting	Action Ref	Action	Due Date	Response	Status
07 April 2021	18	Revised administration strategy to be tabled at a future LPB meeting.	TBC	Will be tabled at PAP first.	Outstanding
06 April 2022	9	Appointments Process: draft policy to be updated to include formal process on how appointments are made.	October 2022	Legal review of amendments to report tabled at October 2022 LPB meeting.	Complete

<b>Item No.</b> 7	<b>Classification:</b> Open	<b>Date:</b> 19 October 2022	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Pension Services - administration function update	
<b>Ward(s) or groups affected:</b>		None	
<b>From:</b>		Pensions Manager, Finance and Governance	

## RECOMMENDATION

1. The Local Pension Board (the **Board**) is asked to note this update on the pensions administration function.

## BACKGROUND INFORMATION

2. The Board received an update in July 2022 which set out information on IT/systems, staff changes, communications and complaint management.

## COVID-19 IMPLICATIONS

3. From 3 October 2022 'hybrid flexible working' is in place and staff are now in the office 2 or 3 days each week.

## IT/SYSTEMS

4. New Civica UPM software has now been live for 6 months.
5. UPM Payroll software has been successfully run since May 2022 ensuring no loss of service to retired staff. Prior to this date pensions in payment were paid by Southwark Council.
6. The UPM 'single payments system' allows tax-free cash payments on retirement and death grants to be paid on a weekly basis and has been very successful. However, additional work is needed around cash flow forecasting to ensure sufficient funds exist within the pension fund bank account. This system ensures members receive much needed funds up to 6 weeks earlier had they otherwise missed payroll cut-off dates due to paperwork not being submitted on time.
7. UPM Pensions Admin software has proven to be more challenging to work with on a day-to-day basis. This is due to how data was held on the legacy admin system and how it was migrated over to UPM. A considerable amount of work has already been undertaken by the Data Systems team (alongside our benefit consultants, Aon) to ensure business as usual processing can be performed.
8. The legacy admin system was finally decommissioned on 1 August 2022. However, plans were in place to ensure all historic data was not lost, and we are in the process of creating an Access database of historical member data which can then be accessed electronically (much in the same way that old microfiche records were used in the past).

9. The UPM Employer Portal is up and running and the majority of pension fund employers are now submitting monthly data returns online. We expect all employers (or their outsourced payroll providers) to be using the portal by December 2022.
10. The UPM Member Portal has required IT snagging due to a more complicated authentication process. Once we are satisfied it is fully operational we will be communicating with all member categories to sign up where possible. In the meantime, members are contacting our First Contact Resource team if they require retirement projections and 'what if' pension benefit forecasts.

## **RECRUITMENT/STAFFING**

11. There has been higher than average staff sickness (including long-term sickness absence) and other HR related matters affecting Pension Services over the last 3 months.
12. Following the resignation of the former Deputy Pensions Manager (Admin), internal changes were made to have two acting Deputy Managers cover the Admin team and First Contact team management roles.
13. An updated Pensions Admin Manager role has now been evaluated by HR and the recruitment process will begin shortly, with interviews planned for November.
14. We have a vacancy for a Senior Pensions Officer who resigned some months ago and will be looking to recruit for that post shortly.
15. The First Contact team are actively looking to replace a member of support staff who had resigned/retired recently. Interviews are planned shortly following shortlisting of potential candidates.
16. Recruitment at assistant/apprentice level has been postponed for the time being.
17. Recruitment matters are dependent on working alongside HR colleagues but sometimes the process can be delayed due to internal resourcing issues and ongoing transformation that is happening across Council HR.

## **UK PENSIONS DASHBOARD PROGRAMME**

18. Limited news to report except that it is likely that go-live for all LGPS employers will be late 2023 or into 2024.
19. Civica UPM software is under development to extract the data that is required for the Dashboard Programme, or it can be developed in-house.

## **MCCLOUD**

20. There are no updates since the last report.

## **PROGRESS TO OCTOBER 2022**

Since the last Board update, further progress has been made in the following areas.

### **COMMUNICATION INITIATIVES**

21. Annual Benefit Statements (ABS) for deferred members were issued in May 2022 for 7,950 members (including suspended tier 3 and pension credit statements).
22. The main ABS exercise for active staff which is usually issued no later than 31 August each year has been delayed due to additional data checking that was deemed necessary following the migration of pension data from the legacy admin system to new UPM software earlier this year. This is a legal breach and the delay was reported to the Pensions Regulator (tPR).
23. As a risk-based regulator, tPR takes a more pragmatic approach to breaches of this nature and prefers for accurate statements to be issued later, rather than inaccurate statements to be issued on time. Statements are now expected to be issued later in October to active members.
24. Pension Savings Statements for Annual Allowance purposes were issued on 6 October to affected members along with details of 'Scheme Pays', should the member wish for the pension fund to pay the tax charge directly to HMRC.
25. Dialogue has commenced with Council Legal, Pensions Finance and HR over ongoing admission agreements which may be delayed for various reasons. At present there is no formal oversight role for this type of work which is quite infrequent. In the interim, a recent legal breach was reported to tPR around an ongoing delay where an admission agreement had not been signed, therefore the new employer was deducting pension contributions but could not submit those to a recognised pension scheme. tPR has responded but chosen not to interfere with an investigation as it "could jeopardise its progression".
26. A training day was held in mid-September with Schools. The Pensions Liaison Officer delivered the basic Pensions Presentation to give people more knowledge into how pensions work, and 30 people attended the 4 sessions. Some schools have booked in presentations with our Liaison Officer for the wider LGPS staff for inset days, and we have been liaising with the Southwark Schools Unison representative to add other dates for this training and for further people to attend. An ABS training session has also been drafted and will be rolled out to all schools LGPS staff within the next month. This training will explain how ABS are calculated, and how to interpret all the information detailed within the yearly statement.

### **COMPLAINT MANAGEMENT**

- The Pensions Ombudsman - ill-health award tiering appeal made against a former employer (school). All ill-health tiering awards are recommended by Occupational Health following medical assessment, but it is the employer that makes the final decision. The matter is being dealt with by a senior Business Partner in Schools HR who is preparing a formal response.

- IDRP stage 1 - a number of cases are with the Council as principal employer concerning incorrect employee pension deductions being made from the main payroll system. As these complaints are against the employer the complaints are all being assessed by Council HR as the stage 1 adjudicator.
- IDRP stage 1 - complaint raised against the pension fund by a member who was looking to elect voluntary early retirement. There had been some delays whilst pensionable pay queries were being investigated following a substantial back pay award that had been made in 2020/21. Union involvement also questioned how accuracy of information was measured, together with timeliness and response times to member's questions and complaints.
- IDRP stage 1 - complaint raised against the pension fund due to essential information not being readily available to a member which was needed to assess an annual allowance tax charge. In particular, the member was also unhappy that annual benefit statements had not been issued on time

## **PERFORMANCE MONITORING**

Apologies, but no performance data has been obtained for the last quarter due to focus being placed on business as usual snagging and data checking for the ABS exercise.

The Data/Systems team have been asked to test UPM workflow and task management functionality and we will provide a full report at next Board meeting.

Longer-term aspirations are to benchmark against CIPFA guidance (or better).

## **FUTURE WORK PLANNING**

27. Due to existing resourcing levels across Pension Services, a work plan and their timeframes are still to be agreed with the Deputy Pensions Manager (Projects) and signed off by the Pensions Manager.
28. Full details will be communicated to the Board at the next meeting.

## **CONCLUSIONS**

29. Recruitment and retention of key staff with the necessary skills is critical to the achievement of future plans.
30. There will continue to be some reliance on specialist external support. However, with internal training now firmly established and taking place regularly each week, 95% of all business as usual and project work is managed in-house by Pension Services.
31. Performance monitoring remains an important part of the pensions function. The procurement of new Civica UPM software will allow Pension Services to develop much improved workflow and task management, where more detailed Management Information can be extracted around admin and enquiry performance.

## **KEY ISSUES FOR CONSIDERATION**

32. N/a

**Policy framework implications**

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

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

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

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

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

**Health impact statement**

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

**Climate change implications**

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

**Resource implications**

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

**Legal implications**

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

**Financial implications**

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

**Consultation**

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

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS****Director of Law and Governance**

42. Not applicable.

**Strategic Director of Finance and Governance**

43. Not applicable.

**Other officers**

44. Not applicable.

## APPENDICES

No.	Title
Appendix	n/a

## AUDIT TRAIL

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Barry Berkengoff, Pensions Manager, Finance and Governance	
<b>Version</b>	Final	
<b>Dated</b>	12 October 2022	
<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>
Director of Law and Governance	No	N/a
Strategic Director of Finance and Governance	No	N/a
List other officers here		
<b>Cabinet Member</b>	No	N/a
<b>Date final report sent to Constitutional Team / Scrutiny Team</b>		



<b>Item No.</b> 8	<b>Classification:</b> Open	<b>Date:</b> 19 October 2022	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Local Pension Board Appointments Process	
<b>Ward(s) or groups affected:</b>		None	
<b>From:</b>		Technical Accountant, Finance and Governance	

## RECOMMENDATION

The Local Pension Board (the **Board**) is asked to review and approve the appointments process at appendix 1.

## BACKGROUND INFORMATION

1. As part of the progress towards compliance with the COP14, it was agreed that a formal 'Board Appointment Process' would be drafted and presented to the Board for discussion and approval.

## KEY POINTS OF NOTE

2. The Board appointment process details the:-
  - appointment of scheme members and employer representatives;
  - appointment of substitutes and independent members (who will undertake the same training requirements as full members).
  - process for appointing the Chair and Vice Chair of the Board
  - Nomination and notification process
  - Terms of office
3. The Appointments Process has included reference to nominations reflecting the Council's recruitment principles and the commitment to equality and diversity.
4. The Board's terms of reference specify that the term of office for employer and scheme representative is 2 years. Extensions to the terms of office may be made by the Administering Authority with the agreement of the Board and a Board member may also be appointed for further terms of office. Given the depth of knowledge and training required to be an effective member of the Board, the appointment process has been written to request potential members to commit to a 3 year term of office.

## Policy framework implications

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

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

### **Community impact statement**

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

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

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

### **Health impact statement**

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

### **Climate change implications**

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

### **Resource implications**

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

### **Legal implications**

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

### **Financial implications**

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

### **Consultation**

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

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Governance**

14. Not applicable.

### **Strategic Director of Finance and Governance**

15. Not applicable.

### **Other officers**

16. Not applicable.

## **APPENDICES**

No.	Title
Appendix 1	Appointments Process

## AUDIT TRAIL

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Technical Accountant, Finance and Governance	
<b>Version</b>	Final	
<b>Dated</b>	13 October 2022	
<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>
Director of Law and Governance	No	N/a
Strategic Director of Finance and Governance	No	N/a
List other officers here		
<b>Cabinet Member</b>	No	N/a
<b>Date final report sent to Constitutional Team / Scrutiny Team</b>		

### **Local Pension Board Appointment Process**

1. The role of the Local Pension Board (LPB), as defined by sections 5(1) and (2) of the Public Services Pension Act 2013, is to assist the administering authority (Southwark Council), the scheme manager, in ensuring good governance and administration of the Local Government Pension Scheme (LGPS).
2. The Board consists of one independent non-voting member and six voting members, three scheme member representatives and three employer representatives. The term of office for employer and scheme representatives is two years. The term of office for the Chair is one year, thereafter subject to annual review by the Board. Extensions to terms of office may be made by the Administering Authority with the agreement of the Board.

### **Appointment Process - Scheme Member Representatives**

3. The Scheme Manager will attempt to contact all member representatives. A total of three scheme member representatives shall be appointed by the Administering Authority, two nominations by the recognised trade unions and one other nomination which will be advertised on the Southwark Pensions website.
4. If there is more than one nomination for the other representative, the Chair of the LPB and the Section 151 officer will select one representative. Clear and transparent criteria for selection will be set out in advance and will reflect the Council's recruitment principles and our commitment to equality and diversity. Two appointments will be Scheme members of the Fund and one appointment will be a pensioner or deferred employee.

## Local Pension Board Appointment Process



5. Scheme member representatives shall either be scheme members or have capacity to represent Scheme members of the Fund. Scheme representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
6. Substitutes shall be appointed. Where appointed, substitutes should be named and must undertake the same training as full members. They should have similar experience to the representatives they are shadowing.
7. Applicants will be informed of the nomination process and issued with a nomination pack. The nomination pack will be published on the Southwark website and will consist of:
  - Member representative application form, including the LPB application process document;
  - Code of conduct and conflict of interest policy;
  - Conflict of interest declaration
  - Terms of reference.
8. On receipt of applications the nominations will be considered by the Administering Authority. Any rejection of the nominations should be explained and a new nomination should be put forward.

### **Appointment Process - Employer Representatives**

9. The Scheme Manager will attempt to contact all scheme employers in the Southwark Council Pension Scheme. A total of three employer representatives shall be appointed by the Administering Authority, on the nomination of Southwark Council's Section 151 Officer. Employer Representatives shall be office holders or senior employees of employers of the Fund or have experience of representing Scheme employers in a similar capacity. No officer or elected

## Local Pension Board Appointment Process



member of the Administering Authority who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.

10. Employer Representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
11. Substitutes shall be appointed. Where appointed, substitutes should be named and must undertake the same training as full members. They should have similar experience to the representatives they are shadowing
12. Applicants will be informed of the nomination process and issued with a nomination pack. The nomination pack will be published on the Southwark website and will consist of:
  - Employer representative application form; including the LPB application process document;
  - Code of conduct and conflict of interest policy;
  - Conflict of interest declaration;
  - Terms of reference.
13. On receipt of applications the nominations will be considered by the Pensions Advisory Panel. Any rejection of the nominations should be explained and a new nomination should be put forward.

### **Independent representatives**

## Local Pension Board Appointment Process



14. Any Independent representatives will be directly appointed by the Pensions Advisory Panel through an open and transparent process.
15. It is permissible for current members of the Board to be re-nominated or to re-apply for their post for one rotation. In the event of the renomination of members, the Board may decide to appoint without interview.
16. Where the number of 'Expressions of Interest' exceed the number of vacant roles on the Board, candidates will be considered by the Pensions Advisory Panel who will then make recommendations to the Administering Authority to formally appoint.

### **Chair of LPB**

17. The Chair of the LPB is a non-voting member and shall be appointed to the Board by the Administering Authority, with the agreement of the Board. This person will be an independent person, meaning that they are not an employee of the Administering Authority or a scheme employer in the Fund or a member of the Fund. In absence of the Chair, the duties of the Chair will be carried out by the Vice Chair.

### **Vice chair of LPB**

18. The Vice Chair shall be an existing voting member appointed by nomination by voting members for a term of one year. The Vice Chair shall carry out the duties of the Chair in the absence of the Chair.

### **Failure to obtain nominations**

19. Should the Fund fail to receive nominations from the employer and member groups, it may approach persons directly to apply for the vacant positions.

## Local Pension Board Appointment Process



Persons approached in this manner will still need to be formally recommended by the Pensions Advisory Panel.

20. Where direct contact is made, persons contacted will be approached in consideration of their ability to meet the legislative requirement of knowledge and capacity and may be approached by recommendation from the Board.

### **Nominations mid-term**

21. In the event that a member of the Board resigns their position, this process will be followed at the time the resignation is received. The period of office would be for two years.

### **Notification of appointments**

22. When appointments to the Board have been made, the Administering Authority shall publish the name of Board members on the [southwark pensions website](#), the process followed in the appointment, together with the way in which the appointments support the effective delivery of the purpose of the Board.

### **Terms of Office and terminations**

23. Given that the depth of knowledge and training required to be an effective member of the Board, Employer Representatives and Scheme Member Representatives should make reasonable endeavours to commit to a 3 year term of office. The term of office for the Chair is one year, thereafter subject to annual review by the Board.

24. Extensions to the terms of office for any Board member may be made by the Administering Authority with the agreement of the Board.



## Local Pension Board Appointment Process



25. Board membership may be terminated prior to the end of the term of office due to:

- a. A Member Representative appointed on the basis of their membership of the Scheme no longer being a Scheme member in the Fund.
- b. A Member Representative no longer being a Scheme member or a representative of the body on which their appointment relied.
- c. An Employer Representative no longer holding the office or employment or being a member of the body on which their appointment relied.
- d. A Board member no longer being able to demonstrate to Southwark Council their capacity to attend and prepare for meetings or to participate in required training.
- e. The representative being withdrawn by the nominating body and a replacement identified.
- f. A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
- g. A Board member becomes a member of the PAP.
- h. A Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Administering Authority under the Regulations.

<b>Item No.</b> 9	<b>Classification:</b> Open	<b>Date:</b> 19 October 2022	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		TCFD consultation for LGPS	
<b>From:</b>		Senior Finance Manager – Treasury and Pensions	

## RECOMMENDATIONS

1. The Local Pension Board is asked to note the content of this report.

## BACKGROUND INFORMATION

2. The Taskforce on Climate-related Financial Disclosures (TCFD) released recommendations in 2017 to improve the assessment, management and disclosure of climate-related financial risks.
3. The Department for Levelling Up, Housing and Communities (DLUHC) published a consultation ending 24 November 2022 seeking views on the proposal to require Local Government Pension Schemes (LGPS) to assess, manage and report on climate-related risks in line with TCFD.
4. The proposed requirements would apply to all LGPS administering authorities (AA) by April 2023 for the 2023-2024 financial year. The deadline for the first report is 1 December 2024.

## PROPOSED REQUIREMENTS

### Governance Requirements

5. AAs must establish and keep up-to-date processes to monitor risks and opportunities associated with climate change.
6. Attention should be paid to ensure those working on climate-related governance activities can do so effectively.

### Strategy Requirements

7. Periodically identify climate-related risks and opportunities that impact the investment and funding strategy of AAs and detail their impact and management in the short, medium and long term.
8. AAs must evaluate their assets, liabilities, investment strategy and funding against climate risks and opportunities in at least two climate scenarios. This is required to be carried out at least once every valuation cycle (three years) and used to evaluate investment and funding decisions.

9. One scenario must be “Paris-aligned”, meaning it should be based on a temperature rise of two degrees or lower against pre-industrial levels and the other is at the choice of the AA.
10. DLUHC recognises the use of scenarios is new and constitutes “substantial” work. Initially data quality and availability will be an issue for some asset classes, but methodologies and data will improve over time. Until then, AAs are required to produce scenario analysis as far as they are able, with additional guidance from the DLUHC.

### **Risk Management Requirements**

11. The climate-related risks must be integrated into the overall risk management on an ongoing basis.
12. A process should be established to identify, assess and manage climate-related risks with aid from the statutory guidance that will be released by the DLUHC.
13. Consideration must be taken to both physical – resulting from climatic events - and transitional – resulting from policy action taken to move away from fossil fuels - risks, their relative importance to the organisation when the risk would happen and the likelihood of the risk occurring.

### **Metrics and Targets Requirements**

14. DLUHC will require AAs to measure and disclose total carbon emissions, carbon footprint intensity, data quality and a Paris-alignment metric. These should be reported at the whole fund level, providing separate values for scope 1, 2 and 3 emissions. AAs may wish to consider the emissions for individual investments to give a better picture of carbon exposure but is not required in the annual Climate Risk Report (further on this in point 18).
15. The Paris-alignment metric measures the future trajectory of emissions and is key for assessing a portfolio's alignment with an organisation's climate goals. It measures the percentage of the fund's assets with declared Paris-aligned net zero commitments. A whole fund figure will be sufficient for reporting requirements.
16. Lack of data may be an issue but organisations can use modelling or estimation to fill in gaps. In this case, AAs should state the percentage of the value of their assets for which emissions are verifiable or estimated, within each emissions scope.
17. The AA is expected to choose a metric (absolute emissions, emission intensity, data quality or Paris-alignment) and set a target in relation to it. Progress against this target must then be annually assessed.

## **REPORTING ON CLIMATE RISKS**

18. A Climate Risk Report must be published annually alongside AA's annual report and be made freely available to encourage transparency.
19. In addition, an annual scheme climate risk report should be published, linking the climate risk report to the four aggregated metrics of the LGPS.
20. Guidance on governance and the Climate Risk Report will be supplied to accompany changes in regulation by DLUHC. The Scheme Advisory Board (SAB) has been asked to produce detailed operational guidance and a standard template for the Climate Risk Report.

## **ISSUES**

21. Pools will be able to provide data, calculate metrics and carry out scenario analysis, but these services may not be deliverable for assets that are non-pooled. Therefore, an LGPS asset may require multiple analysis reports. This issue will reduce in importance as more assets transition to pools which already report on climate risks in line with FCA requirements.
22. Though not expected to be technical experts, a base level of knowledge regarding climate risks will be necessary. AAs are required to take advice from qualified people regarding assessing and managing climate risks.

## **MEASURES ALREADY TAKEN BY SOUTHWARK**

23. London Borough of Southwark (LBS) pension fund already fulfils a number of required metrics and can provide reports on scope 1 and scope 2 carbon emissions, emission intensity and data quality of the fund.
24. There is data available to the pension fund that would help to provide information on data quality. The current measurement provider records whether data is reported, estimated or without data, which can easily be translated into the percentage of the value of assets to which they correspond.
25. Many of the governance, strategy and risk management requirements are already in place but require formal documentation. The LBS pension fund already has an investment strategy in place, to achieve net zero carbon exposure by 2030, that sets out the short, medium, and long term goals for meeting this target.
26. Globally, there are issues regarding reporting on scope 3 emissions. Scope 3 emissions includes those both up and downstream in the supply chain. Many disagree with how far this should extend resulting in measurement methodologies varying across agencies, leading to inconsistent assessments. Additionally, there is limited

data to make use of and the data that exists lacks precision and comparability. This may improve in the future but current reporting of Scope 3 is limited.

27. There is a new requirement for the impact of climate change to be quantified and documented for the first time in the 2022 actuarial valuation. This will consider the impact on the funding level from climate risk.
28. Two scenarios will be considered: scenario 1: orderly transition applying a Paris-aligned scenario; and scenario 2: disorderly transition – ‘worst-case scenario’ where delayed and limited action is taken. The results of the modelling will be summarised in the valuation report by showing the impact on the funding level over the next 20 years.

### **KEY ISSUES FOR CONSIDERATION**

29. Not applicable.

#### **Policy framework implications**

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

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

##### **Community impact statement**

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

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

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

##### **Health impact statement**

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

##### **Climate change implications**

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

##### **Resource implications**

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

##### **Legal implications**

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

### Financial implications

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

### Consultation

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

### SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

#### Director of Law and Governance

39. Not applicable.

#### Strategic Director of Finance and Governance

40. Not applicable.

#### Other officers

41. Not applicable.

### AUDIT TRAIL

<i>Lead Officer</i>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Caroline Watson, Senior Finance Manager, Treasury and Pensions	
<b>Version</b>	Final version	
<i>Dated</i>	12 October 2022	
<i>Key Decision?</i>	N/A	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
Officer Title	<b>Comments Sought</b>	<i>Comments Included</i>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
List other officers here		

Cabinet Member	N/A	N/A
Date final report sent to Constitutional Team	N/A	

<b>Item No</b>	<b>Date:</b>	<b>Meeting Name:</b>
10	19 October 2022	Local Pension Board
<b>Report title:</b>		Local Pension Board Annual Report
<b>From:</b>		Chair of the Local Pension Board

## RECOMMENDATION

Local Pension Board Members are asked to:

- Note the content of the Local Pension Board Annual Report for 2021-22 for inclusion within the Pension Fund Annual Report 2021-22, as set out in this report, and suggest amendments as appropriate.

## REPORT FROM THE INDEPENDENT CHAIR OF THE LOCAL PENSION BOARD

Local Pension Boards were established under the 2013 Pensions Act. Each pension Administering Authority is required to establish a Board to assist with the effective and efficient governance and administration of the scheme. The Board is also tasked with ensuring compliance with the various legislative requirements and those of The Pensions Regulator, complementing the already well developed governance structure which underpins the pension scheme.

The independent Chair of the Local Pension Board attends the Pensions Advisory Panel (PAP). This provides a useful link between the advisory body and the Board. The link is further strengthened by the attendance at the Board of the Strategic Director of Finance and Governance on an ad hoc basis; attendance of other key officers and joint training sessions for the Board and PAP members. The chair is elected annually with the incumbent leaving the meeting to avoid any conflict of interest.

The Board has now been in place for seven years and has established itself as part of Southwark's governance structure in relation to the Fund. The Board's core functions are set out in the [Terms of Reference](#).

The composition of the Local Pension Board is listed below:

### *Independent Chair*

Mike Ellsmore

### *Scheme Member Representatives*

Diana Lupulesc (employee representative)

Henry Mott (employee representative) from Apr 2021

Neil Tasker (employee representative) to Apr 2021



Tony O'Brien (retired employee representative)

### *Employer representatives*

Dominic Cain (Vice Chair) (employer representative)

Allan Wells (employer representative)

Mike Antoniou (schools employer representative)

The Board meets quarterly and the current membership and attendance at meetings during 2021-22 is set out in the table below. The Board agendas and minutes can be accessed [here](#)

Name	Title/Company	07-Apr-21	21-Jul-21	20-Oct-21	19-Jan-22
Mike Ellsmore	Independent Chair	✓	✓	✓	✓
Diana Lupulesc	Scheme Member Representative	✓	✓	✓	✓
Neil Tasker	Scheme Member Representative	A			
Henry Mott	Scheme Member Representative		A	✓	✓
Tony O'Brien	Retired Scheme Member Representative	✓	✓	✓	✓
Dominic Cain	Employer Representative	✓	✓	✓	✓
Allan Wells	Employer Representative	A	A	✓	A
Mike Antoniou	Schools Employer Representative	✓	✓	✓	✓

✓ Attended

A Absent with apologies

### **Knowledge and understanding/training**

As set out in the national guidance for Local Pension Boards, knowledge and understanding is a key part of being an effective Board member. Board members continuously engage in training programmes in order to develop and refresh their skills and knowledge and have access to The Pensions Regulator public service toolkit and the CIPFA guide for Local Pension Boards. In 2021-22 the Board has received training on the following items:

- Administering Authority and Employer Responsibilities
- Additional Voluntary Contributions
- Scheme Advisory Board Good Governance Project
- Complaints Management

## Work during the year

The Board regularly receives papers on the Pension Services performance and the Pensions Advisory Panel agendas. During the year, the Board has considered:

- LGPS good governance review commissioned by the Scheme Advisory Board and The Pension Regulator's engagement report on governance and administration risks.
- Monitoring improvements against the COP 14 improvement plan
- Updates and amendments to the Risk Register
- Pension Fund Accounts 2020-21
- Revised Investment Strategy Statement
- Section 13 GAD (Government Actuarial Department) report
- CIPFA Code of Practice on Knowledge and Skills 2021

## Future work

Looking ahead, the Board's agenda will continue to monitor the changes which the pension administration service is undergoing. As the composition of the Fund's investments continues to evolve, the Board will also continue to receive and scrutinise updates on the progress made towards the net zero carbon emissions target.

The Board will continue to monitor the impact of the Scheme Advisory Board's Good Governance Project and the Pension Regulators' (TPR) proposed modular code of practice for the Pension Fund will also be a priority.

The Board will also monitor the resources allocated and employed in the management of the Fund in the context of an increasingly complex investment and administrative landscape.

## Expenses

The total expenses of £13,399 incurred by the Board for 2021-22, are set out below:

Expense	£
Allowance – Independent Chair	3,576
Annual Insurance Fees	6,083
Training	3,740
<b>Total</b>	<b>13,399</b>

Mike Ellsmore

Independent Chair

## **KEY ISSUES FOR CONSIDERATION**

1. N/a

### **Policy framework implications**

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

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

### **Community impact statement**

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

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

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

### **Health impact statement**

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

### **Climate change implications**

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

### **Resource implications**

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

### **Legal implications**

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

### **Financial implications**

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

### **Consultation**

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

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Governance**

11. Not applicable.

### **Strategic Director of Finance and Governance**

12. Not applicable.

## Other officers

13. Not applicable.

## APPENDICES

No.	Title
Appendix	n/a

## AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Mike Ellsmore, Independent Chair, Local Pension Board	
Version	Final version	
Dated	06 October 2022	
Key Decision?	N/A	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
List other officers here		
<b>Cabinet Member</b>	N/A	N/A
<b>Date final report sent to Constitutional Team</b>		N/A

<b>Item No.</b> 11	<b>Classification:</b> Open	<b>Date:</b> 19 October 2022	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		LGPS- Update on Current Issues	
<b>From:</b>		Senior Finance Manager – Treasury and Pensions	

## Recommendations

1. The Local Pension Board is asked to note the updates provided in this report.

## Good Governance Project

2. The Department of Levelling Up, Housing and Communities (DLUHC) provided an update at the LGPS Technical Group on 02 September 2022. DLUHC confirmed that most of the recommendations will be taken forward except the recommendation around the definition of fiduciary duty.
3. As well as making administration strategies compulsory, DLUHC also intend to consult on a requirement or recommendation for funds to have a workforce strategy given the increasing problems with recruitment and retention and are open to finding ways to support pension teams with these issues.
4. It is expected that a further two-part consultation will take place next year together with draft regulations and guidance. DLUHC expect some elements will be in regulation rather than guidance as originally recommended. Likely changes will come into force in April 2023.

## The Pensions Regulator

5. The Pensions Regulator (TPR) published on 27 September 2022, an [action plan](#) produced in partnership with the pensions industry to improve diversity and inclusion across the trustee boards. Whilst not of direct relevance to the LGPS, it is suggested that administering authorities consider the benefits of diversity and inclusion when seeking candidates for local pension boards and committees.
6. The publication of the final Code of Practice has been delayed following the change in conservative party leadership and is now expected by the end of the 2022-23 financial year. It is expected that there will be no material change to

the content of the draft code. There will possibly be more explicit advice on Pension Board responsibilities, a separate Diversity, Equity and Inclusion module is to be developed and a re-drafting of the remuneration policy.

### **Scheme Advisory Board (SAB)**

7. The SAB Chair wrote to the minister in August outlining issues facing funds as a result of audit issues relating to the main local authority accounts. The letter proposes separating pension fund accounts from main local authority accounts as a potential solution to the problem and asks the minister to task officials to work with the Board and its committees to consider the benefits and risks of such an approach.
8. Southwark would support such a change. Due to outstanding national issues relating to the council's accounts, the 2020-21 pension fund accounts have not been signed off, and an audit opinion cannot be issued until the issues regarding the council's accounts are concluded.
9. A review of the CIPFA guidance on preparing funding strategy statements is to be conducted. However this is not expected to be completed in time for updating statements following the 2022 actuarial valuation.
10. SAB are to review the current pension fund annual report guidance to ensure that the requirements are simplified given widespread resource issues across funds.
11. **Community, Equalities (including socio-economic) and Health Impacts**
12. **Community Impact Statement**  
No immediate implications arising.
13. **Equalities (including socio-economic) Impact Statement**  
No immediate implications arising
14. **Health Impact Statement**  
No immediate implications arising
15. **Climate Change Implications**  
No immediate implications arising
16. **Resource Implications**  
No immediate implications arising
17. **Legal Implications**

No immediate implications arising

### 18. Financial Implications

No immediate implications arising

### 19. Consultation

No immediate implications arising

## AUDIT TRAIL

No.	Title
None	

<i>Lead Officer</i>	Duncan Whitfield. Strategic Director of Finance and Governance	
<b>Report Author</b>	Caroline Watson, Senior Finance Manager, Treasury and Pensions	
<b>Version</b>	Final version	
<i>Dated</i>	13 October 2022	
<i>Key Decision?</i>	N/A	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
List other officers here		
<i>Cabinet Member</i>	N/A	N/A
<i>Date final report sent to Constitutional Team</i>		N/A

<b>Item No.</b> 12	<b>Classification:</b> Open	<b>Date:</b> 19 October 2022	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Investment Update	
<b>From:</b>		Senior Finance Manager - Treasury & Pensions	

## Recommendations

The Local Pension Board is asked to:

1. Note the investment update set out in this report.

## Macro- economic Climate

2. The macro-economic climate is one of considerable volatility, which has been exacerbated in recent weeks following the mini-budget on 23 September 2022. The rise in UK government bond yields prompted an urgent intervention by the Bank of England, which pledged to buy £65bn of gilts to prop up their price.
3. The Southwark Pension Fund is a long term investor and, as such, is able to manage the impact of market turbulence with a well-diversified, long term investment strategy.
4. Recent turbulence in the UK bond markets has led to fears that some pension schemes could collapse. Impacted funds have liability driven investment (LDI) strategies in place, the purpose of which is to assist in matching assets and liabilities to reduce the risk of shortfall in funds to pay benefits. Such a strategy requires pension funds to post collateral against their LDI derivatives. Rocketing UK bond yields in a short space of time has triggered emergency collateral calls for pension funds to cover their LDI-related derivatives in hours. Funds struggle to find cash forcing the sale of gilts, increasing the problem.
5. The Southwark fund does not have such an LDI strategy in place. It has therefore not been impacted to the same extent as other funds. However, it is expected that the value of holdings in some asset classes will have been impacted. This will be assessed once September 2022 asset valuations are available.



## **Aon Advice**

6. Advice has been obtained from Aon, the Fund's investment advisers, on recent market returns and the latest outlook for the main asset classes held by the Southwark Fund. In such uncertain times Aon does not recommend clients trade unless there is a clear rationale to do so. Aon have advised that no action is required at this time and have recommended that we monitor opportunities for the Fund that may arise from the current market volatility.

## **Investment Strategy Review**

7. A review of the Fund's investment strategy is being conducted, and recommendations will be tabled at the December 2022 pensions advisory panel meeting. The review will consider whether the current investment strategy remains appropriate in achieving the required long term returns for the Fund, and will be carried out in conjunction with the 2022 triennial actuarial valuation. This review will take into account the impact of recent market volatility and identify any actions required to maintain appropriate levels of investment risk within the strategy.

## **Impact on Cash Flow**

8. The Fund does not rely on investment income to fund the payment of pension benefits. It is therefore not exposed to risk from market volatility in terms of managing its cash flow.
9. LGPS pension payments are linked to September's CPI, and, as a result, payments will increase by at least 10% in April 2023. The gap between contributions received each month and the amount paid out in pensions will increase.
10. The Fund may see scheme members opting out due to the cost of living crisis thereby reducing contributions into the Fund, and this will be closely monitored.
11. Future shortfalls in cash flow will be addressed through the receipt of investment income back to the Fund, rather than being reinvested by investment managers. The Fund has substantial investment income available to it, for example from dividends from equities and rental income from directly held properties.

**Investment Performance: Quarter to June 2022**

12. The Fund’s assets decreased by £122m during the quarter to June 2022, from £2,112.5m to £1,990.5m. Fund performance relative to benchmark is set out in the table below:

	Quarter to June 2022 (%)	1 Year (%)	3 Years (%)	5 Years (%)
Fund	(5.88)	(1.49)	6.28	7.15
Benchmark	(4.96)	(0.91)	6.53	7.11
Relative	(0.92)	(0.58)	(0.25)	0.04

13. Absolute returns over the longer term have been strong and are well ahead of the investment return assumption of 4.05% set at the 2019 actuarial valuation.

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

**14. Community Impact Statement**

No immediate implications arising.

**15. Equalities (including socio-economic) Impact Statement**

No immediate implications arising

**16. Health Impact Statement**

No immediate implications arising

**17. Climate Change Implications**

No immediate implications arising

**18. Resource Implications**

No immediate implications arising

## 19. Legal Implications

No immediate implications arising

## 20. Financial Implications

No immediate implications arising

## 21. Consultation

No immediate implications arising

### AUDIT TRAIL

<b>Lead Officer</b>	Duncan Whitfield	
<b>Report Author</b>	Caroline Watson	
<b>Version</b>	Final version	
<i>Dated</i>	14 October 2022	
<i>Key Decision?</i>	N/A	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
List other officers here		
<i>Cabinet Member</i>	N/A	N/A
<i>Date final report sent to Constitutional Team</i>		N/A

<b>Item No</b> 13	<b>Date:</b> 19 October 2022	<b>Meeting Name:</b> Local Pension Board
<b>Report title:</b>		Option to Re-appoint Local Pension Board Chair
<b>From:</b>		Senior Finance Manager - Treasury and Pensions

## **Recommendations**

It is recommended that the Local Pension Board:

- Vote on the decision to retain the role of the Local Pension Board Chair and the reappointment of the current Chair for a further year.

## **Background**

1. At the 20 October 2021 meeting of the Local Pension Board it was agreed that the independent chair would be reappointed until the end of October 2022.
2. Local Pension Board members are asked to consider whether the role of the independent chair should be retained and whether the current incumbent is performing to an expected standard and therefore should be re-appointed for a further year.

## **KEY ISSUES FOR CONSIDERATION**

3. N/a

## **Policy framework implications**

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

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

### **Community impact statement**

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

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

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

### **Health impact statement**

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

**Climate change implications**

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

**Resource implications**

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

**Legal implications**

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

**Financial implications**

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

**Consultation**

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

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

**Director of Law and Governance**

13. Not applicable.

**Strategic Director of Finance and Governance**

14. Not applicable.

**Other officers**

15. Not applicable.

**APPENDICES**

No.	Title
Appendix	n/a

## AUDIT TRAIL

<b>Lead Officer</b>	Duncan Whitfield	
<b>Report Author</b>	Caroline Watson	
<b>Version</b>	Final version	
<b>Dated</b>	12 October 2022	
<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>
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
List other officers here		
<b>Cabinet Member</b>	N/A	N/A
<b>Date final report sent to Constitutional Team</b>	N/A	