



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

**LONDON BOROUGH OF HAVERING
LOCAL PENSION BOARD**

**ANNUAL REPORT
2021/22**

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Opening remarks.

This is my second Annual Report of the Local Pension Board for the Havering Local Government Pension Scheme (LGPS). This report covers the period from 1 April 2021 to 31 March 2022, to align with the Fund's Annual Report.

Scheme Members should be assured that the LGPS is a defined benefit pension arrangement that will pay a retirement income based on your salary and the number of years you have worked for the employer, rather than the amount of money you have contributed, a comforting reminder during these times of turmoil. The Fund invests the contributions it receives into long term investments, and though the market fluctuations of this year have affected investment performance, this does not affect Members pensions.

Last year the Board was worried that the pandemic could present an opportunity for scammers to prey on those in vulnerable situations, however we are pleased that there have been no such cases to report. Transfers out and refund requests have remained stable, and we continue to encourage all Scheme Members to carefully consider their situation when transferring their pension to another scheme as not to put them at financial risk.

Ultimately the focus of the Board has been to ensure that the Fund's governance complies with Public Service Pensions Act, the LGPS Advisory Board, the Chartered Institute of Public Finance and Accounting and The Pensions Regulator, which we have continued to achieve. Importantly, the opinion of the Board is that we do not have any concerns about the LGPS or its Administration. I would like to place on record the Board's appreciation for the support and transparent advice of officers and personally, my thanks go to the members of the board that continue to give their time freely and who play a valuable role in supporting the oversight and scrutiny of the Fund. This Annual Report is just a short precis of our work during the year and I hope it reflects the variety of issues we have considered during another busy year and that you enjoy reading it.

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 6 voting members, three representing employers and three 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 2022 consisted of Denise Broom, Andrew Frater and Joanne Sladden, Employer representatives, and Mark Holder, Yasmin Ramjohn and Dionne Weekes, Scheme Member representatives.

Board Meetings

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

Meetings took place on 22 June 2021 (AGM), 3 August 2021, 28 September 2021, 8 February 2022 and 29 March 2022.

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
- Performance of the Pensions Administration Service
- The Risk Register
- Legislation Changes
- Data Improvement Plan
- Pensions Administration Policy
- Impact of Covid 19
- Change to the Pensions Administration Software
- Recruitment of an Independent Chair

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 2021/22 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 2021/22 are shown in the following table:

Description	2019/20 Estimate £	2019/20 Actual £	2020/21 Estimate £	2020/21 Actual £	2021/22 Estimate £	2021/22 Actual	2022/23 Estimate £
Members Allowance & Travelling	3,000	946	3,000	391	3,000	2,665	3,000
Support Services – Internal Recharge	1,000	640	1,000	360	1,000	725	1,000
Printing, Stationary & Office Expenses	3,400	0	3,400	0	3,400	0	3,400
Communication & Computing	500	0	500	0	500	0	500
Professional Advice	10,000	0	10,000	0	10,000	0	10,000
*Training & Development	10,000	295	10,000	**325	10,000	0	10,000
Total	27,900	1,881	27,900	1,075	27,900	3,390	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. 2021/2022 is the seventh 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 2022/23 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
19 October 2021	Refreshing and Redesigning a 'One Pension Team'- an LGPS case study	Virtual - Webinar	No Fee	Denise Broom
10 January 2022	New Local Pension Board Member Induction Training	Virtual via MS Teams	No Fee	Yasmin Ramjohn Dionne Weekes