



# South Tyneside Council

## Local Pension Board

Date: 7<sup>th</sup> July 2021

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## Work Programme for 2021/22 (for decision)

Report of the Head of Pensions

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### **Purpose of Report**

1. The report provides an update to the issues reviewed by the Local Pension Board in 2020/21 and also sets out a range of issues which the Local Pension Board may wish to include in its work programme for 2021/22.
2. The Local Pension Board is recommended to consider which issues should be covered in the work programme for 2021/22.

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## **Background**

3. The Public Service Pensions Act 2013 introduced the requirement to have a Local Pension Board to assist in the good governance and administration of the Fund.
4. The development of a work programme for the year is considered to be good practice. This report sets out a range of issues which the Local Pension Board may wish to include as priorities for consideration as part of the work programme in 2021/22.
5. Part of the statutory role of the Local Pension Board is to produce an annual report on the activity for the previous year. The work programme for the year provides a useful reference point against which the annual report can be set.
6. The Local Pension Board Annual Report for 2020/21 is included as an item elsewhere on the agenda. A copy of this report will be presented to Pensions Committee in September 2021.

## **Issues Covered in 2020/21**

7. As a result of Covid 19 and social distancing restrictions, the business of the Local Pension Board and the training programme was all conducted virtually through the year.
8. Initially some of the meetings had a slightly reduced agenda but meetings have gradually returned to a more normal and fuller agenda.
9. At the meeting of the Local Pension Board on 7<sup>th</sup> July 2020, a number of items were identified for inclusion in the work programme for 2020/21. These are set out below:

### Quarterly reports

- Covid 19 Updates
- Pensions Processing and Breaches of the Law. To include performance monitoring issues and non compliance by Scheme employers
- Risk Management and Audit Reports
- Monitoring of Scheme Employer Issues

### Annual Reports

- Scrutiny of the Accounts – Audit Plan (July 2020) and Final Report and Accounts (October 2020)
- Code of Practice 14 – Annual report (December 2020)
- Data Quality – Annual report (December 2020)
- Investment Pooling – Annual report (April 2021)
- Local Pension Board - Annual Report (October 2020)

### One-Off Report

- Ethos/Values and Interaction with Members and Employers.
10. All of the areas of work identified in the 2020/21 work plan and noted above have been delivered during the year.
11. In addition, other one off reports not included on the initial work programme for the year were presented to the Local Pension Board, specifically:
- Service Planning (October 2020). This sought to detail the approach to service planning in respect of issues impacting on service delivery. This was also followed up by a session on the approach to service planning delivered to the Local Pension Board in March 2021.
  - Local Pension Board Governance Documentation (December 2020). A request was made by the Local Pension Board to review the Governance Documentation for the Board in advance of the new Board appointments or 2021/22 to 2023/24.
  - Local Pension Board Appointment Process. (April 2021). This report set out the process to be followed for the appointments to the Local Pension Board for 2021/22 to 2023/24.
  - Local Pension Board – Annual Performance Assessment (December 2020). This provided details of a suggested process the Board could use to assess its own performance at a session which took place in February 2021.
12. Although not formally part of the work programme the Local Pension Board also had a regular item on the agenda to allow discussion on topics presented to Pensions Committee.

13. Prior to Covid 19 the agenda for the Local Pension Board would have incorporated quarterly reports on training and items brought forward and an Annual Internal Audit Report. However, in order to streamline the agenda, in the light of Covid 19 and the move to virtual meetings, separate reports on these issues were not produced. Instead details were contained in the quarterly Covid 19 update report and the quarterly Risk Management and Audit Report.
14. The Local Pensions Board work programme was supplemented in the year by a number of training sessions. During 2020/21, this training was delivered virtually.

### **Potential Issues for 2021/22**

15. As the Local Pension Board moves into a new municipal year, it is considered appropriate to once again consider the work programme for the year and potential priorities.
16. When considering the work programme for 2021/22, it is important to recognise the desire of the Local Pension Board to return to “face to face” meetings where social distancing guidance allows.
17. The work programme proposed is based on a return to a full agenda. It will be necessary, however, to monitor the ongoing Covid 19 situation and if necessary to be flexible about what can be delivered.
18. The majority of the quarterly and annual reports noted above in paragraph 9, may be considered relevant for continued inclusion in the 2020/21 work programme.
19. Proposed changes to this year’s programme are as follows:
  - The 2022 Actuarial Valuation. As the Fund approaches the next valuation as at March 2022, it is considered appropriate to report on the approach to be followed. It is proposed that an annual report on this is presented later in 2021/22 and then in 2022/23, quarterly reports are presented.
  - Covid-19. This item is dropped from the agenda as we return to more normal working arrangements. This will also mean a return for the routine quarterly reports on training and items brought forward and the Annual Internal Audit Report.
  - Responsible Investment and Climate Change. There is a report on the agenda for this meeting, on this subject. It is an increasingly high profile topic which will be the subject of reports to the Pensions Committee for the next few quarters. Further reports on this area can be developed for the Local Pension

Board, if required. Care should be taken not to duplicate the work of the Pensions Committee in this area. A number of training sessions on this subject are also planned

- An Annual Performance Assessment exercise, is undertaken in February each year. Prior to this there is a report to the Local Pension Board in December which sets out the approach to be adopted and the areas to be subject of the assessment. Whilst this work has always been undertaken, it has not been recognised as part of the work programme. It is proposed that this is formally added to the work programme for 2021/22.

20. If the items noted above and proposed changes were made to the 2021/22 work programme, it would be:

#### Quarterly reports

- Pensions Processing and Breaches of the Law. To include performance monitoring issues and non compliance by Scheme employers
- Risk Management and Audit Reports
- Monitoring of Scheme Employer Issues

#### Annual Reports

- Scrutiny of the Accounts – Audit Plan and Final Report and Accounts
- Internal Audit Annual Report
- Code of Practice 14 – Annual report
- Data Quality – Annual report
- Investment Pooling – Annual report
- Local Pension Board - Annual Report
- Local Pension Board - Annual Performance Assessment
- 2022 Actuarial Valuation

#### Other – reporting to be determined

- Responsible Investment and Climate Change

21. In addition, the Local Pension Board will continue to receive reports on training and any matters that emerge throughout the year. Topics on the Pensions Committee agenda will continue to be raised and discussed.

22. The Boards view on the proposed work areas, noted above, is requested along with any ideas or any other suggestions that the Local Pension Board members may wish to add.

### **Recommendation**

23. The Local Pension Board is recommended to consider which issues should be covered in the forward plan and work programme for 2021/22.

### **Reason for Recommendation**

24. To ensure that the Local Pension Board is able to fulfil the remit of assisting in the good governance and administration of the Fund

## Work Programme for 2021/22

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**The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:**

<b>Background Paper</b>	<b>File Ref:</b>	<b>File Location</b>
Public Service Pensions Act 2013 <a href="http://www.legislation.gov.uk/ukpga/2013/25/contents">http://www.legislation.gov.uk/ukpga/2013/25/contents</a>	N/a	Head of Pensions Office, South Shields Town Hall
Local Government Pension Scheme Regulations	N/a	Head of Pensions Office, South Shields Town Hall