

# Pension Board Agenda



To: Michael Ellsmore (Chair)  
Co-optees: Richard Elliott, Teresa Fritz, Ava Payne and David Whickman  
Councillor Margaret Bird

A meeting of the **Pension Board** which you are hereby summoned to attend, will be held on **Thursday, 12 January 2023** at **2.00 pm** in **F10, Town Hall, Katharine Street CR0 1NX**

JOHN JONE  
Monitoring Officer  
London Borough of Croydon  
Bernard Weatherill House  
8 Mint Walk, Croydon CR0 1EA

Democratic Services  
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[www.croydon.gov.uk/meetings](http://www.croydon.gov.uk/meetings)  
Tuesday, 3 January 2023

Please note that this meeting is being held remotely. You can view the webcast both live and after the meeting has completed at [webcasting.croydon.gov.uk](http://webcasting.croydon.gov.uk)

N.B This meeting will be paperless. The agenda can be accessed online at [www.croydon.gov.uk/meetings](http://www.croydon.gov.uk/meetings)

## **AGENDA – PART A**

**1. Apologies for Absence**

To receive any apologies for absence from any members of the Board.

**2. Minutes of the Previous Meeting (Pages 5 - 14)**

To approve the minutes of the meeting held on 13 October 2022 as an accurate record.

**3. Disclosure of Interests**

In accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, Members and co-opted Members of the Council are reminded that it is a requirement to register disclosable pecuniary interests (DPIs) and gifts and hospitality to the value of which exceeds £50 or multiple gifts and/or instances of hospitality with a cumulative value of £50 or more when received from a single donor within a rolling twelve month period. In addition, Members and co-opted Members are reminded that unless their disclosable pecuniary interest is registered on the register of interests or is the subject of a pending notification to the Monitoring Officer, they are required to disclose those disclosable pecuniary interests at the meeting. This should be done by completing the Disclosure of Interest form and handing it to the Democratic Services representative at the start of the meeting. The Chair will then invite Members to make their disclosure orally at the commencement of Agenda item 3. Completed disclosure forms will be provided to the Monitoring Officer for inclusion on the Register of Members' Interests.

**4. Urgent Business (if any)**

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

**5. Update following Pension Committee December 2022 (Pages 15 - 18)**

This report summarises the reports and the discussion thereon on the agenda considered at the meeting of the Pension Committee on 6 December 2022.

**6. Pensions Administration Team KPI Report September to November 2022 (Pages 19 - 32)**

This report sets out Key Performance Indicators for the administration of the Local Government Pension Scheme for the three-month period up to the end

of November 2022

**7. Review of Breaches Log (Pages 33 - 46)**

It is consistent with The Pension Regulator's Code of Practice that the Pension Fund maintains a breaches log detailing incidences where breaches have occurred.

**8. Progress on Governance Review Action Plan (Pages 47 - 54)**

This report updates the Board on the progress made in completing the actions recommended following the Governance review.

**9. Publishing Board Information (Pages 55 - 58)**

This report provides the Board with information on the governance review recommendation on publishing Board information.

**10. Communications Policy (Pages 59 - 70)**

This report updates the Pension Fund's Communication Policy Statement, attached as Appendix A, and invites the Board's comments.

**11. Review of Pension Board Member Training (Pages 71 - 78)**

This report advises the Board of training undertaken by the Pension Board members in Year 2022/23 to 31 December 2022 and asks them note the contents of the Log attached to this report as Appendix A.

**12. SAB and TPR Update December 2022 (Pages 79 - 84)**

This report advises the Board of the matters currently being considered by the Local Government Pension Scheme Advisory Board and The Pensions Regulator which are relevant to the Fund.

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# Public Document Pack Agenda Item 2

## Pension Board

Meeting held on Thursday, 13 October 2022 at 2.00 pm in

### MINUTES

**Present:** Michael Ellsmore (Chair);  
Co-optees: Teresa Fritz and David Whickman  
Councillor Margaret Bird

**Apologies:** Richard Elliott

### PART A

#### **22/20 Minutes of the Previous Meeting**

The minutes of the meeting held on 7 July 2022 were agreed as an accurate record of the proceedings.

#### **23/20 Disclosure of Interests**

There were none.

#### **24/20 Urgent Business (if any)**

There were no items of urgent business.

#### **25/20 Croydon Pensions Administration Team Key Performance Indicators for the Period From June 2022 to August 2022**

The Pensions Manager introduced the report and explained to members that the pension administration team had been working to prepare for the valuation. The annual allowance calculations and data quality score results would be published at the next Pension Board meeting.

The Pensions Manager informed the Board that two members of their team had left the Council in recent weeks; one staff member had retired for personal reasons and another had left for a promotion at another authority. Advertisements had been published for the positions and it was hoped that they would be filled in the near future.

In response to questions from members, officers informed the Board that:

- Around 22,000 records which belonged to staff within the council were affected and some of those records related to staff with

multiple posts. As the data for the staff working in the council had been obtained, officers could now identify the data for the staff who worked in schools within the borough, which required more detailed analysis;

- There was potential to reach out to contractors to assist with the current workload and that last year they had engaged with their software provider to this end. The process had stalled because of the data issues with the school payroll and a lack of school payroll providers; however, now that the Council's data had been gathered, the focus would switch to the schools' data and officers would be open to contacting external companies for assistance in future;
- In 2016, the council made the decision to not provide a school's payroll service. The council separated the main council payroll onto a different system to the school's pay roll, which was now a third-party provider that the schools employed. On the Council's Pension system, council-run schools came under the council's employer code: this had caused issues as when they received the McCloud report all the schools were lumped together with the Council data. The Pension Manager concluded, stating that they were now in a position where they were aware of whose data belonged to the council and whose data belonged to the schools;
- Officers hoped that there would be an improvement in the number of employees accessing the Pensions self-service area of the website over the next quarter. The Pensions Manager explained that in future, they would look to direct individuals to the website as they would be unable to help deal with all their queries;
- The Pensions Manager received an email which stated that there were under 40 tasks left to do. The bulk of the outstanding tasks related to tracing and a generic letter had been sent to ask people to contact the team as they could not issue the deferred benefit statements to their addresses; and,
- The next step with the dashboard was to assess the data based on the matching criteria and before implementing a regular tracing regime using resources from the software provider.

The Chair disclosed that the Board had asked for a resources plan from McCloud, at the time advised by the Pensions Manager.

**RESOLVED:**

- To note the Key Performance Indicators and the performance against these indicators set out in Appendix A to this report.

## **26/20 Reporting Breaches of the Law**

The Acting Head of Pensions and Treasury introduced the item and stated that the report had been taken to the Pension Committee and had been approved. The Acting Head of Pensions and Treasury explained that the policy was about identifying, recording and determining whether an issue was a material breach that needed to be reported to the regulator.

The Acting Head of Pensions and Treasury informed the Board that he was contacted by the regulator regarding the lack of minutes and was reminded that the council needed to have a policy in place to report minutes and to make sure that the minutes were documented.

### **RESOLVED:**

- To note and comment on revisions to the Fund's "Reporting Breaches of the Law Policy" and to note the Fund's Breaches of the Law log.

## **27/20 Review of Breaches Log**

The Acting Head of Pensions and Treasury introduced the report and explained that within the breaches log there were two breaches which had been removed because they had been on the log for over three years. There had also been two breaches added and five breaches which were amended. The breaches that had been removed were the 'Failure to produce benefit statements in 2019' and 'Failure to pay refund contributions'. The breaches that were added were the 'Failure to issue 100% benefit statements by the 31st of August 2022' and the 'Failure to publish the 2021 accounts'.

The Pensions Manager explained that they had issued 100% of annual benefit statements for the active members but had fallen short on their targets on issuing the annual benefit statements for the deferred members. Once the deferred members had been traced, they would be issued with benefit statements.

In response to a question from a member, officers informed the Board that:

- All active members received their annual benefits statements. The employers were effective at providing end of year data, so the data was in a much better place which enabled officers to inform members about their benefits statements in a timely manner.

**RESOLVED:**

- To note the report

**28/20 Review of Risk Register**

The Acting Head of Pensions and Treasury introduced the report and stated that the purpose was to monitor the risk that the Fund came under; since the last review they had removed four risks and added seven risks.

The risks that had been added included cyber security, staff recruitment and retention, the Russian invasion of Ukraine, Deluxe White Paper to deploy 5% of capital to opportunities within the UK, changes of legislation, task force for the climate change disclosures (TCFD), interruptions to systems, and liquidity risk (concerns around inflation).

In response to a question from a member, officers informed the Board that:

- Once officers had obtained the figures of the consumer price index (CPI) then they could project the cash flow and stated that the fund was almost cash flow neutral. This did not include income that came from investments, all the income was reinvested apart from some of the distributions from private equity and infrastructure.

The Acting Head of Pensions and Treasury agreed to share the cash flow projection with the Board once it was finalised.

**RESOLVED:**

- To note the contents of the Pension Fund Risk Register and to comment as appropriate.

**29/20 Triennial Valuation**

The Acting Head of Pensions and Treasury introduced the report and explained that as part of the Triennial Valuation they had reviewed the draft Funding Strategy Statement and taken that and the provisional whole fund results to the Pension Committee the previous Tuesday.

The Funding Strategy Statement set the strategy of the policy of how the Fund sets contributions and how to set investment returns. As the draft Funding Strategy Statement had been approved by the Pensions Committee



it would go out to all the employers for consultation, after which the Pensions team would be able to set contribution rates for employers at the scheme.

The results of the Triennial Valuation stated that the Council was 97% funded, which was a snapshot at the 31 March 2022. Valuations had gone down since then and inflation expectations had changed, so the question was whether the valuations still held up.

The Acting Head of Pensions and Treasury assured the Board that as part of the process they modelled thousands of scenarios, and the current state of the market was one of the scenarios modelled which was how they were assured that the assumptions that were included in the funding strategy statement still held up.

The Acting Head of Pensions and Treasury stated that the report would come back in March 2023 to be signed off by the Pension Committee.

In response to a question from a member, officers informed the Board that:

- Since the draft valuation results had been produced, the Actuary had assessed them monthly to ensure the assumptions used were still valid and that the results showed an accurate picture of the Fund's position.

**RESOLVED, to:**

- Note and comment on the draft FSS (Appendix A) and 'satellite' policy documents on contribution reviews (Appendix B), academy funding (Appendix C), bulk transfers (Appendix D), cessations (Appendix E) and prepayments (Appendix F) to be issued to all participating employers for comment alongside their 2022 valuation results.
- Note the progress made towards the 2022 valuation.
- Note the initial whole Fund results effective 31 March 2022.

**30/20 Governance and Compliance Statement**

The Acting Head of Pensions and Treasury introduced the report and explained that the Governance Best Practice Compliance Statement was initially taken to Committee in June and there were some outstanding points

from that committee which were related to principal G(a). The Committee wanted to change this to 'not fully compliant' due to the performance of the meeting papers and with principles A, C and D there were questions about whether the Pensions Board was a committee or sub-committee; this was checked and regulations state that the Pensions Board was not a secondary Committee. In addition, principal E was changed to 'partially complaint' because of the issues surrounding historic training.

**RESOLVED:**

- To note and comment on the revised draft Governance Best Practice Compliance Statement attached as Appendix A.

**31/20 Progress on Implementing Findings of Governance**

The Acting Head of Pensions and Treasury introduced the report and explained that following the last meeting he had produced the actions to be carried forward which was the 'governance review action plan'. The governance review action plan was taken to Committee the previous Tuesday, and the committee had agreed that this was a sensible way forward.

Officers informed the Board that the Pension Committee had agreed to the remuneration of the members of the Pensions Board who were not remunerated by their employer.

In response to questions from members, officers informed the Board that:

- There was still an issue on the Council side with the treatment of a particular accounting item in the Statement of Accounts for 2019/20 and as soon as that had been resolved the account should be able to be signed off as audited. The audit of the Pension Fund had been substantially completed last year, and a draft report from the auditor had been received which did not highlight any issues;
- Officers had taken the changes to the constitution to the Pension Committee and the next stage in the process was present the changes to the Monitoring Officer before they could be included in the Constitution; and,
- The pension fund accounts were a subset of the Council accounts and they would have to be signed off as audited at the same time as the council's accounts.

**RESOLVED:**

- To note the outstanding actions to be taken forward as a result of the findings from the various Governance Reviews as detailed in section 3.4 of this report.
- To note the progress achieved in addressing the findings of the Governance Reviews of 2019 and 2021.

**32/20 Training Plan and Review of Committee and Board Training**

The Acting Head of Pensions and Treasury introduced the report and explained that the knowledge and skills policy had been agreed in June, and that since then they had scheduled several sessions for Pension Board and Committee members. The Local Government Association (LGA) fundamentals course and the training available on the Hymans Robertson portal formed the core part of everyone's training and the additional sessions were not mandatory, but they had hoped that members would take it upon themselves to ensure they were up to date with their training.

In response to a question from a member, officers informed the Board that:

- One of the changes they had put in the council's constitution stated that Pension Board members would have to follow the Council code of conduct and he would inform Board members if they required any training on the code of conduct.

**RESOLVED:**

- To note the contents of the joint Pension Committee and Pension Board Training Log and note and comment on the Training Plan.

**33/20 Local Government Pension Scheme Advisory Board / The Pensions Regulator Update**

The Acting Head of Pensions and Treasury introduced the report and explained to the Board that the Chair of the Scheme Advisory Board had written to the Minister about the separation of pension fund accounts from main local authority accounts and the Department for Levelling-Up, Housing and Communities (DLUHC) has issued a consultation about the TCFD.

**RESOLVED:**

- To note the report.

**34/20 Pension Board Annual Report 2021/22**

The Chair introduced the item and stated that moving forward the Pension Board would focus on governance as a board and they would keep an eye on the governance project. They would also continue to major in pensions admin and would remain particularly interested in resource allocation.

In response to a question from a member, the Chair stated that:

- They would acknowledge that the Board would play a major part in creating a mapping exercise.

**RESOLVED:**

- To note the draft Pension Board Annual Report 2021/22 prepared by the Chair of the Board and comment as they see fit.

**35/20 Proposed Changes to the Constitution**

The Acting Head of Pensions and Treasury introduced the report and explained that the proposed changes had been taken to the Pensions Committee and they had made a point regarding voting rights. The proposed changes had been brought to the Pensions Board to provide justification to the policy before the changes were taken to the Monitoring Officer.

In response to a question from a member, officers informed the Board that:

- As the staff representative was appointed by the trade unions it would be their decision on whether to change the representative on an annual basis or whether they kept the same individual on the Committee.

**RESOLVED:**

- To note the proposed amended sections of the Constitution as they relate to The Pension Committee and Pension Board which are being considered at the Pension Committee meeting on 11 October 2022 for recommendation to the Monitoring Officer.

**36/20 Exclusion of the Press and Public**

This item was not required.

The meeting ended at 3.02 pm

**Signed:**

**Date:**

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## Croydon Council

<b>REPORT TO:</b>	<b>Pension Board 12 January 2023</b>
<b>SUBJECT:</b>	<b>Pension Committee 6 December 2022</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett - Acting Head of Pensions and Treasury</b>

### 1. RECOMMENDATION

- 1.1 The Board is asked to note the most significant matters arising from the meeting of the Pension Committee on 6 December 2022.

### 2. EXECUTIVE SUMMARY

- 2.1 This report summarises the reports and the discussion thereon on the agenda considered at the meeting of the Pension Committee on 6 December 2022.

### DETAIL

- 3.1 Paragraphs 3.2 – 3.11 below provide summaries of the reports and discussion of items on the agenda considered at the meeting of the Pension Committee on 6 December 2022.

#### 3.2 Urgent Business

Several members of the Committee raised concerns about access to various Committee papers. Democratic Services said they were experiencing staffing shortages and the Corporate Director of Resources agreed to look into the possibility of the Fund paying independently for these services.

#### 3.3 Review of Breaches Log

One new entry had been added concerning the 2021/22 Fund Accounts and one item concerning the publication of minutes had been altered from amber to green

Members were assured by officers that the fact that there were now three years of final accounts outstanding was due to Council and national issues and that there were unlikely to be any significant issues in the draft accounts of the Fund. As such, the breaches had not been referred to The Pensions Regulator. In answer to a Member's query, officers advised that, at present, funds do not have an independent legal standing and are not able to publish final accounts independently of their associated Council.

In view of issues around the publication and distribution of Committee papers discussed under “Urgent Business” it was agreed that the move from amber to green be reversed.

The Committee noted the Report and it is to be found elsewhere on the Board’s agenda.

### **3.4 Croydon Pensions Administration Team Key Performance Indicators for the Period from August 2022 to October 2022**

The Committee were generally complimentary about the performance of the Team and asked that their thanks be recorded, particularly in respect of the completion of the backlog project. Additionally they asked that a “marketing” campaign be carried out to encourage the use of the on-line enquiry service and welcomed the proposed introduction of national Key Performance Indicators.

The Report was noted and it is to be found elsewhere on the Board’s agenda.

### **3.5 Review of Risk Register**

No amendments to the Register had been made and the Committee noted the Report.

### **3.6 Review of Committee Training**

Officers reported that the response by Committee members and reserves to the National Knowledge Assessment conducted by Hymans Robertson was disappointing with almost half of those eligible not taking part. However officers will use the results from those members who did engage to inform training plans going forward.

The Committee noted the Report

### **3.7 Proposed Constitutional Changes – Updates from Previous Meeting**

The Committee were asked to agree:

- amendments to voting rights as proposed at their previous meeting ie that voting rights be given to the staff side member, not to enfranchise the second pensioner member and that a new external employer representative voting role be created; and
- an annual allowance be paid to the members of the Pension Board and the Board Chair.

The Committee agreed both the recommendations.



### **3.8 Contracts for the Provision of Actuarial and Global Custody Services**

The Committee noted the intention that new contracts for these services will be let via the “framework” process during the first half of 2003. Each of the frameworks includes all or most of the service providers known to be active in the UK market.

In respect of the individual service, officers specifically advised:

- Actuarial Services – perceptions in respect of actuarial assumptions will not be part of the tender evaluation process;
- Global Custody Services – reputation will form part of the tender evaluation process.

### **3.9 Local Government Pension Scheme Advisory Board / The Pensions Regulator Update**

The Committee noted the contents of the report and were particularly interested in the impact on the Fund of the “Levelling Up” White Paper. In particular, they raised questions over the proposal that pension funds be required to invest 5% of their resources into projects supporting local areas and who would be responsible if such investments were not successful.

Officers and the Investment Adviser commented that individual funds would take responsibility for their investments. They further advised that the Croydon Fund is already relatively highly weighted in infrastructure assets and that the process would need to be carefully managed.

### **3.10 Progress Report for Quarter Ended 30 September 2022**

In the report considered under Part A of the agenda the Committee noted a small decrease (1.2%) to £1,614m in the value of the Fund over the last quarter.

Officers and the Investment Adviser commented that the Fund was performing comparatively well and is close to being 100% funded.

### **3.11 Investment Strategy Review**

Officers and the Investment Adviser advised that the Fund’s Investment Strategy must be formally reviewed every three years and that this will take place in the next quarter.

A half day training session will be offered to members of the Committee.

#### **4. DATA PROTECTION IMPLICATIONS**

4.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

**Approved by:** Jane West, Corporate Director of Resources (Section 151 Officer)

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#### **CONTACT OFFICER:**

Matthew Hallett – Acting Head of Pensions and Treasury.

#### **BACKGROUND DOCUMENTS:**

None.

## Croydon Council

<b>REPORT TO:</b>	<b>Pension Board 12 January 2023</b>
<b>SUBJECT:</b>	<b>Croydon Pensions Administration Team Key Performance Indicators for the period September 2022 to November 2022</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett - Acting Head of Pensions and Treasury</b>

### 1. **RECOMMENDATION**

The Committee is asked to:

- 1.1 Note the Key Performance Indicators and the performance against these indicators set out in Appendix A to this report.

### 2. **EXECUTIVE SUMMARY**

- 2.1 This report sets out Key Performance Indicators for the administration of the Local Government Pension Scheme for the three-month period up to the end of November 2022

### 3. **DETAIL**

- 3.1 Good governance suggests that the performance of the administration of the Local Government Pension Scheme should be monitored. This report has been developed using the guidance published by CIPFA (Administration in the LGPS: A Guide for Pension Authorities) and is reporting to the committee on the LGPS administration performance for the period September 2022 to November 2022. The indicators cover legal deadlines; team performance targets, case levels, take up of the member self-service and the indicators and performance against these are details more fully in Appendix A to this report.

### 4. **COMMENTARY**

- 4.1 The team continue to perform well on life event cases such deaths and retirements.
- 4.2 The backlog project has now been completed with a total of 2665 cases completed. We are now focusing on tracing and informing members of their deferred benefit entitlement.
- 4.3 This forms the start of our drive to increase member self-service numbers. Deferred members will be contacted as part of the backlog tracing project and invited to sign up to member self-service. This is being done in phases so the team can resource the expected queries and member self-service registration requests we anticipate.
- 4.4 Scheme employers will be contacted in the New Year to promote member self-service with their employees. We will also use this opportunity to encourage

scheme members to complete Expression of Wish Death Grant forms.

- 4.5 The team processed over 9000 Annual Allowance calculations by the 6 October 2022 deadline. These can be complex calculations and all members who were identified as exceeding the annual allowance were calculated manually to ensure accuracy.
- 4.6 Data Quality assessments for the Pension Regulator were run in August 2022. The scores are split between Common Data and Scheme-specific Data. The Common Data score for 2022 was 97.4% (2021 score was 97.5%) and the Scheme-specific score for 2022 was 96.4% (2021 score was 95.3%).
- 4.7 Work has begun on clearing the high priority issues identified by the report. Some errors have been assessed in previous years and will not be tackled as they are a low priority.
- 4.8 We have successfully appointed a new Pension Administrator who will be joining us in the New Year. We look forward to welcoming them to the team and working with them on a comprehensive training plan.

### **Cyber Security**

- 4.9 Work has commenced on the mapping exercise to identify how data moves to and from the Pension Fund. The exercise has been split between Pension Administration, Governance, Investment and Technical.
- 4.10 The results are encouraging and show processes are in place to mitigate risk when communications are sent electronically. The use of secure portals has increased as has the use of secure email.
- 4.11 We will now move to the next stage of the process and review the Fund's Cyber Hygiene. Where possible we hope to work with third parties who have the resource and knowledge to advise us accordingly.

## **5. CONSULTATION**

- 5.1 Officers have previously consulted with both the Pension Committee and Local Pension Board in the template for the key performance indicator report which forms the basis of Appendix A

## **6. DATA PROTECTION IMPLICATIONS**

- 6.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

**Approved by:** Matthew Hallett on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

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**CONTACT OFFICER:**

Matthew Hallett - Acting Head of Pensions and Treasury

**BACKGROUND DOCUMENTS:**

None.

**APPENDIX**

**Appendix A:** Croydon Pensions Admin Team Performance Report, September 2022 to November 2022

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# Croydon Pensions Admin Team Performance Report









January 2023

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## Reference Key Table

Direction of travel reference table	
	100% achieved against target performance improved
	100% achieved on target and performance static
	>90% achieved against target and performance improved
	>90% achieved against target and performance static
	>90% achieved against target and performance declined
	<90% achieved against target and performance improved
	<90% achieved against target and performance static
	<90% achieved against target and performance declined

## Legal Deadlines

Process	Legal Requirement	Total Number Completed	% Achieved in legal deadline	Total Number Completed	% Achieved in legal deadline	Total Number Completed	% Achieved in legal deadline	Direction of Travel	Comments
		September 2022		October 2022		November 2022			
<b>Send a notification of joining the LGPS to a scheme member</b>	Two months from the date of joining the scheme or earlier if within one month of receiving jobholder information where the individual is being automatically enrolled/re-enrolled	235	98.72%	158	97.47%	191	98.95%		New starter cases increase at this time of year as a result of the end of year processes. New starters that employers have failed to inform us of through out the year are identified.
<b>Inform a scheme member of their calculated benefits (refund or deferred)</b>	As soon as practicable and no more than two months from the date of notification (from employer or scheme member)	666	12.31%	307	19.54%	58	79.31%		

Process	Legal Requirement	Total Number Completed	% Achieved in legal deadline	Total Number Completed	% Achieved in legal deadline	Total Number Completed	% Achieved in legal deadline	Direction of Travel	Comments
		September 2022		October 2022		November 2022			
<b>To process and pay a refund</b>	Two months from the date of request	15	100%	13	100%	7	100%		
<b>Obtain transfer details for transfer in, calculate and provide quotation to member</b>	Two months from the date of request	4	100%	5	100%	1	100%		
<b>Notify the amount of retirement benefits</b>	One month from the date of retirement if on or after normal pension age or two months from the date of retirement if after normal pension age	93	100%	72	100%	60	100%		
<b>Provide a retirement quotation on request</b>	As soon as practicable but no more than two months from the date of request unless there has already been a request in the last 12 months	76	97.37%	79	100%	63	100%		One member with two deferred records missed target in September. Issues with tracing member.

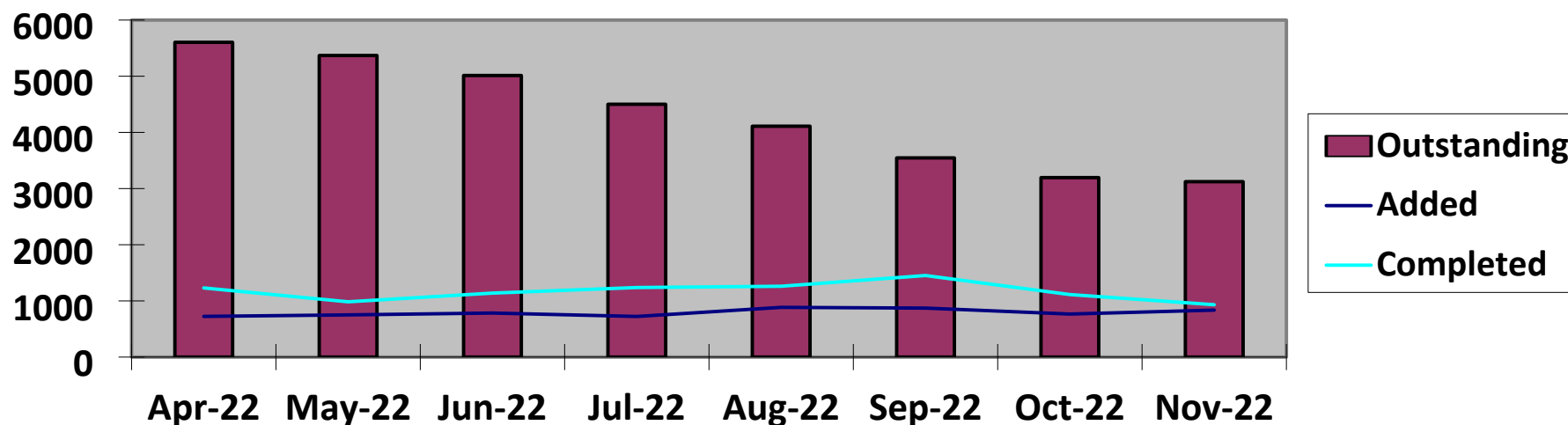
Process	Legal Requirement	Total Number Completed	% Achieved in legal deadline	Total Number Completed	% Achieved in legal deadline	Total Number Completed	% Achieved in legal deadline	Direction of Travel	Comments
		September 2022		October 2022		November 2022			
<b>Calculate and notify (dependent(s) of amount of death benefits</b>	As soon as possible but in any event no more than two months from date of becoming aware of death or from date of request from a third party (e.g. personal representative)	32	100%	26	100%	30	100%		
<b>Provide all active and deferred members with annual benefit statements each year</b>	By 31 <sup>st</sup> August								

## Team Performance Targets

Process	Team Target	Total Number Completed	% Achieved against target	Average days to process	Total Number Completed	% Achieved against target	Average days to process	Total Number Completed	% Achieved against target	Average days to process	Direction of Travel	Comments
		September 2022			October 2022			November 2022				
Send a notification of joining the LGPS to a scheme member	30 days from date of notification of joining member	235	98.72%	6	158	97.47%	11	191	97.38%	5	↑	
Inform a scheme member of their calculated benefits (refund or deferred)	40 working days from date of notification (from employer or scheme member)	666	12.31%	1008	307	18.89%	963	58	79.31%	242	↑	<p>The backlog project has now been completed. There remain a few historic cases referred back to Croydon to investigate further which are being dealt with by senior members of the team.</p> <p>While the team are two members down we have been focusing on priority work but have completed some successful Blitz days targeting leavers and frozen refunds and these will continue in the New Year.</p>

Process	Team Target	Total Number Completed	% Achieved against target	Average days to process	Total Number Completed	% Achieved against target	Average days to process	Total Number Completed	% Achieved against target	Average days to process	Direction of Travel	Comments
		September 2022			October 2022			November 2022				
<b>To process and pay a refund</b>	40 working days from the date of request	15	100%	4	13	100%	3	7	100%	3		
<b>Obtain transfer details for transfer in, calculate and provide quotation to member</b>	40 working days from the date of request	4	100%	2	5	80%	5	2	100%	1		One case missed target in October
<b>Notify the amount of retirement benefits</b>	20 working days from date of retirement	93	100%	3	72	100%	2	60	100%	2		
<b>Provide a retirement quotation on request</b>	15 working days from date of request	76	97.37%	7	79	100%	2	63	100%	4		One member with two deferred records missed target in September. Issues with tracing member.
<b>Calculate and notify (dependent(s) of amount of death benefits</b>	20 working days from receipt of all information	32	100%	3	26	96.15%	4	30	100%	3		One case missed target in October.

## Case levels



Number of outstanding cases

The Backlog Project tracing tasks have been removed as they do not represent work to be completed.

## Member self-service

Total Scheme members registered	6010 (22.74%)
Number scheme members who accessed annual benefit statement Q2 Jul 2022 – Sep 2022	737
Breakdown by member status	
• Actives	30.14%
• Deferred	20.25%
• Pensioners & Dependents	17.98%

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<b>REPORT TO:</b>	<b>Pension Board 12 January 2023</b>
<b>SUBJECT:</b>	<b>Review of Breaches Log</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett - Acting Head of Pensions and Treasury</b>

## **1. RECOMMENDATION**

The Board is asked to:

- 1.1 Consider the contents of the Pension Fund Breaches Log, Appendix A, and to comment as appropriate.

## **2. EXECUTIVE SUMMARY**

- 2.1 It is consistent with The Pension Regulator's Code of Practice that the Pension Fund maintains a breaches log detailing incidences where breaches have occurred. In line with the recommendations of the Aon Hewitt Governance Review, on 15 September 2020 the Committee agreed the revised Reporting Breaches of the Law Policy. This included a requirement for the Board to monitor breaches on a regular basis. This report presents the current log (Appendix A) for the Board's consideration and comment.

## **3 DETAIL**

- 3.1 The Pension Act 2004 ( "The Act", s 70) imposes duties on certain persons to report breaches of the law as follows:

70 Duty to report breaches of the law

(1) Subsection (2) imposes a reporting requirement on the following persons—  
(a) a trustee or manager of an occupational or personal pension scheme;

(aa) a member of the pension board of a public service pension scheme;

(b) a person who is otherwise involved in the administration of an occupational pension scheme;

(c) the employer in relation to an occupational pension scheme;

(d) a professional adviser in relation to such a scheme;

(e) a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.

(2) Where the person has reasonable cause to believe that—

(a) a duty which is relevant to the administration of the scheme in question, and is imposed by or by virtue of an enactment or rule of law, has not been or is not being complied with, and

(b) the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions,

he must give a written report of the matter to the Regulator as soon as reasonably practicable.

(3) No duty to which a person is subject is to be regarded as contravened merely because of any information or opinion contained in a written report under this section. This is subject to section 311 (protected items).

(4) Section 10 of the Pensions Act 1995 (c. 26) (civil penalties) applies to any person who, without reasonable excuse, fails to comply with an obligation imposed on him by this section.

In line with this legislation and the Pensions Regulator's Code of Practice a Breaches Log is maintained by the Fund. In their Governance Review Aon Hewitt recommended that the log was reviewed regularly by the Pension Committee. It was last reviewed on 25 May 2021. The current log is attached (Appendix A).

3.2 In this context a breach of the law occurs when a duty which is relevant to the administration of the Fund, and is imposed by or by virtue of legislation or rule of law, has not been or is not being complied with. In the context of the LGPS this can encompass many aspects of the management and administration of the LGPS, including failure:

- to do anything required under the Regulations;
- to do anything required under overriding legislation, applicable statutory guidance or codes of practice;
- to maintain accurate records;
- to act on any fraudulent act or omission that is identified;
- to comply with policies and procedures (e.g. the Fund's statement of investment principles, funding strategy, discretionary policies, etc.);
- of an employer to pay over member and employer contributions on time;
- to pay member benefits either accurately or in a timely manner;
- to issue annual benefit statements on time or non-compliance with the Code.

3.3 Since the Board last reviewed the Log, 1 entry has been added and 3 entries have been amended.

- The entry that has been added is entry number 8, failure to publish audited Fund accounts for 21/22 by 30 September 2022.
- The entries that have been amended are entry 4 in respect of the backlog work undertaken by Hymans; this has now been rated green as the backlog work has now been completed, entries 6 and 7 in respect of failure to publish accounts in respect of 2019/20 and 2020/21 where the ratings have been changed to amber.

3.4 The Board is asked to consider the contents of the Breaches Log and to comment.

#### **4. CONSULTATION**

4.1 Officers have previously consulted with both the Pension Committee and Local Pension Board on the template for the Breaches Log which forms the basis of the report.

#### **5. DATA PROTECTION IMPLICATIONS**

**5.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

**NO**

**Approved by:** Matthew Hallett on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

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#### **CONTACT OFFICER:**

Matthew Hallett, Acting Head of Pensions and Treasury

#### **APPENDIX:**

Appendix A: Breaches Log

#### **BACKGROUND DOCUMENTS:**

None.



No	Date	Category	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to the breach	Reported/Not reported (with justification if not reported) and dates	Colour Rating	Outcome of report and/or investigations	Outstanding actions	Comments
1	Aug20	<b>Administration ABS</b>	Failure to produce 100% of Annual Benefit Statement notifications	Members and former members have not received up to date information on the value of their LGPS benefits which may affect their ability to make informed decisions around pension provision. Noncompliance with LGPS regulations timescales. Member has been unable to check personal data is complete and accurate or that the correct contributions have been credited.	The technical team issued 98.69% of the statements due. For the remainder, tasks are set up on Altair to enable the admin team to carry out any necessary tasks on the member records as part of the work schedule, such as resolving queries or completing benefit calculations.	The matter was not referred to the Pensions Regulator. All the issues were identified and tasks have been set up on Altair to be dealt with as part of the work schedule		Not reported. Only 2.12% for active and 0.27% for deferred members were not issued. The issues will be dealt with and member records updated as part of the work schedule		

No	Date	Category	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to the breach	Reported/Not reported (with justification if not reported) and dates	Colour Rating	Outcome of report and/or investigations	Outstanding actions	Comments
2	Aug-21	<b>Administration ABS</b>	Failure to produce 100% of Annual Benefit Statement notifications	Members and former members have not received up to date information on the value of their LGPS benefits which may affect their ability to make informed decisions around pension provision. Noncompliance with LGPS regulations timescales. Member has been unable to check personal data is complete and accurate or that the correct contributions have been credited.	The team managed to issue 99.94% of annual benefit statements.	The matter was not referred to the Pensions Regulator. All the issues were identified and tasks have been set up on Altair to be dealt with as part of the work schedule		Not Reported. Only 0.06% of the notifications were not issued. The issues are dealt with and member records updated as part of the work schedule.		

No	Date	Category	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to the breach	Reported/Not reported (with justification if not reported) and dates	Colour Rating	Outcome of report and/or investigations	Outstanding actions	Comments
3	Aug-22	Administration ABS	Failure to produce 100% of Annual Benefit Statement notifications	Members and former members have not received up to date information on the value of their LGPS benefits which may affect their ability to make informed decisions around pension provision. Noncompliance with LGPS regulations timescales. Member has been unable to check personal data is complete and accurate or that the correct contributions have been credited.	The technical team have issued 92.30% of the statements due. The majority of the deferred ABSs not issued are a result of outstanding leaver calculations which have been identified as part of the backlog project contracted to a third party. Work on this project continues and members are being contacted once the calculations have been completed. The remainder relate to leavers where we are awaiting transfer details from other LGPS funds before the deferred benefits can be processed or those that have left the scheme post 31 March 2022 and we await leaver information from employers. These cases are included in BAU work and handled by the Pension Admin Team on a daily process. Members will be contacted once the calculations have been completed.	The matter was not referred to the Pensions Regulator. All the issues were identified and tasks have been set up on Altair to be dealt with as part of the work schedule		Not reported. 100% for active members were issued. While 86.19% for deferred members were issued, the balance were not produced due to ongoing benefit calculations or transfer calculations where we are awaiting information. These cases are included in BAU work and handled by the Pension Admin Team on a daily process. Members will be contacted once the calculations have been completed		

No	Date	Category	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to the breach	Reported/Not reported (with justification if not reported) and dates	Colour Rating	Outcome of report and/or investigations	Outstanding actions	Comments
4	Jan-21	<b>Administration Backlog</b>	Failure to inform 100% of scheme members of their calculated benefits (refund or deferred) – backlog cases. The original number of backlog cases was 2665. The backlog cases allocated to Hymans have now been completed.	Members and former members have not received up to date information on the value of their LGPS benefits which may affect their ability to make informed decisions around pension provision. Noncompliance with LGPS regulations timescales. Members have been unable to check personal data is complete and accurate or that the correct contributions have been credited	Historical backlog is impacting performance. Hymans Robertson have been engaged to provide administration services to clear this backlog	The issue has been identified and action taken to rectify it. Outsourcing the historical backlog provides greater administrative capacity , mitigating the risk of recurrence. This has therefore been judged as not necessary to report to the Pensions Regulator		Not reported to The Pensions Regulator		



No	Date	Category	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to the breach	Reported/Not reported (with justification if not reported) and dates	Colour Rating	Outcome of report and/or investigations	Outstanding actions	Comments
5	Oct-21	<b>Administration Minutes</b>	Failure to publish Committee and Board meeting Minutes	Without minutes any decisions made are not recorded and so have no legal basis. Any actions taken as a result of those decisions have no legal authority. There is no public access to decisions taken, preventing openness and challenge.	The matter was discussed at the meeting on 14 September 2021. Democratic Services have been experiencing resourcing issues and backlogs of all Council Committee meeting minutes have arisen. The team are now fully resourced and will be trying to catch up on the backlog and produce future minutes in a more timely fashion moving forward. Members requested that officers look into sourcing external minuting provision in respect of Pension Meetings to safeguard Fund business	Officers have designated the breach as amber in line with TPR guidance. Whilst there is an impact on the administration of the Fund, action has been taken to resolve the issue. The Monitoring Officer has advised that the matter should be reported to the TPR which has been done by the Chairs of the Board and Committee		Democratic Services are now adequately resourced and are producing the minutes themselves. All outstanding draft Committee minutes have been published and will be included on the agenda for the 11 October 2022 meeting for consideration and approval. The three outstanding draft Board minutes have been published and approved by the Board		Feedback has been received following referral of the matter to the TPR. They expect processes to be put into place to produce minutes in a timely manner and for them to be reviewed and approved promptly. These matters have been addressed.



No	Date	Category	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to the breach	Reported/Not reported (with justification if not reported) and dates	Colour Rating	Outcome of report and/or investigations	Outstanding actions	Comments
6	Sep-21	<b>Finance Accounts</b>	Failure of the Fund to publish audited Fund Accounts for year 2019/20 by 30 September 2020.	Lack of accurate data available on which to base funding requirements. This could result in insufficient funds to pay all benefit liabilities	The Fund report and accounts were prepared but had not been signed off by the Auditors. The Fund accounts form part of the Council accounts. External auditors would not sign off on the Council accounts as there was an issue around the accounting treatment involving Croydon Affordable Homes LLP. However, this is being resolved and it is expected that the paperwork will be in place shortly to allow sign off to be completed. The draft Annual Report and Accounts were presented to Pension Committee on 3 December 2021.	The matter has not been reported to the Pension Regulator. Progress had initially been delayed due to the issuing of the Section 114 notice applicable to Croydon and, more widely, to the impact of the Covid 19 pandemic. Many other LGPS Funds had been unable to finalise their accounts due to the impact of the pandemic. The continued delay in signing the accounts is as a result of the issues caused with Council's accounts around the accounting treatment of Croydon Affordable Homes LLP. The failure to sign off the accounts does not relate to a failure on the part of the Fund. The audit of the accounts is substantially complete and it is expected that the paperwork will be in place shortly to allow sign off to be finalised. The draft Annual Report and Accounts have been published on the website.			The Fund Accounts form part of the Council Accounts and cannot be signed off separately. The Head of Pensions will continue to liaise with Audit on progress on signing off the Council accounts	

No	Date	Category	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to the breach	Reported/Not reported (with justification if not reported) and dates	Colour Rating	Outcome of report and/or investigations	Outstanding actions	Comments
7	Sep-22	<b>Finance Accounts</b>	Failure to publish the audited Fund Accounts for year 20/21 by 30 September 2021	Lack of accurate data available on which to base funding requirements. This could result in insufficient funds to pay all benefit liabilities.	The report and accounts were prepared but the accounts had not been signed off by the auditors due to issues with the Council's accounts for 2019/20 around the accounting treatment of Croydon Affordable Homes LLP. The draft Annual Report and Accounts were presented to Pension Committee on 3 December 2021	The matter has not been reported to the Regulator. Due to the passage of time, in July 2022 the Head of Pensions and Treasury reconsidered whether to report the breach, the main consideration being whether it would affect the valuation. Having consulted the Actuary and deemed that the valuation could still be signed off, it was decided that the breach still did not need reporting.			The Fund Accounts form part of the Council Accounts and cannot be signed off separately. The Head of Pensions will continue to liaise with Audit on progress on signing off the Council accounts.	

No	Date	Category	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to the breach	Reported/Not reported (with justification if not reported) and dates	Colour Rating	Outcome of report and/or investigations	Outstanding actions	Comments
8	Sep-22	<b>Finance Accounts</b>	Failure to publish the audited Fund Accounts for year 21/22 by 30 September 2022	Lack of accurate data available on which to base funding requirements. This could result in insufficient funds to pay all benefit liabilities.	The report and accounts are being prepared. The audit of the accounts cannot be started until completion of the 19/20 and 20/21 accounts.	The matter has not been reported to the Regulator. The cause of the breach was due to the failure of the Council rather than failure in the administration of the scheme. The Actuary has confirmed that the valuation can still be completed, so the scheme can still comply with its legal requirements on funding. The breach has not resulted in any detrimental effects to members benefits.			The Fund Accounts form part of the Council Accounts and cannot be signed off separately.	

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<b>REPORT TO:</b>	<b>PENSION BOARD 12 January 2023</b>
<b>SUBJECT:</b>	<b>Progress on implementing findings of Governance Review</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett, Acting Head of Pensions and Treasury</b>

## **1 RECOMMENDATIONS**

- 1.1 To note the progress made in completing the actions agreed as detailed in the Governance Review Action Plan.

## **2. EXECUTIVE SUMMARY**

- 2.1 This report updates the Board on the progress made in completing the actions recommended following the Governance review.

## **3. DETAIL**

- 3.1 A governance review carried out by AON, the Fund's governance advisors, was commissioned by the Fund and its findings were reported in September 2019. It was envisaged that completion of the actions identified would be delivered over a 3 year period. A follow up review was carried out in June 2021. A list of recommendations from both of these reviews and from a meeting between the Chairs of the Pension Board and Committee, The Head of Pensions, The Pensions Manager and the Fund governance advisers AON on 3 February 2022 was formulated.
- 3.2 At their 7 July 2022 meeting the Pension Board were asked to consider these recommendations and whether to request that the Committee amend the work programme in respect of any of the items.
- 3.3 Following the Pension Board meeting, Officers consolidated all of the findings and produced a Governance Review Action Plan which was presented to Pension Committee on 11 October 2022. The Pension Committee agreed the outstanding actions to be taken forward as detailed in the Governance Review Action Plan. The action plan and updated progress is attached as Appendix A.

- 3.4 The Governance Review Action Plan has a list of 29 items. Of those items 2 were non-pension officer actions and 10 are not yet due for completion.

Of the remaining 17 items 41% have been completed and a further 41% are in progress. 1 of the remaining items concerning reporting sign off of the 2019/20 accounts cannot yet be actioned due to issues involving the signing of the Council's accounts. The items concerning the record management policy and resourcing have been moved to March 2023.

- 3.5 The Constitutional items have been agreed by the Committee and are now being taken to the monitoring officer to progress.

- 3.6 The Board are asked to note the progress in completion of actions to date.

#### **4 CONSULTATION**

- 4.1 Officers have prepared this report in line with previous recommendations of the Pension Fund's advisers Aon in.

#### **5 DATA PROTECTION IMPLICATIONS**

- 5.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

**Approved by:** Matthew Hallett on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

#### **CONTACT OFFICER:**

Matthew Hallett, Acting Head of Pensions and Treasury

#### **BACKGROUND DOCUMENTS:**

None

#### **APPENDICES**

**Appendix A:** Governance Review Action Plan



Category	Action	Comments	Date Due
<b>Non-Pension Officer Actions</b>	That the Committee recommends that the Council looks at appointing members to the Committee and the Board for a period of 4 years within the electoral cycle	At the June 2022 Pension Committee, the Chair of the Board requested that Committee members committed to four-year terms to aid continuity.	
<b>Non-Pension Officer Actions</b>	The Section 151 Officer to review the structure of the Pensions Function and how that sits within the Council structure.	This will be carried out when considering the plan for 2023/24	31 March 2023
<b>Constitutional Actions</b>	To create a Fund wide Conflicts of Interest Policy covering Committee, Board and Senior Officers and incorporating work with the LCIV	Officers are awaiting comment from the Monitoring Officer	October 2022
<b>Constitutional Actions</b>	That a small annual allowance should be paid to Pension Board members to reflect the increasingly onerous skills and training requirements	Agreed by Committee. Monitoring Officer to action	October 2022
<b>Constitutional Actions</b>	To include LCIV relationships structures in the constitution	Agreed by Committee. Monitoring Officer to action	October 2022
<b>Constitutional Actions</b>	Update Part 3 of the Constitution to be consistent to avoid any confusion around the responsibilities of the Pension Board	Agreed by Committee. Monitoring Officer to action	October 2022
<b>Constitutional Actions</b>	Clearly documented Scheme of Delegation – to include greater detail regarding the delegation to the Director of Finance Investment and Risk and Section 151 Officer in the next update to the constitution		Completed

Category	Action	Comments	Date Due
<b>Constitutional Actions</b>	To review voting rights of categories of Pension Committee members. Board would like to see inclusion of a non-council employer representative and a voting member representative	Agreed by Committee. Monitoring Officer to action	October 2022
<b>Resourcing</b>	To review the operation of procurement and recruitment for the Fund	This will be worked on over the year and reported back.	July 2023
<b>Resourcing</b>	That the administering authority should proactively consider the use of third party suppliers to increase the resources available to the Fund	The Fund is using Hymans to assist with backlog work and continues to benefit from governance consultancy provision from AON. Additionally, Burges Salmon now undertake legal comment for reports.	Completed
<b>Resourcing</b>	Where services are provided by the Council, including the provision of payroll and meeting support services, to put in place service level agreements covering delivery times, volumes and price.	It was felt that the service had improved, so no formal SLA's were required at this stage. This is to be reviewed in six months	Completed
<b>Resourcing</b>	That the resourcing required in order to provide an efficient service be reviewed especially considering McCloud and Pension Dashboards. The Board receive a report on resourcing twice a year	This will be added to the agenda planner	March 2023
<b>Resourcing</b>	The Board requested that an options appraisal of the Pensions Administration Function be carried out.		July 2023

Category	Action	Comments	Date Due
Finance and Business Planning	That the Fund Annual Report and Accounts be reported to the Pension Committee prior to being reported to the General Purposes and Audit Committee	There are currently 3 years of accounts where the audit is still to be completed. When the backlog has been removed this will be incorporated in the normal cycle of reporting.	July 2023
Finance and Business Planning	To report when the 2019/20 pension fund report and accounts have been signed off by audit	Not yet signed off	January 2023
Finance and Business Planning	To compile a 3-year financial plan covering admin, fund management and other overhead costs	This was presented to Committee in June 2022 and further enhancements will be incorporated into the next review.	March 2023
Website	That the Committee receive a report on compliance with the Aon report on publication of the Funds policies and documents by September 2023		September 2023
Website	Consider adding additional information from Code of Practice paragraph 96 about the Pension Board and Pension Committee members onto the Fund website	Report going to Board January 2023	January 2023
Policy and Process	To review the Breaches of the Law Policy		Completed

Category	Action	Comments	Date Due
Policy and Process	To review the Investment Strategy Statement- to include compliance statement against the Myners Principles	Will be done alongside the Triennial Valuation	March 2023
Policy and Process	To review the Administration Strategy	In progress	December 2022
Policy and Process	To review the Communications Policy		Completed
Policy and Process	To create a Data Improvement Plan	Checks are currently carried out on data but officers will formalise this in a policy document	March 2023
Policy and Process	To review the Governance and Compliance Policy		June 2023
Policy and Process	To review the IDRPs procedure to include details on what is exempt (as per section 50(9) of the 1995 Pensions Act	Already included	Completed
Policy and Process	To create a Record Management Policy		March 2023

Category	Action	Comments	Date Due
<b>Policy and Process</b>	Regularly review knowledge and skills requirements as a standing agenda item for Board and Committee meetings	Added to forward plan	Completed
<b>Projects</b>	That the Committee will carry out a check on how the Fund complies with the recommendations of the Good Governance and where work will be required to ensure compliance by March 2023	Some work on actions required by the Fund has already been undertaken. Officers will continue to progress actions required.	March 2023
<b>Projects</b>	That the Committee is provided with an evaluation against the new TPR Code requirements in due course and will address areas of partial compliance and noncompliance in a timely manner	The TPR Code is still in draft form and has not yet been agreed. Officers have begun to look at the draft document and will complete a full assessment of Fund compliance and carry out actions to address requirements in due course.	TBC

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<b>REPORT TO:</b>	<b>PENSION BOARD 12 January 2023</b>
<b>SUBJECT:</b>	<b>Publishing Board Information Recommendation</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett, Acting Head of Pensions and Treasury</b>

## **1 RECOMMENDATIONS**

- 1.1 The Board are asked to discuss and agree the information to be published on the Fund's website in respect of Pension Board members as set out in paragraph 3.5.

## **2. EXECUTIVE SUMMARY**

- 2.1 This report provides the Board with information on the governance review recommendation on publishing Board information.

## **3. DETAIL**

- 3.1 A governance review carried out by AON, the Fund's governance advisors, was commissioned by the Fund and its findings were reported in September 2019. It was envisaged that completion of the actions identified would be delivered over a 3 year period. A follow up review was carried out in June 2021. A list of recommendations from both of these reviews and from a meeting between the Chairs of the Pension Board and Committee, The Head of Pensions, The Pensions Manager and the Fund governance advisers AON on 3 February 2022 was formulated.
- 3.2 At their 7 July 2022 meeting the Pension Board were asked to consider these recommendations and whether to request that the Committee amend the work programme in respect of any of the items.
- 3.3 Following the Pension Board meeting, Officers consolidated all of the findings and produced a Governance Review Action Plan which was presented to Pension Committee on 11 October 2022. The Pension Committee agreed the outstanding actions to be taken forward as detailed in the Governance Review Action Plan.

3.4 One of the actions on the current recommendations list was:

*Consider adding additional information from Code of Practice paragraph 96 about the Pension Board and Pension Committee members onto the Fund website*

3.5 The Pension Regulator issued code of practice 14 in April 2015. Paragraph 96 is as follows:

*96. When publishing information about the identity of pension board members, the representation of scheme members and matters for which the board is responsible, schemes should also publish useful related information about the pension board such as:*

- the employment and job title (where relevant) and any other relevant position held by each board member*
- the pension board appointment process*
- who each pension board member represents*
- the full terms of reference for the pension board, including details of how it will operate, and*
- any specific roles and responsibilities of individual pension board members.*

3.6 The Board are asked to agree to the Fund publishing this information. If the Board agree then officers will contact members to collate the necessary details.

#### **4 CONSULTATION**

4.1 Officers have prepared this report in line with previous recommendations of the Pension Fund's advisers Aon in.

#### **5 DATA PROTECTION IMPLICATIONS**

5.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

**Approved by:** Matthew Hallett on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)



**CONTACT OFFICER:**

Matthew Hallett, Acting Head of Pensions and Treasury

**BACKGROUND DOCUMENTS:**

None

**APPENDICES**

None

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## Croydon Council

<b>REPORT TO:</b>	<b>Pension Board 12 January 2023</b>
<b>SUBJECT:</b>	<b>Communication Policy Statement</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett – Acting Head of Pensions and Treasury</b>

### 1. **RECOMMENDATION**

- 1.1 The Board are asked to comment on the draft Communication Policy Statement.

### 2. **EXECUTIVE SUMMARY**

- 2.1 This report updates the Pension Fund's Communication Policy Statement, attached as Appendix A, and invites the Board's comments.

### 3 **DETAIL**

- 3.1 Regulation 61 of the Local Government Pension Scheme Regulations 2013 requires an administering authority to prepare, maintain and publish a written statement setting out its policy concerning communications with its various stakeholders. In particular, the statement must set out its policy on:

- the provision of information and publicity about the Local Government Pension Scheme to Scheme members, representatives of Scheme members and Scheme employers;
- the format, frequency, and method of distributing such information or publicity; and
- the promotion of the Scheme to prospective Scheme members and their employers

- 3.2 The current Statement was last considered and noted by the Committee and the Board on 17 September 2019 and 17 October 2019 respectively. Only necessary drafting amendments have been made to the draft.

- 3.3 The Board are invited to comment on the attached draft Statement.

#### **4. DATA PROTECTION IMPLICATIONS**

4.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

**Approved by:** Jane West, Corporate Director of Resources (Section 151 Officer)

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#### **CONTACT OFFICER:**

Matthew Hallett – Acting Head of Pensions and Treasury.

#### **APPENDIX:**

A. Communication Policy Statement

#### **BACKGROUND DOCUMENTS:**

None.



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2023

# Pensions Communication Policy Statement

Your Local Government  
Pension Scheme Guide

## Your Guide to the London Borough of Croydon Communication Strategy

As the Administering Authority we have prepared this guide to help you understand the various Communication strategies that Croydon Council (as the Administering Authority) offers to all of its stakeholders

# Communication Policy Statement

The Regulations require each administering authority in England and Wales to prepare, maintain and publish a statement setting out its policy on communicating with the following stakeholders and organisations:

- ▶ Contributing Scheme Members
- ▶ Prospective Scheme Members
- ▶ Pensioner Scheme Members and deceased dependents
- ▶ Deferred Scheme Members
- ▶ Admitted & Scheduled Scheme Employers participating in the Fund
- ▶ Communication with Elected Members
- ▶ Communication with the Local Pension Board
- ▶ Communication with Other Bodies

This document sets out the mechanisms which are used to meet our communication needs. We aim to use the most appropriate communication method for the audiences receiving the information. This may involve using more than one medium of communication.

## **Objectives**

The aim of this communication strategy is to make sure that all stakeholders are kept informed of developments within the Pension Fund. We want to ensure transparency and an effective communication process will help maintain the efficient running of the Scheme.

## **General Communications**

We use a range of methods to communicate including a variety of paper-based and electronic means.

We will accept communications electronically and will respond electronically where possible, being mindful that the security of data is essential.

### *Website*

Communication in the form of a dedicated Pensions website is available [www.croydonpensionscheme.org/](http://www.croydonpensionscheme.org/). The website contains a wide range of information for not only scheme members but also scheme employers and other interested parties. The website contains copies of newsletters and other relevant information pertaining to the LGPS.

### *Policy Documents*

These are available for all stakeholders to access on the website.

## ▶ **Contributing Scheme Members**

### *Member Self Service*

All members can request their own password to view their record. Amendments can be made to update certain details and calculations can be performed.

### *Annual Benefit Statement*

Members can access their individual information via the Member Self Service facility at their convenience. The Statement details information held on the Pension Section database and provides estimates of the current and future value of the members' benefits.



### *Pensions Updates*

When there are scheme changes there will be additional communication to Members, these will be sent via work email addresses, on the intranet and available on the website.

### *Scheme Guides*

Scheme guides are available on the website.

### *Pensions Helpline*

Members can call the Pensions Section on one central helpline number, which is consistently advertised on all our literature. The number is 0208 726 6000 x 44034.

## ▶ **Prospective Scheme Members**

### *Initial Contact*

All permanent new members of staff are automatically enrolled to the scheme. Each new member is sent a welcome letter statutory notice confirming membership of the LGPS along with our LGPS Scheme Guide, and contact information.

### *Inductions Seminars*

Presentation on the scheme and its benefits are incorporated in the seminars held for all new employees of the Council, which are facilitated by H R, providing prospective new members of the scheme information in order for them to make an informed decision in regard to membership of the scheme.

### *Pensions Helpline*

Prospective Scheme Members can call the Pensions Section on one central helpline number, which is consistently advertised on all our literature. The number is 0208 726 6000 x44034.

## ▶ **Pensioner Scheme Members and deceased dependents**

### *Pensioner's Payslip*

All pensioners receive a payslip in March, April, May along with their P60 at the end of the year. A payslip will also be received where the amount of net pension changes by more than £20.

### *Pensioner's Newsletter*

All Pensioners receive an annual newsletter which is sent out in April and sent to their home address. This publication includes the pensions increase, and other relevant information. advertised on all our literature. The number is 0208 726 6000 x44034.

### *Life Certificates*

The Fund will undertake an annual exercise, for U K pensioners over the age of 80, through correspondence in order to establish the details held are up-to-date.

For pensioners living abroad (outside the UK) this exercise will be conducted through Western Union, in order to establish the details held are up-to-date.

Croydon Council also participates in the National Fraud Initiative every 2 years.

### *Pensions Helpline*

Members can call the Pensions Section on one central helpline number, which is consistently advertised on all our literature. The number is 0208 726 6000 x44034.

## ▶ **Deferred Scheme Members**

### *Annual Benefit Statement*

Once a year all members benefits are sent out in an Annual Benefit Statement direct to home addresses. The Statement summarises the details of your LGPS pension scheme benefits.

### *Update of Information*

If there are any changes to the LGPS regulations which are relevant to Deferred Scheme Members correspondence will be sent directly to their latest home address held on the pensions database.

The Council also use a tracing agency to contact members who have lost contact with the Council.

### *Pensions Helpline*

Members can call the Pensions Section on one central helpline number, which is consistently advertised on all our literature. The number is 0208 726 6000 x44034.

## ▶ **Admitted & Scheduled Scheme Employers participating in the Fund**

### *Employer Forums*

Meetings are held for Employers; specifically this has been used as a mechanism for communicating major strategic issues, significant LGPS legislation changes, triennial valuation matters and the Funding Strategy Statement.

Employers are kept informed throughout the process of the triennial valuation which is carried out by the Pension Fund's Actuaries. The Employers' comments are always encouraged and welcomed and where appropriate taken into consideration.

### *Pensions Administration Strategy*

the administration strategy sets out the roles and responsibilities of the Administering Authority (Croydon Council) the third party payroll providers and employers in the Pension Fund and can be found on the website at [insert link](#) It sets out the service level agreement and targets which all are expected to meet.

### *Employers' Guide*

An Employers' guide has been produced to assist the smaller employers in discharging their pension administration responsibilities.

## ► Communication with Elected Members

Information will be provided to Council Members in order for them to be able to fulfil their duties under the role of administering authority.

### *Access to Pensions Committee*

The Pensions Committee is the committee which has delegated power to review, administer and monitor the Pension Fund.

The Committee meets a minimum of four times a year or more frequently, as required. Meetings are open to members of the public, although there may be occasions when members of the public are excluded due to the confidential nature of matters under discussion. The agenda, reports and minutes of the meeting are available on the Council's website

<https://democracy.croydon.gov.uk/mgCommitteeDetails.aspx?ID=164>

### *Committee Reports*

Reports to Pensions Committee and to other committees as necessary. Members are kept informed of developments in relation to Pension Fund issues and the impact that these can have on overall Council policies and procedures.

## ► Communication with the Local Pension Board

The Local Pension Board will meet at least four times a year in the ordinary course of business and additional meetings may be arranged as required to facilitate its work.

### *Reports to the Local Pensions Board*

The Board will be treated in the same way as a Committee of Croydon Council and, as such, members of the public may attend and papers will be made public in the same way as described above for the Pensions Committee.

## ► Communication with Other Bodies

There are a number of other interested parties with who we will communicate with as required, these include:

### *AVC Provider*

AVC's (Additional Voluntary Contributions) are a way to top up your tax free lump sum and pension from your Local Government Pension Scheme. Croydon Council's AVC provider is Prudential. Contact details are available from Croydon Council's website.

#### *Trade Unions/Employer Representatives*

We will work with the relevant Trade Unions and Employer Representatives to ensure the Scheme is understood by all interested parties. All efforts will be made to ensure that all pension related issues are communicated effectively with the Trade Unions.

#### *Pension Fund Investment Managers, Advisers and Actuaries*

Regular meetings with Fund Managers who invest funds on behalf of the Fund.

Regular meetings with Investment Advisers who provide help and advice on asset allocation and investment of the Fund.

Regular meetings with the Fund Actuary to discuss funding levels, employers contributions and valuation of the assets and liabilities of the Fund

#### *Pension Fund Custodian*

The Fund's Custodian is Bank of New York Mellon, who ensures the safekeeping of the Funds investment transactions and all related share certificates.

#### *Pensions and Lifetime Savings Association (PLSA)*

The Fund is a member of PLSA, which provides an opportunity for administering authorities to discuss issues of common interest and share best practice.

#### *Local Authority Pension Fund Forum (LAPFF)*

The fund is a member of LAPFF. The LAPFF was established to help local authorities funds share information and ideas about socially responsible Investing.

#### *London Pension Officers Group (LPOG) and London Pension Officers Forum (LPOF)*

the Fund is a member of these voluntary groups. Meetings are held on a quarterly basis to share information and ensure standardised interpretation of LGPS regulations and best practice.

#### *Requests for Information (FOI)*

Requests for information either under the Freedom of Information Act or otherwise, will be dealt with as openly and swiftly as allowed providing that such information does not breach confidentiality.

#### *Consultations*

There are occasions when administering authority will consult with interested parties whether as a result of potential changes to the regulations governing the LGPS or specific policy changes relating to Croydon Council Pension Scheme. In these instances, the most effective way of communicating with interested parties is to hold a period of consultation, during which, they are given the opportunity to respond to specific changes. Interested parties and representative groups will be approached to provide feedback to the policy changes before amendments are enacted.

#### *Minority Groups*

It is recognised that there may be occasions when some minority groups may not be able to access all the information available to others. The Pension Fund will try to ensure that information available to the widest possible audience and as such will try to ensure that minority groups do have access to information. This is however, a developing area, but feedback on how to promote better access for all minority groups is welcome.

#### *Review of Communication Policy*

This policy document will be reviewed annually and updated as required.

Adopted | xxxxxxx

The table below shows the availability of Fund publications along with their publication frequency and review periods.

Communication Material	Paper based	Electronic form	Internet for all to view	When published	When reviewed
Pension Scheme Guide	√	√	√	Constantly available	Annually
Topping up Benefits	√	√	√	Constantly available	Annually
Annual Benefits Statements	√	√	x	Annually	Annually
Statutory Notifications	√	x	√	On joining & Annual Benefit Statement	Annually
Members Self Service	x	√	√	On joining	Continually
Pension Updates	√	√	√	As required	After each publication
Annual Pension Fund Report	√	√	√	Annually	Annually
Early Leaver information	√	√	√	Sent with Deferred benefits statement	Annually
Retirement information	√	√	√	Sent with retirement details	Annually
Pension Increase incorporated in the Pensioners Newsletter	√	√	√	Annually	Annually
Actuarial valuation report	√	√	√	Tri-annually	Tri-annually
Pension Fund Committee	√	√	√	Quarterly	Quarterly
Communication Policy	√	√	√	Upon request	Annually
Governance Compliance Statement	√	√	√	Upon request	Annually

While these publications are reviewed within our timescales, these are also reviewed in conjunction with LGPS and other related legislation changes.



## Further Information

This document is available in large sight and Braille upon request.

If you need more information about the Scheme you should contact the following:

### Pensions Section

Bernard Weatherill House  
8 Mint Walk  
Croydon  
CR0 1EA

Tele: 020 8726 6000 x44034

Email: [pensions@croydon.gov.uk](mailto:pensions@croydon.gov.uk)

Website: [www.croydonpensionscheme.org](http://www.croydonpensionscheme.org)



**CROYDON**  
[www.croydon.gov.uk](http://www.croydon.gov.uk)

<b>REPORT TO:</b>	<b>Pension Board 12 January 2023</b>
<b>SUBJECT:</b>	<b>Review of Board Training</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett, Acting Head of Pensions and Treasury</b>
<p><b>1. RECOMMENDATION</b></p> <p>1.1 The Board is asked to note the contents of the Pension Board Training Log.</p>	

## 2. EXECUTIVE SUMMARY

2.1 This report advises the Board of training undertaken by the Pension Board members in Year 2022/23 to 31 December 2022 and asks them note the contents of the Log attached to this report as Appendix A.

## 3. DETAIL

3.1 In their 2019 governance review Aon recommended that the scope of the Knowledge and Skills Policy be extended to the Pensions Committee and Officers, as well as the Pensions Board. They further recommended that the policy should incorporate knowledge of the work of the London Collective Investment Vehicle (London CIV) and have regard to CIPFA guidance. The policy was agreed on 17 March 2020 (Minute 26/20). This policy has since been reviewed and the revised version was agreed by the Committee in their meeting of 14 June 2022.

3.2 Following the introduction of Markets in Financial Instruments Directive (MiFID II) in January 2018, in order to be treated as a professional client (rather than a retail investor) a Fund, as a collective, must be able to demonstrate sufficient expertise, experience and knowledge to satisfy financial institutions that it is capable of making investment decisions and understanding the nature of potential risks by ensuring that levels of expertise, experience and knowledge are maintained to satisfy the MiFID II requirements.

3.3 All Officers, Pension Committee Members and Pension Board Members charged with management operations and decision-making with regard to the Fund must be fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them. All members and officers are expected continually to demonstrate their personal commitment to training and to ensuring that the knowledge and skills objective is met.

3.4 The CIPFA Knowledge and Skills Framework was updated in 2021 eight areas of knowledge and skills identified as the core requirements:

- pensions legislation;
- pensions governance;
- pension accounting and auditing standards;
- pensions administration;
- pension services procurement and relationship management;
- investment performance and risk management;
- financial markets and products knowledge; and
- actuarial methods, standards and practice.

3.5 This report provides the Board with a summary of the training undertaken by them in Year 2022/23 to 31 December 2022 (attached as Appendix A).

3.6 Members of the Pension Board and Pension Committee were asked to take part in the National Knowledge Assessment run by Hymans. This was instead of the annual training needs analysis. It is a national assessment to determine knowledge levels and provide benchmarking data across Funds, as well as information to inform future training required. This was a compulsory item on the Training plan agreed by the Committee at their meeting of 11 October 2022. The participation level of the Board at the close of the exercise was 100%. Hymans have issued a report which officers are studying. A report on the results and recommendations from this will be presented at the next Board meeting.

3.7 The 3 Fundamentals programme sessions have been run. 2 Board members attended the first session, 3 attended the second session and 3 attended the third session. This course was one of the compulsory options on the training plan, with the other option being the Hymans on-line training.

3.8 The latest report on the Hymans on-line training uptake shows that 4 Board members have completed 1 or more modules and that 2 Board members have started 1 or more modules.

3.9 The Board is asked to note the contents of this report.

#### **4. CONSULTATION**

4.1 The Knowledge and Skills Training Policy has been agreed by Committee. This is reviewed every 3 years by the Pension Committee. The Aon governance review recommendations and CIPFA knowledge and skills requirements as well as action points from Board and Committee minutes have been incorporated into the plan.



## **5. DATA PROTECTION IMPLICATIONS**

5.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

**Approved by:** Matthew Hallett on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

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### **CONTACT OFFICER:**

Matthew Hallett, Acting Head of Pensions and Treasury

### **BACKGROUND DOCUMENTS:**

None

### **APPENDICES:**

Appendix A: Training Log

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Training undertaken by Pension Board 2022/23 to 31/12/2022

				07/06/2022	07/07/2022	18/20 Oct 22	08/11/2022	11/10/2022	13/10/2022	18/11/2022	22/11/2022	25/11/2022	20/12/2022
Total Sessions Attended	% Possible Attended			Induction	Gov Review Session	Fundamentals 1	CIPFA Board Webinar	Valuation Training	Cyber / MccCloud	National Knowledge Assessment	Fundamentals 2	Westminster Webinar	fundamentals 3

7	70	Board	Cllr Margaret Bird	1	1	0	0	1	1	1	1	0	1
4	44	Board	Mike Ellsmore	0	1	0	0	0	1	1	0	1	0
3	33	Board	Richard Elliott	0	1	0	1	0	0	1	0	0	0
5	56	Board	Teresa Fritz	0	1	1	0	0	0	1	1	0	1
4	44	Board	Ava Payne	0	1	0	0	1	1	1	0	0	0
6	67	Board	David Whickman	0	1	1	0	0	1	1	1	0	1
			Total Completed	1	6	4	1	2	4	6	6	3	4
			Total Members							6			
			Total % Completed							100			

Total Comp Board	1	6	2	1	2	4	6	3	1	3
Board Total Possible Events	0	1	1	1	1	1	1	1	1	1
% Completion Board	17	100	33	17	33	67	100	50	17	50

### Hymans On-line Training Modules Progress for Pension Board

LGPS Role	Fullname	Course Name	Course Enrolment Status
Pension Board	Ava Payne	Module 1 - An introduction to the LGPS	Completed
Pension Board	Mike Ellsmore	Module 1 - An introduction to the LGPS	Completed
Pension Board	Mike Ellsmore	Module 2 - LGPS Governance & Oversight Bodies	Completed
Pension Board	Mike Ellsmore	Module 3 - Administration & Fund Management	Completed
Pension Board	Mike Ellsmore	Module 4 - Funding and Actuarial Matters	Completed
Pension Board	Mike Ellsmore	Module 5 - Investments	Completed
Pension Board	Mike Ellsmore	Module 6 - Current Issues	Completed
Pension Board	Richard Elliott	Module 1 - An introduction to the LGPS	Completed
Pension Board	Richard Elliott	Module 2 - LGPS Governance & Oversight Bodies	Completed
Pension Board	Richard Elliott	Module 3 - Administration & Fund Management	Completed
Pension Board	Richard Elliott	Module 4 - Funding and Actuarial Matters	Completed
Pension Board	Richard Elliott	Module 5 - Investments	Completed
Pension Board	Teresa Fritz	Module 1 - An introduction to the LGPS	Completed
Pension Board	Teresa Fritz	Module 2 - LGPS Governance & Oversight Bodies	Completed
Pension Board	Teresa Fritz	Module 3 - Administration & Fund Management	Completed
Pension Board	Ava Payne	Module 4 - Funding and Actuarial Matters	In Progress
Pension Board	Richard Elliott	Module 6 - Current Issues	In Progress

**Modules Completed / in Progress Totals**

			Total Completed	% Completed
Completed	Ava Payne	Pension Board	1	17
Completed	Mike Ellsmore	Pension Board	6	100
Completed	Richard Elliott	Pension Board	5	83
Completed	Teresa Fritz	Pension Board	3	50
			Total In Progress	% In Progress
In Progress	Ava Payne	Pension Board	1	17
In Progress	Richard Elliott	Pension Board	1	17

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## Croydon Council

<b>REPORT TO:</b>	<b>Pension Board 12 January 2023</b>
<b>SUBJECT:</b>	<b>Local Government Pension Scheme Advisory Board / The Pensions Regulator Update</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett – Acting Head of Pensions and Treasury</b>

### 1. **RECOMMENDATION**

- 1.1 The Board are asked to note the contents of this report.

### 2. **EXECUTIVE SUMMARY**

- 2.1 This report advises the Board of the matters currently being considered by the Local Government Pension Scheme Advisory Board and The Pensions Regulator which are relevant to the Fund. Any implications for the Fund have been noted and are being addressed in consultation with Fund advisers.

### 3 **DETAIL**

#### 3.1. **Local Government Pension Scheme Advisory Board (SAB)**

##### 2021/22 Annual Reports

On 30 November 2022 the Board stated that it is aware that some pension fund audits are likely to be delayed again this year, largely due to issues with auditing the host authority's accounts. There is a statutory duty under regulation 57 of the LGPS Regulations 2013 for administering authorities to publish an annual report 'on or before 1 December'. The Board has [written to the minister](#) with proposals to help improve the timely completion of audit. In the meantime, it urges administering authorities to publish their 2021/22 annual reports based on the best data available to them by the statutory deadline. Ideally, the report would be based on audited data. However, if that is likely to result in a significant delay, the Board asks funds to produce and publish reports based on unaudited data (labelled as draft), and to re-publish an amended annual report with the external auditor's opinion and revised data after audit, where necessary.

### Climate risk reporting consultation

On 18 November 2022 the Board submitted its response to DLUHC's climate risk reporting consultation. The response includes some over-arching observations on the role of pension funds (as well as their limitations), the production of climate risk reports as well as responses to the Department's specific questions on governance, scenario analysis, metrics, and risk management. The Board welcomed the opportunity to engage with the Department's proposals and believes that pension funds should be able to make a positive contribution by supporting the just transition to a sustainable future. The full response [can be found here](#).

### Statement on employer contributions

On 1 November 2022 the Board announced that, at their meeting on 10 October 2022, they discussed emerging results from the current round of triennial fund valuations. Whilst understanding and recognising the extremely challenging position for local government finance, the Board asks that administering authorities and other fund employers have regard to the desirability for long term stability in pension contributions when considering whether reductions in employer contributions are desirable as a result of an improved funding position. [The full statement](#) gives more detail of the Board's discussion, and full reasons for making this statement.

### Taskforce on Climate-related Financial Disclosures (TCFD)

On 1 September 2022 The Department for Levelling Up, Housing and Communities (DLUHC) [launched its consultation](#) regarding governance and reporting of climate change risks. The consultation seeks views on proposals to require Local Government Pension Scheme administering authorities in England and Wales to assess, manage and report on climate-related risks, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). The consultation closed on 24 November 2022.

### Scheme Advisory Board response to HM Treasury's exit pay consultation

In August, HM Treasury issued a consultation on a new controls process for high value exit payments paid to staff working in central government. Although that will not affect local government workers directly, some LGPS employers are likely to be covered by the new arrangements and on 17 October 2022 the Scheme Advisory Board submitted [this response](#).

### Age discrimination in LGPS benefits

On 26 August 2022 the Board Chair, Cllr Phillips, [has written to the Minister](#) recommending reform of the LGPS rules on death grants and survivor benefits. This is to address recent challenges that the current rules are discriminatory and also to investigate "future proofing" Scheme benefits against potential future legal challenge.



### Audit issues within the Local Government Pension Scheme (LGPS)

On 3 August 2022 the Board Chair, Cllr Phillips, has written to the Minister 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.

### McCloud response

On 2 August 2022 the DLUHC provided an update on its work to rectify “McCloud” age discrimination. This has already been shared with LGPS administering authorities in England and Wales and software suppliers. Full details are available in the July LGPC bulletin.

On 17 March 2022 the Queen gave Royal Assent to the Public Service Pensions and Judicial Offices Bill and it became the Public Service Pensions and Judicial Offices Act 2022.

### Academy Trust and Local Government Pension Update

On 21 July 2022 the Department for Education (DfE) made a statement confirming an extension of the guarantee that the closure of an academy trust will not lead to any outstanding LGPS liabilities reverting to the fund. This guarantee was first made in 2013 and now includes a new increased annual ceiling of £20m. The Guarantee provides academy trusts with direct Government backing for certain pension costs. The DfE has asked administering authorities to ensure that this is reflected in this year’s scheme valuation, both in the setting of employer contribution rates and the length of deficit recovery periods.

### Special Severance Payment Guidance

On 12 May 2022 DLUHC published statutory guidance on the making and disclosure of special severance payments by local authorities in England. The guidance sets out the criteria employers should consider in the circumstances in which it may be appropriate to make a special severance payment. It also clarifies the disclosure and reporting requirements.

[Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statutory-guidance/special-severance-payments-by-local-authorities-in-england)

### Queen’s Speech

On 11 May 2022, the Queen’s Speech included a Procurement Bill which will cover the procurement, purchasing and investment decisions of public bodies and a Boycotts, Divestment and Sanctions Bill.

## Levelling Up White Paper

On 27 April 2022 the Board Chair wrote to the Minister in response to the White Paper.

[https://lgpsboard.org/images/Other/Letter\\_to\\_Kemi\\_Badenoch\\_Levelling\\_Up\\_270422.pdf](https://lgpsboard.org/images/Other/Letter_to_Kemi_Badenoch_Levelling_Up_270422.pdf)

On 2 February 2022 the Government published the [Levelling Up White Paper](#) which includes references to LGPS funds having plans for up to 5% of assets to be allocated to projects which support local areas. SAB understands that in this context local refers to UK rather than local to a particular fund and that there will be no mandate beyond the requirement to have a plan. Further details are expected to emerge over the period up to an expected summer consultation which SAB understands will also include the outstanding climate risk and reporting regulations and the pooling guidance.

The White Paper also notes that the UK Infrastructure Bank is committed to expanding institutional investment in UK infrastructure, including exploring opportunities with the LGPS

[Levelling Up the United Kingdom - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

### **3.2 The Pensions Regulator (TPR)**

TPR has a wider remit than the SAB and most of its publications / press releases concern private sector schemes. However, in recent months it has published the following matter of interest to the LGPS:

#### Dashboards compliance and enforcement policy

On 24 November 2022 TPR invited occupational pension schemes, their administrators, providers, and the wider industry, to respond to its newly published [consultation on dashboards compliance and enforcement](#).

The compliance and enforcement policy sets out TPR's expectations on how schemes should comply with new regulations, and its approach to regulating dashboard obligations. TPR is keen to hear from schemes of all sizes, their administrators and integrated service providers to ensure the new policy is understood by, and meets the needs of, the industry.

While TPR already regulates trustees and workplace pensions, a key part of complying with dashboard obligations will rest with third parties, such as administrators, employers and integrated service providers.

New legislation has been introduced enabling TPR to issue third parties with compliance notices. If they do not comply, they could be fined up to £50,000 (and individuals up to £5,000) for each breach. This is alongside other new powers to fine trustees and managers in the case of non-compliance with dashboard regulations. They include an option to issue penalties of up to £5,000 to individuals and up to £50,000 in other cases for any instance of a single compliance breach.

The consultation will close on 24 February 2023 and TPR expects to publish its final policy in spring 2023, ahead of the first schemes' dashboard deadlines in August 2023.

#### Guidance on tendering for fiduciary managers and setting objectives for investment consultants

On 4 August TPR took over the regulation of trustee duties from the Competition and Markets Authority. TPR has revised its guidance on the tender process for fiduciary management services and trustees setting objectives for their investment consultants.

Since December 2019, trustees have been legally required to run a competitive tender process when appointing fiduciary managers in relation to 20% or more of scheme assets. They have also been prohibited from receiving investment consultancy services without having set strategic objectives for their investment consultancy provider.

<https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/funding-and-investment-detailed-guidance/tender-and-set-objectives-for-investment-service-providers/tender-for-fiduciary-management-services>

<https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/funding-and-investment-detailed-guidance/tender-and-set-objectives-for-investment-service-providers/set-objectives-for-your-investment-consultant>

## **4. DATA PROTECTION IMPLICATIONS**

4.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

**Approved by:** Matthew Hallett on behalf of Jane West Corporate Director of Resources (Section 151 Officer)

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### **CONTACT OFFICER:**

Matthew Hallett – Acting Head of Pensions and Treasury.

### **BACKGROUND DOCUMENTS:**

None.

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