



South Tyneside Council

Local Pension Board

Date: 7th July 2020

Work Programme for 2020/21

Report of the Head of Legal Services

Purpose of Report

1. The report provides an update to the issues reviewed by the Local Pension Board in 2019/20 and also sets out a range of issues which the Local Pension Board may wish to include in its work programme for 2020/21.
2. The Local Pension Board is recommended to consider which issues should be covered in the forward plan and work programme for 2020/21.

Background

3. The Public Service Pensions Act 2013 introduced the requirement to have a Local Pension Board to assist in the good governance of the Fund.
4. The setting of a work programme for the year is considered to be good practice. This report sets out a range of issues which the Local Pension Board may wish to include as priorities for consideration as part of the forward plan and work programme in 2020/21.
5. Part of the statutory role of the Local Pension Board is to produce an annual report on the activity for the previous year. The work programme for the year provides a useful reference point against which the annual report can be set.
6. The Annual Report for 2019/20 is included as a verbal item elsewhere on the agenda and is in the process of being drafted by the Chair of the Local Pension Board. Once available, a copy will be circulated to the other Board members for approval. A copy of this report will be presented to Pensions Committee in September 2020.

Issues Covered in 2019/20

7. It should be noted that as a result of Covid-19 the meeting scheduled for March 2020 did not take place.
8. At the meeting of the Local Pension Board on 4th July 2019, a number of items were identified for inclusion in the work programme for 2019/20. These are set out below:

Quarterly reports

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

Annual Reports

- Scrutiny of the Accounts – Annual report
- Code of Practice 14 – Annual report
- Data Quality – Annual report
- Local Pension Board - Annual Report

One-Off Report

- Ethos/Values and Interaction with Members and Employers.
9. All of the areas identified for quarterly monitoring reports have been presented to the Local Pension Board. The reporting on “issues around non-compliance by scheme employers” has been incorporated in the Pensions Processing and Breaches of the Law report.
 10. The quarterly report on the “Monitoring of Scheme Employer Issues” that was prepared for the March 2020 meeting included additional detail around employers leaving and exiting the Fund in 2019. However, as noted above, the March 2020 meeting did not take place and the expanded detail has been retained in the report to the Local Pension Board at this meeting.
 11. Annual reports have also been presented on the areas identified above.
 12. With regards to the Scrutiny of the Accounts, the Local Pension Board received a report on the 2018/19 Annual Report and Accounts at the meeting in October 2019, which included a presentation by Ernst and Young, the Fund’s auditor. However, the report on the Audit Plan for the 2019/20 Accounts was scheduled for the March 2020 meeting but that meeting did not take place. Therefore, this report has been retained for this meeting of the Local Pension Board.
 13. The one off report on “Ethos/Values and Interaction with Members and Employers” was prepared and included in the agenda for the March meeting, which was cancelled. Given the current situation with Covid-19, it has been agreed that this will be deferred to a later meeting and be included in the 2020/21 work programme.
 14. A few of other reports not included on the work programme for the year were presented to the Local Pension Board, specifically:

- Annual Internal Audit Report for 2018/19. This summarised the audit reports undertaken on the Pension Fund in the year and gave an overall assessment on the control environment.
 - Transfer out procedure. This procedure was subject to review by the Pensions Fund. Comments on this revised procedure were sought from the Board.
 - Data Protection Breaches. This report was requested by the Board as a one off. It was agreed that this would move to an annual report going forward.
15. The Local Pension Board also receives a report at each quarterly meeting on Training and Issues Brought Forward. In addition, there will be an item on the agenda to allow discussion around topics presented to Pensions Committee.
16. This is supplemented in the year by two off-site training events each year.

Potential Issues for 2020/21

17. As the Local Pension Board moves into a new municipal year, it is considered appropriate to once again consider the work programme for the year and potential priorities.
18. When considering the work programme for 2019/20, it will also be necessary to factor in the implications of Covid-19 on the running of the Pension Fund and the operation of the Local Pensions Board. This July meeting is taking place via “Zoom” and the agenda has been reviewed and adjusted to focus on key areas only. A number of routine items have not been included on the agenda. It will be necessary to keep the work programme and quarterly agenda under review and be flexible about what can be delivered.
19. The majority of the quarterly and annual issues noted above in paragraph 8 may be considered relevant for continued inclusion in the 2020/21 work programme.
20. Proposed changes to this year’s programme are as follows:
- The Valuation. This was included in 2019/20 as this was a valuation year. It is proposed that this item is dropped from the quarterly schedule.
 - Pooling. This has been a standing quarterly report for a number of years. Consideration could be given to moving this to an annual report.

- Covid-19. The agenda for this meeting includes an item on Covid-19 and how the Fund is being impacted and is responding. This could become a regular item, if this was felt to be worthwhile by the Board.

21. In addition, as set out in paragraph 14 the Board has already agreed to incorporate an annual report on Data Breaches in its programme of work.

22. It should also be noted that the one off report on “Ethos/Values and Interaction with Members and Employers” will carry forward from the 2019/20 work programme.

23. One of the additional reports noted in paragraph 20 above, that was presented to the Local Pension Board in July 2019, was the Internal Audit Annual Report for 2019/20. The intention was to present the 2019/20 report to this, July 2020, meeting. However, as a result of Covid-19 the report has been omitted from the agenda. The overall summary of the position of the audits undertaken and the control environment for 2019/20 is however, included as a section in the quarterly Risk Management and Audit Report. It is proposed that the more detailed Annual report is omitted from the work programme for 2020/21.

24. If the items noted above and proposed changes were made to the 2020/21 work programme, it would be:

Quarterly Reporting

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

Annual Reporting

- Scrutiny of the Accounts – Audit Plan and Final Report and Accounts
- Pooling – Annual Report
- Code of Practice 14 – Annual report

- Data Quality – Annual report
- Local Pension Board - Annual Report
- Data Breaches – Annual report

One-Off Reports

- Ethos / Values and Interaction with Members and Employers

25. In addition, the Local Pension Board will continue to receive reports on training and any matters that emerge throughout the year.

26. Whilst it is important to ensure that the work programme is full and robust, it is equally important that the work is deliverable under Covid-19 and is focussed on key areas where a difference can be made. To this end, it may be that not all of these issues are included as part of the work programme for this year.

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

Recommendation

28. The Local Pension Board is recommended to consider which issues should be covered in the forward plan and work programme for 2020/21.

Reason for Recommendation

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

Work Programme for 2020/21

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

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