

Newham Pensions Board Annual Report 2021/22

Purpose of Report

1. The report is compiled to provide feedback on the work undertaken during April 2021 to March 2022 (2021-22) by the Newham Pensions Board and to meet the legislative requirement for producing an Annual Report.

Background

2. The Pensions Board oversees the administration of the Newham Pension Fund on behalf of the Administering Authority. Decisions made on the investment of the fund is carried out by the Newham Pension Committee
3. The London Borough of Newham Pension Fund Local Pensions Board ("Pensions Board") was established in accordance with changes to the Public Service Pension Act 2013 (PSPA13) statutory pension scheme that is connected with it.
4. The Pensions Board is supported by officers of the London Borough of Newham Administering Authority ("Administrator"), by the appointment of an Independent Chair, and by assurance statements and information provided by external service providers to London Borough of Newham Pension Fund ("Fund").
5. There are three employer representatives and three scheme member representatives.
6. The Pensions Board has met four times in the Municipal Year 2021-22.
7. The costs of the Pensions Board's operations are charged to the Pension Fund and are included in the Fund budget.

Implications and Risks

Financial implications and risks:

None

Legal implications and risks:

None

Human Resources implications and risks:

None

Equalities implications and risks:

None

Membership Attendance at Meetings

1. The Membership of the Pensions Board is:

Independent Chair	Tejonidhi Kashyap
Employee Representative	Catherine Hanlon (GMB)
Employee Representative	Donford Vardon (UNITE)
Employee Representative	Veronica Holley (UNISON)
Employer Representative	John Hollands
Employer Representative	John Saunders

Attendance at Meetings

Meeting Date	Tejonidhi Kashyap (TK)	Catherine Hanlon (CH)	Veronica Holley (VH)	Donford Vardon (DV)	John Hollands (JH)	John Saunders (JS)
22/07/21	X	X	X	X	X	X
14/09/21	X	X	X	X	X	X
26/01/22	X	X	X	X	X	X
25/04/22	X	X		X	X	X

Attendance at Training

1. See appendix A, for a summary of Training and attendance for the Pension Board.

Areas Covered at Pension Board

Items Covered	Meeting Date			
	22/07/2021	14/09/2021	26/01/2022	25/04/2022
Review Pension Board Plan for forthcoming year	x			
Draft Pension Board Annual Report	x			
Pension Fund Risk Register		x		
Automatic Enrolment Update		x	x	
Introduction to The Pension Regulator Code of Practice/Good Governance		x		
Improving Communication with External Employers			x	
Project PACE				x
Service Level Agreement Changes			x	x
LPPA Data and Performance		x	x	x
Committee Update**		x	x	x
Risk and Compliance Review (Complaints)		x	x	x
Improving Membership to Pension Fund Discussion				x

*** A committee update, is an Administration update which was presented to committee at the last Pension Committee*

Chair's Comments

1. I would like to thank the members of the Pensions Board and the officers for their commitment to ensure effective and efficient service to our scheme members and employers, as we emerge from the Covid-19 pandemic.
2. The Pension Board regularly reviews the performance of the Pensions Administration service provider. During 2021-22, the Board reviewed data breaches, complaints and IDRPs cases. The Pensions Board also reviewed the performance of the service provider in relation to adherence to various SLAs.
3. During 2021-22, the Pensions Board reviewed progress of efforts made to increase engagement with employees to join the scheme. This is a key area of focus over 2022-23 due to a high number of existing employees opting out of the scheme in Q1 2022.
4. In addition, the Pensions Board raised questions to understand the preparedness of the Newham Pensions Fund on key events over 2021-22 such as transition away from LIBOR, and threats relating to cybersecurity.
5. Another key area of focus over 2022-23 will be the implementation related to the migration of the new Administration System ("Project PACE"). The Administrator has started to go live with the migration for various schemes with the migration for the Newham Pensions Fund scheduled for Q3-Q4 2022. The Pensions Board will monitor the implementation keeping in view the operational impact on the scheme and its members.

Tejonidhi Kashyap

Chair of the Pensions Board

Business Plan and Execution

1. The Pensions Board has created a Business Plan which can be viewed [here](#)
2. In the period from April 2021 to March 2022, the Pensions Board has considered a number of matters, some of which are listed below;
 - a. Adherence to regulations
 - i. Changes to regulations and guidance.
 - ii. Good Governance Framework, LGPS exit cap and McCloud judgement to understand the impact on employees, the Fund and any Administrative implications.
 - iii. Training needs analysis and monitoring
 - b. Governance
 - i. Review of the Authority's Fund Risk Register
 - ii. Introduced the Pension Regulator Code of Practice template for reviewing governance
 - iii. Review Administration and Fund Complaints statistics
 - c. Administration
 - i. Administration Performance Reports
 1. Including data quality
 - ii. Administration Service Contract
 - iii. Service provider Business Continuity Plans
 - iv. Reviewing Administrators plan for migrating to a new system, Project PACE
 1. Proposed changes to SLA, through changes to how cases are managed
 2. Enhancements from existing system, move to member self-service, monthly reporting.
 3. Impact go live has had on call centres and SLAs
 - d. Membership and communication
 - i. Reviewed Communication strategy on attracting additional members and promotion of the scheme.
 - ii. Supported and Challenged Automatic Enrolment Communication Plan
 - iii. Working on strategy for membership numbers
 - e. Record keeping
 - i. Data report covering performance of service provider in relation to processing times, time to answer phone calls and overall work against SLA's.

3. There have been no conflicts of interest involving any of the work undertaken by the Pensions Board or during any agenda items.

Review of Risks

1. The Pensions Board monitors the risk register on a regular basis. The Pensions Board seeks to ensure greater consideration on particular investment and non-investment risks identified to drive its work forward.

Forward Plan for 2022/23

1. The Pensions Board has made a business plan for the 2022-23 period taking into account key milestones and challenges the scheme is expected to face in this period. The plan is available [here](#).
2. Further information regarding the Newham Local Pension Board including minutes of the meetings are available [here](#).

Glossary

Covid-19	Coronavirus
Exit Cap	The cap limits the exit payments made to employees of public sector bodies.
GDPR	General Data Protection Regulation
Good Governance Framework	SAB commissioned report reviewing the governance of the LGPS on effectiveness and reviewing existing models
Guaranteed minimum Pension	Is the minimum guaranteed level of pension, which a pension scheme had to provide to members if they were contracted out of the SERPS between 6 April 1978 and 5 April 1997.
LPPA	Local Pension Partnership Administration (LPPA), Newham Pension Fund Administrators
McCloud	The McCloud judgement refers to the Court of Appeal's ruling that Government's 2015 public sector pension reforms unlawfully treated existing public sectors differently based upon members' age
National Fraud Initiative	Exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.
Project PACE	LPPA led project to implement new Pension Administration system.
SAB	Scheme Advisory Board - is a body set up under Section 7 of the Public Service Pensions Act 2013 and The Local Government Pension Scheme Regulations 110-113.to review and provide guidance relating to the LGPS working with the regulator and Scheme Managers
SERPS	State Earnings Related Pension Scheme, aka State Second Pension

Appendix 1 – Board Members Training Schedule

Ref	Training Title	Description of Content	Training Provider	Date of Training	Board Members					
					TK	CH	DV	JH	JS	VH
6	A brief overview of upcoming Legislation Changes	A guide around upcoming changes to the LGPS and legislation that impacts the fund	Neil Lewins (LPPA)	8th Apr 21						
7	LGPS Local Pension Board Members Annual Event	LPB Roles/Responsibilities and guidance on upcoming changes to Pension Administration	Barnet Waddingham	23rd Jun 21						
8	LGPS Committee & Local Pension Board	Introductory Training - Governance, upcoming legislation and overall LGPS	Barnet Waddingham	15th Jul 21						
9	BW and CIPFA seminars Autumn 2021	Overall update on legislation, roles impacting LGPS that is aimed at support LBP	BW/cipfa	28th Sep 21						
10	Understanding the Pension Fund Governance and Compliance Statement along with Admission Policy	Understanding the Pension Fund Governance and Compliance Statement along with Admission Policy	Barnet Waddingham	3rd Feb 22						
15	LBN Pension Fund - Triennial Valuation Briefing Session	Presentation on Valuation, processes, impacts.	Barnet Waddingham	3rd Mar 22						

Key
Attended Live
Watched Recorded