

**Local Pension Board**

**22 March 2024**

**Local Pension Board Annual Report**



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## **Report of Paul Darby, Corporate Director of Resources (Interim)**

### **Purpose of the Report**

- 1 To provide an overview of the work completed by Local Pension Board during 2023/24.

### **Executive summary**

- 2 During the last year the Board have considered a broad range of areas in assisting the Administering Authority to secure compliance with regulations, and ensuring the effective and efficient governance and administration of the Local Government Pension Scheme.

### **Recommendation(s)**

- 3 The Board is asked to note this report and provide any comments; authorising the Corporate Director of Resources to finalise the report which will be presented to the Pension Fund Committee in June, reflecting Board comments and activity in March 2024.

## **Background**

- 4 The Public Service Pensions Act 2013 introduced the requirement to have a Local Pension Board to assist in the good governance of the scheme.
- 5 Durham County Council Pension Fund's Local Pension Board was established in 2015, first meeting on 9 July 2015. The Board meets four times a year and consists of three scheme member representatives, two employer representatives, with one current employer representative vacancy. Attendance of Board members is summarised in Appendix A.
- 6 The Board's role is to assist the Administering Authority in its role as a scheme manager of the Pension Fund. Such assistance is to:
  - Secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the scheme and;
  - To ensure the effective and efficient governance and administration of the scheme

## **June 2023**

- 7 The Board reviewed the agenda items considered by the Pension Fund Committee noting the Committee's decision in relation to Global Real Estate and considering the approach whereby the mandate would transition from CBRE's management to the BCPP pool with support from the Townsend Group - providing specialist real estate support. The Board noted the training on Real Estate undertaken by the Committee prior to making a decision, noting also that BCPP Real Estate specialists had attended Committee three times in advance of the decision; providing Committee the opportunity to provide input and challenge, and ask any questions of the BCPP Team.
- 8 The Board noted the Committee's review of its Terms of Reference, as well as regular update reports, including in respect of Regulatory matters. The Board noted that information regarding Councillor attendances over the last two years had been fed back to each of the council's Group Leaders, as previously requested by Board members, so they could take attendances into account when looking at allocation of Members to Committee at Annual Council, 24 May 2023.
- 9 The Board considered a report from the Corporate Director of Resources which provided details on developments in matters that were both Local Government Pension Scheme (LGPS) specific, as well as

providing an update on non-LGPS specific matters of interest and the approach that the Fund was taking to emerging matters.

- 10 The Board also considered a report from the Corporate Director of Resources regarding the Fund's pension administration and service provision to members, as well as providing an update on Key Performance information. The Board considered the development of KPI data provided. The Board also reviewed in detail the Fund's AVC provision and considered service provision and performance of one of the Fund's providers, Prudential. The Board also took assurance from Officers on steps taken to address any performance issues.
- 11 The Board reviewed the Fund's approach to communications and considered the provision of Online Services and Telephone Helpline for scheme members. The Board also agree to consider the development of a Training Policy for Board members.

### **September 2023**

- 12 The Board considered in detail progress on the publication of the Fund's Annual Report and Accounts, gaining assurance that the Council had met their statutory deadline in having the draft accounts prepared and signed off by the Corporate Director of Resources by 31 May 2023, one of only three Local Authorities in the North-East to do so. The Board considered the national issue regarding delays in sign off of accounts by External Auditors.
- 13 The Board reviewed the agenda items considered by the Pension Fund Committee, noting that no investment decisions were made this quarter. The Board considered the progress made by the Funds regards asset pooling.
- 14 The Board considered a report from the Corporate Director of Resources regarding the Fund's pension administration and service provision to members, as well as providing an update on Key Performance information. The Board also considered a report from the Corporate Director of Resources which provided details on developments in matters that were both Local Government Pension Scheme (LGPS) specific, as well as providing an update on non-LGPS specific matters of interest. The Board considered in detail the McCloud remedy, the Annual Report, Pension Scams and the Dashboard.
- 15 The Board considered a report from the Corporate Director of Resources which provided details on the LGPS Consultation - Next Steps on Investments and the implications for the Fund. The Board reviewed the Fund's triennial valuation process, and the SAB's report on the 2022 LGPS Valuations.

- 16 The Board noted the intention of Officers to gauge interest in Board Membership amongst the Fund's participating employers; and supported the procurement of an online LGPS training offering for the Fund's governing bodies.

### **December 2023**

- 17 The Board reviewed the agenda items considered by the Pension Fund Committee, noting that the most significant issues considered had been the Accounts and External Audit opinion; and BCPP Responsible Investment (RI) Policy updates, including on climate change and voting. The Board noted the Committee's meeting with Border to Coast CEO Rachel Elwell on the future of pooling.
- 18 The Board noted the Committee had received a report of the Corporate Director of Resources on the Pension Fund - Debt Management and Write-off Policy and received a briefing on the approach from the Head of Pensions. The Board agreed to undertake an annual review of the application of the policy.
- 19 The Board considered in detail a report from the Corporate Director of Resources regarding BCPP's Responsible Investment (RI) Policy, gaining assurance on the approach taken by BCPP on behalf of the Fund.
- 20 The Board considered a report from the Corporate Director of Resources regarding the Fund's pension administration and service provision to members, as well as providing an update on Key Performance information. The Board also considered a report from the Corporate Director of Resources which provided details on developments in matters that were both Local Government Pension Scheme (LGPS) specific, as well as providing an update on non-LGPS specific matters of interest.
- 21 The Board reviewed progress on publication of the Annual Report and Accounts, noting that the Statement of Accounts was signed off in November, with Durham being one of only five Local Authorities to have their accounts signed off at this point. The Board noted that there had been two recommendations from External Audit, both of which had been taken on board, with a working group having been set up with alongside BCPP to address the matter.

### **Work Plan**

- 22 The work plan for the Local Pension Board will be informed following Gap Analysis against the Pension Regulator's new Code of Practice.

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## Appendix 1: Local Pension Board Attendance

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<b>2023/24</b>	Cllr A Hopgood	Cllr D Stoker	Neville Hancock	Wendy Pattison	Les Oliver
June 2023	N	Y	N	N	Y
September 2023	Y	N	Y	N	N
December 2023	Y	N	N	Y	Y
March 2024	Tbc	Tbc	n/a	Tbc	Tbc