# **Newham Pensions Board Annual Report 2023/24**

## **Purpose of Report**

1. The report is compiled to provide feedback on the work undertaken during April 2023 to March 2024 (2023-24) by the Newham Pensions Board and to meet the legislative requirement for producing an Annual Report.

## **Background**

1. The Pensions Board oversees the administration of the Newham Pension Fund on behalf of the Administrating Authority. Decisions made on the investment of the fund is carried out by the Newham Pension Committee
2. 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.
3. 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”).
4. There are three employer representatives and three scheme member representatives.
5. The Pensions Board has met four times in the Municipal Year 2023-24.
6. The costs of the Pensions Board’s operations;
   1. Meeting and Independent Chair Allowances are paid by the London Borough of Newham
   2. Training costs 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 | Position vacant |
| Employee Representative | Position vacant |
| Employee Representative | Christine Lander (UNISON) |
| Employer Representative | John Saunders until Oct 23 |
| Employer Representative | John Hollands until Oct 23 |
| Employer Representative | Philippa Terry from Nov 23 |

**Attendance at Meetings**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Meeting Date** | Tejonidhi Kashyap  (TK) | Catherine Hanlon (CH) | Christine Lander  (CL) | Philippa Terry  (PT) | John Hollands (JH) | John Saunders (JS) |
| 26th June 23 | X | X | X |  | X |  |
| 9th Oct 23 | X | X | X |  | X | X |
| 22nd Jan 24 | X | X | X | X |  |  |
| 11th Mar 24 | X | X | X | X |  |  |
| 13th May 24 |  |  |  |  |  |  |

**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 Dates** | | | | |
| **26th June 23** | **9th Oct 23** | **22nd Jan 24** | **11th Mar 24** | **13th May 24** |
| Review Pension Board Plan for forthcoming year | **x** |  |  |  | **x** |
| Draft Pension Board Annual Report | **x** |  |  |  | **x** |
| Pensions Administration Strategy | **x** |  |  |  |  |
| Data Improvement Plan | **x** |  |  |  |  |
| Discretionary Policies | **x** |  |  |  |  |
| Communications Policy |  | **x** |  |  |  |
| Pensions Regulator Code of Practice |  |  |  | **x** |  |
| Risk Register | **x** | **x** | **x** | **x** |  |
| Abatement Update | **x** |  |  |  |  |
| Membership Update | **x** |  |  |  |  |
| Terms of Reference Update | **x** | **x** |  |  |  |
| LPPA Performance Report | **x** | **x** | **x** | **x** |  |
| LPPA Risk & Compliance Report | **x** | **x** | **x** | **x** |  |
| Pensions Administration Report | **x** | **x** | **x** | **x** |  |
| Pensions Fund Update | **x** | **x** | **x** | **x** |  |
| LPPA Update; UPM, Current Pressures and plans for service improvements |  | **x** |  | **x** |  |
| Newham Fund Annual Report | **x** | **x** |  |  |  |

## **Chair’s Comments**

1. I would like to welcome new colleagues on the Pensions Board and convey my gratitude to the Pensions Board members who have completed their term during 2023-24. I commend the officers for their continued commitment to effective and efficient service to our scheme members and employers.
2. This year the Pensions Board supported efforts to promote the scheme and increase membership numbers by encouraging discussions about communications with scheme employers.
3. The Pensions Board kept a close eye on the Administrators plan for updating and improving the administration system UPM implemented in 2022-23. The operational issues encountered during implementation last year have smoothed out while staff get acquainted with the system.
4. The Pension Board carried out its regular reviews of the performance of the Pensions Administration service provider. During 2023-24, the Board reviewed data breaches, complaints and IDRP cases. The Pensions Board also reviewed the performance of the service provider in relation to adherence to various SLAs and metrics measuring service levels.
5. The Pension Board asked for a review of cyber security risks to the scheme and the Administrator. The Administrator presented their risk mitigation plan and development efforts to improve cyber security in the future.
6. As new Pensions Board members get acquainted with their role on the Board, training will play a key role in 2024-25. The Pensions Board will continue to support the scheme by carrying out its governance, monitoring and review activities as laid out in its 2024-25 business plan.

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](https://www.newham.gov.uk/council/pension-fund)
2. In the period from April 2023 to March 2024, the Pensions Board has considered a number of matters, some of which are listed below;
   1. Adherence to regulations
      1. Changes to regulations and guidance.
      2. LGPS exit cap, McCloud judgement to understand the impact on employees, the Fund and any Administrative implications.
      3. Training needs analysis and monitoring
   2. Governance
      1. Review of the Authority’s Fund Risk Register
      2. Review Administration and Fund Complaints statistics
      3. Discussions on proposed updates to Terms of Reference.
      4. Discussion on the new Code of Practice from the Pensions Regulator
   3. Administration
      1. Administration Performance Reports
         1. Including data quality
      2. Administration Service Contract
      3. Reviewing Administrators plan for updating and improving their administration system, UPM
   4. Membership and communication
      1. Reviewed membership statistics, percentage of eligible members who are in full or 50:50 scheme for the main Newham fund by age and earnings
      2. Discussions on communications with employers and schools, to look at promoting LGPS and increasing membership numbers.
      3. Working on strategy for membership numbers
   5. Record keeping
      1. Data report covering performance of service provider in relation to processing times, time to answer phone calls and overall work against SLA’s.

## 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 2024/25**

1. The Pensions Board has made a business plan for the 2024-25 period taking into account key milestones and challenges the scheme is expected to face in this period. The plan is available [here](https://www.newham.gov.uk/council/pension-fund%20).
2. Further information regarding the Newham Local Pension Board including minutes of the meetings are available [here](https://mgov.newham.gov.uk/mgCommitteeDetails.aspx?ID=1429).

**Glossary**

|  |  |
| --- | --- |
| **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. |
| **UPM** | Universal Pensions Management. The pension administration system used by LPPA. |
| **SAB** | Scheme Advisory Board - is a body set up under [Section 7 of the Public Service Pensions Act 2013](http://www.legislation.gov.uk/ukpga/2013/25/section/7) and [The Local Government Pension Scheme Regulations 110-113.](http://lgpsregs.org/index.php/regs-legislation/timeline-regulations-2014)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**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Board Members** | | | | | |
| **Training Title** | **Description of Content** | **Training Provider** | **Date of Training** | **TK** | **CH** | **PT** | **CL** | **JH** | **JS** |
| **Completed** | | | | | | | | | |
| Pensions Regulator Trustees Toolkit | There are 11 learning modules: five core modules aimed at all trustees, four aimed at trustees of DB schemes and two aimed at trustees of DC schemes | The Pension Regulator |  |  |  |  |  |  |  |
| UPM System Demo | Session on UPM Member Module - Pension Point | LPPA/Officers | 24/04/2023 |  |  |  |  |  |  |
| LGPS Introduction | Covered types of pension scheme, pension accrual, retiring from LGPS, employer and employee contributions and the role of the fund | Jacqui Andress | 06/03/2024 |  |  |  |  |  |  |
| Cyber security | Current threat types, risks to LPPA and how they work to mitigate them, work that can be done improve safety in the future | LPPA | 11/03/2024 |  |  |  |  |  |  |