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LOCAL PENSION BOARD

Meeting held on Tuesday 10 April 2018

**Please see attached document for the item below which was tabled at the meeting.
The document was marked "to follow" on the agenda.**

7 LOCAL PENSION BOARD DRAFT ANNUAL REPORT (Pages 1 - 8)

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LONDON BOROUGH OF BROMLEY – LOCAL PENSION BOARD

ANNUAL REPORT – MARCH 2018

**LONDON BOROUGH OF BROMLEY - LOCAL PENSION BOARD
ANNUAL REPORT
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1. Foreword

- 1.1 The purpose of this London Borough of Bromley Local Pension Board Annual report is to provide information regarding the activities and role of the Board for Scheme Members, Scheme Employers and the Scheme Manager (Administering Authority).
- 1.2 The Local Pension Board was established by the London Borough of Bromley Pension Fund in response to new regulatory requirements introduced into the Local Government Pension Scheme Regulations 2013
- 1.3 The role of the Local Pension Board is to provide assistance to the London Borough of Bromley in its role as an Administering Authority within the Local Government Pension Scheme in ensuring it remains compliant with the relevant legislation and requirements of the Pensions Regulator.

2. Background

- 2.1 The Local Government Pension Scheme Regulations 2013 (as amended) required that the Local Pension Board be established by 1st April 2015, in so far as the composition and terms of reference be approved. This took place at a meeting of Council on 23rd February 2015.
- 2.2 The London Borough of Bromley Local Pension Board requires a total of four members. The membership is constituted as follows:
- 2 members representing the interests of the Fund's employers – Employer Representatives.
 - 2 members representing the interests of the Fund's scheme members – Member Representatives.

3. Board Membership

- 3.1 In line with the requirements of the Local Pension Board Terms of Reference. Member Representatives were appointed to the Board by the General Purposes and Licensing Committee on 27th May 2015. The Member Representatives appointed were:
- Mrs Lesley Rickards
 - Mr Glenn Kelly
- 3.2 At their meeting on 27th May 2015 the General Purposes and Licensing Committee also nominated two potential Employer Representatives to be recommended to Council for appointment to the Board. Council then duly appointed the two Employer Representatives at its meeting on 29th June 2015. The Employer Representatives were:
- Mr Brian Toms
 - Ms Jane Harding
- 3.3 On 13th June 2016, Glenn Kelly, in accordance with paragraph 20 of the Local Pension Board Terms of Reference gave notice of his wish to resign as a Board member.
- 3.4 Following the resignation of Glenn Kelly, the Scheme Manager began the process of seeking a replacement, resulting in the appointment of Mr Tony Conboy by the General Purposes and Licensing Committee on 14th September 2016.
- 3.5 On 19th July 2017, Tony Conboy, in accordance with paragraph 20 of the Local Pension Board Terms of Reference gave notice of his wish to resign as a Board member.

- 3.6 Following the resignation of Tony Conboy, the Scheme Manager began the process of seeking a replacement, resulting in the appointment of Mr Geoffrey Wright by the General Purposes and Licensing Committee on 28th November 2017.
- 3.7 On 12th November 2017 Brian Toms, in accordance with paragraph 20 of the Local Pension Board Terms of Reference gave notice of his wish to resign as a Board member.
- 3.8 On 18th November 2017 Jane Harding, in accordance with paragraph 20 of the Local Pension Board Terms of Reference gave notice of his wish to resign as a Board member.
- 3.9 In December 2018 and in accordance with the Local Pension Board Terms of Reference, expressions of interest were invited for the role of Employer Representative on the Local Pension Board. However, on reaching the 7th January 2018 deadline, no expressions of interest had been received.
- 3.10 A further invitation for expressions of interest for the role of Employer Representative on the Local Pension Board was made in February 2018 with a deadline of 4th March 2018. During this period, two expressions of interest were received from Pinny Borg and Josepha Reynolds. As a result, in accordance with paragraph 16 of the Local Pension Board Terms of Reference, on 20th March 2018 the General Purposes and Licensing Committee were asked to make a recommendation to full Council for their formal appointment at their meeting on 9th April 2018.

4. Board Meetings

- 4.1 Following an introductory meeting of the Local Pension Board Members which took place on Monday 27th July 2015, formal meetings of the Board took place on Monday 26th October 2015 and Thursday 10th November 2016. The table below shows the attendance of those meetings:

	Employer Representatives		Member Representatives		
	Mr B Toms	Ms J Harding	Mr G Kelly	Mrs L Rickards	Mr T Conboy
Introductory Meeting 27/07/2015	✓	✓	✓	✓	N/A
Formal Meeting 26/10/2015	✓	✓	X	✓	N/A
Formal Meeting 10/11/2016	✓	✓	N/A	✓	X

- 4.2 At the Local Pension Board meeting held on 10th November 2016, Mrs Lesley Rickards was elected by the members of the Board to act as its Chair for a period of 12 months, succeeding Mr Brian Toms, in line with the requirements of the Terms of Reference.
- 4.3 The meeting of the Local Pension Board scheduled to take place on Thursday 2nd November 2017 was postponed to allow for the appointment of the new Member Representative on 28th November 2017. However, owing to the resignations of the two Employer Representatives during the meeting had to be further delayed and is now scheduled for Tuesday 10th April 2018, allowing the Board to maintain a meeting each municipal year.

5. Board Activity

- 5.1 In accordance with the requirement of the Terms of Reference, the Local Pension Board met on 10th November 2016 for its annual meeting.
- 5.2 Members of the Board are also encouraged to attend meetings of the Pensions Investment Sub-Committee and where appropriate meeting of the General Purposes and Licensing Committee. The table below shows Board members attendance at meetings of the Pensions Investment Sub-Committee:

	Employer Representatives		Member Representatives		
	Mr B Toms	Ms J Harding	Mrs L Rickards	Mr T Conboy	Mr G Wright
16/11/2016	X	X	X	X	N/A
31/01/2017	✓	X	X	X	N/A
22/02/2017	✓	✓	X	X	N/A
05/04/2017	✓	X	X	X	N/A
16/05/2017	✓	✓	X	X	N/A
26/09/2017	✓	X	X	N/A	N/A
21/11/2017	N/A	N/A	X	N/A	N/A
14/12/2017	N/A	N/A	X	N/A	X
20/02/2018	N/A	N/A	X	N/A	✓

- 5.3 In accordance with the workplan issued to Local Pension Board members, members have been provided throughout the year with monthly Pensions Administration Reports for review. These reports are produced by Liberata UK Ltd, and include a monthly summary of activity, and details of key Performance Indicators (KPI's). To date no issues have been raised by Board members in connection with such reports.
- 5.4 Board Members were invited to consider and comment on the 2016/2017 Internal Audit Pensions Report
- 5.5 Board Members were invited to consider and comment on a case referred to the Pensions Ombudsman (PO17262)

5.6 The next meeting of the Local Pension Board is due to take place on Tuesday 10th April 2018. At this meeting the Board will be required to elect a new Chair for 2018/2019 in line with the terms of reference, accept recent minor amendments to the terms of reference and agree work-plan and training arrangements for 2018/2019.

6. Training

6.1 It is a requirement of the Public Service Pensions Act that Board members have the capacity to become conversant with the rules governing the Local Government Pension Scheme and the policy documents of the Administering Authority.

6.2 The following training has been made available to the Local Pension Board members:

- The Pensions Regulator e-learning package, covering Conflicts of Interest, Managing risk and internal controls, Maintaining accurate member data, Maintaining member contributions, Providing Information to members and others, Resolving internal disputes and Reporting breaches of the law.
- A training event had been arranged 27th March 2017, however, owing to a lack of take up and changes in Board personnel, this was postponed.

6.3 Members have also been provided with the following documentation;

- The Local Government Pension Scheme Regulations
- Administration, HR, Payroll and Member Guides to the Local Government Pension Scheme
- Guidance on the creation and operation of Local Pension Boards
- Mercer Newsletters 'Local Government Pension Scheme – Current Issues'
- Agendas and reports for the Pensions Investment Sub-Committee meetings

7. Board Observations and Comments

- 7.1 The Local Pension Board terms of reference set out that the Board should raise any areas of risk or concern with the Scheme Manager in the first instance, no such matters have been raised.

8. Conflicts of Interest

- 8.1 It is explained to each Board member that they are required to observe both the Code of Conduct for Councillors/Co-opted Members and Data Protection policies of the London Borough of Bromley. Members are also required to complete 'The Notification of Disclosable Pecuniary Interests Form', 'The Notification of Non-Pecuniary Interests Form' and a 'Declaration of Acceptance of Office Form'. Both Mrs L Rickards and Mr G Wright have completed these documents. Pinny Borg and Josepha Reynolds will be asked to do so shortly, subject to their formal appointment by Council.
- 8.2 No declarations of interests were made at the formal meeting of the Board on 10th November 2016.

9. Expenses and Costs

- 9.1 All costs regarding the administration of the Local Pension Board have been contained within existing resources. There has been no expenditure or claims for reimbursement of costs within the relevant period for the administration of the Board.