

## Lancashire Local Pension Board

Meeting to be held on Tuesday, 19 October 2021

Electoral Division affected: N/A;
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### The Pensions Regulator - Public Service Governance and Administration Survey 2020/21 – Research Report

Contact for further information:

Mukhtar Master 01772 532018, Governance & Risk Officer, Lancashire County Pension Fund, [Mukhtar.Master@lancashire.gov.uk](mailto:Mukhtar.Master@lancashire.gov.uk)

#### Executive Summary

This report provides the Pension Board with a summarised position of the Pension Regulator's survey findings in relation to governance and administration practices among public service pension schemes. The survey included questions on schemes responses to the COVID-19 pandemic, perceptions of the pensions dashboards and actions taken by LGPS schemes in relation to climate related risks.

The survey was completed by 193 public service pension schemes.

#### Recommendation

The Board is asked to note and comment on the report.

#### Background and Advice

The specific objectives of the 2020/21 report were to continue to track:

- Public service pension schemes' governance and administration practices, including their approach to risk management, complaints and breaches of the law and any barriers they faced;
- The cyber security controls that schemes had in place and any breaches/attacks experienced;
- Perceptions of TPR and its effectiveness at improving scheme governance and administration standards.

In addition, the 2020-21 survey also sought to understand:

- Schemes' response to the COVID-19 pandemic, with a particular focus on business continuity planning;
- Awareness and perceptions of the pensions dashboards, and any challenges anticipated;

- The extent to which Local Government schemes assessed, managed and prioritised climate-related risks and opportunities.

The results show improvements in risk management processes, cyber controls and the proportion of members receiving their annual benefit statement on time.

Governance has generally stood up well given the unique challenges the last year has presented. However, funds within the Local Government Pension Scheme identified the following top three barriers to improving governance and administration over the next 12 months as follows:

- Volume of changes required to comply with legislation (63%);
- Complexity of the Scheme (60%); and
- McCloud remediation process (47%).

A copy of the research report can be found by clicking the link below:-

[Public service governance and administration survey 2020-21  
\(thepensionsregulator.gov.uk\)](https://www.thepensionsregulator.gov.uk/public-service-governance-and-administration-survey-2020-21)

The survey found little change since 2019 for the key processes that the TPR monitors as indicators of performance. Two thirds of LGPS administering authorities who responded had all six processes in place. The six key processes are:

- have a documented policy to manage board members' conflicts of interest
- have access to the knowledge, understanding and skills needed to properly run the scheme
- have documented procedures for assessing and managing risk
- have processes to monitor records for accuracy and completeness
- have a process for resolving contribution payment issues
- have procedures to identify, assess and report breaches of the law

In relation to the COVID-19 pandemic it was identified that 95% of schemes had a business continuity plan in place before the first lockdown.

Most schemes had an understanding and awareness of the Pensions Dashboard however there were concerns about how to implement the requirements.

### **Further commentary**

Lancashire County Pension Fund performed well against the results of the six key processes and was in line with or exceeded governance and administration practice results (including Pension Board governance, risk management, record keeping and annual benefit statements).

The research covers a number of changes that funds will need to deal with in the future (predominantly pensions dashboards and climate change disclosure requirements). The pensions team has included pensions dashboards within its three-year strategic plan and, during discussions within the Responsible Investment Task & Finish Group, identified the need to plan for forthcoming climate change disclosure requirements. In addition, further consideration will be given to cyber

security and business continuity as an impact assessment of the Pensions Regulator single code of practice is undertaken by the pensions governance team.

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

No significant risks have been identified.

### **Local Government (Access to Information) Act 1985 List of Background Papers**

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A