

| <b>Bath &amp; North East Somerset Council</b>   |   |
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| <b>MEETING:</b>   | <b>AVON PENSION FUND COMMITTEE</b>                          |
| <b>MEETING DATE:</b>  | <b>23 JUNE 2023</b>   |
| <b>TITLE:</b>   | <b>GOVERNANCE (INCLUDING WORKPLANS &amp; RISK REGISTER)</b> |
| <b>WARD:</b>  | <b>ALL</b>  |
| <b>AN OPEN PUBLIC ITEM</b>  |   |
| <p>List of attachments to this report:</p> <p>Appendix 1 – Committee Work plan</p> <p>Appendix 2 – Investments Panel Work plan</p> <p>Appendix 3 – Training Programme</p> <p>Appendix 4 – Service Plan Monitoring</p> <p>Appendix 5a – Risk Register</p> <p>Appendix 5b – Risk Framework</p> <p>Appendix 5c – High Level Matrix</p> |   |

## **1 THE ISSUE**

- 1.1 Attached to this report is the work plan for the Committee (Appendix 1) and a separate one for the Investment Panel (Appendix 2) which set out provisional agendas for forthcoming meetings. The dates for future Committee and Panel meetings are also included.
- 1.2 The provisional training programme for 2023 is included as Appendix 3.
- 1.3 The quarterly monitoring report for the Service Plan is also attached as Appendix 4. This covers a high level overview of all non administration projects including progress to date.
- 1.4 The risk register along with the risk framework and high level matrix are attached as Appendix 4.

## **2 RECOMMENDATION**

- 2.1 That the committee notes the Committee & Investment Panel workplans, training programme, service plan & risk register.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial considerations to consider. The cost of the LGPS Online Learning Academy licences is within the budget already agreed

## **4 THE REPORT**

### **4.1 Workplans**

- a) The purpose of the work plans is to provide members with an indication of their future workload and the associated timetable. In effect they represent an on-going review of the Service Plan. The plans are however subject to change to

reflect either a change in priorities or opportunities / issues arising from the markets/regulations.

- b) The service plan monitoring (Appendix 4) currently includes ongoing projects outside of Administration. The Administration Improvement Plan projects will be added to the service plan monitoring from September 2023.

#### **4.2 Modern Gov Library**

- 4.3 The decision has been made to suspend use of the Modern Gov library until its effectiveness can be reviewed. In the meantime all monitoring reports will form part of the main committee reports

#### **4.4 Training Programme**

- a) The provisional training programme for 2023 is also included so that Members are aware of intended training sessions and workshops. The plan will be updated quarterly.

#### **4.5 Hymans LGPS Online Learning Academy (LOLA)**

- In order to meet the additional knowledge and skills requirements of SAB's Good Governance Review the Fund has introduced Hymans LGPS Online Learning Academy (LOLA).
- Committee members have agreed to complete all training modules within twelve months of becoming a Committee member and repeat the completion of the modules every three years.
- A second version of the learning academy will launch in July 2023. The training is split into a number of modules covering the CIPFA Knowledge & Skills Framework.
- The modules are set out below:
  - Committee Role & Pensions Legislation
  - Pensions Governance
  - Pensions Administration
  - Pensions Accounting and Audit Standards
  - Procurement & relationship Management
  - Investment Performance & Risk Management
  - Financial Markets & Products
  - Actuarial Methods, Standards & Practices
  - Current Issues
- The schedule for completion of the modules is contained within the training programme (Appendix 3) for members who have not already completed the previous version.

### **5 FUTURE MEETING DATES**

#### **5.1 Pension Committee meetings as currently scheduled:**

| <b>2023</b>  |
|--------------|
| 23 June      |
| 22 September |
| 15 December  |

#### **5.2 The provisional dates for the Investment panel meetings are:**

| <b>2023</b> |
|-------------|
|-------------|

## 6 RISK REGISTER

- 6.1 The Fund has in place a documented risk management policy setting out the Fund's approach to risk, process for review and update of the risk register. It also sets out the roles and responsibilities of all those involved in the management of risk within the Fund including the role of the Pension Board and Pension Committee.
- 6.2 The risk framework to assist risk owners to assess the risk and score is attached as appendix 1.
- 6.3 A high level matrix showing the distribution of risks by score is attached as appendix 2.
- 6.4 The complete risk register is attached as appendix 3.
- The risk register identifies risks which could have material impact on the APF in terms of service, value, reputation, or compliance. It also sets out mitigating actions.
  - The risk register is reviewed quarterly by APF management and reported to the Pension Committee and Pension Board every quarter.
  - All risks are also reviewed quarterly or when there has been a material change to the risk.
  - Risks fall into the following categories, owned by the relevant member of the APF management team:

| Category of Risk    | Risk Owner                     |
|---------------------|--------------------------------|
| Administration      | Pensions Manager               |
| Regulatory          | Technical & Compliance Advisor |
| Governance          | Governance & Risk Advisor      |
| Employers (Funding) | Funding & Valuation Manager    |
| Employers (Data)    | Employer Services Manager      |
| Investments         | Investments Manager            |
| Finance             | Finance & Systems Manager      |

- 6.5 All risks are linked to the relevant Fund strategy documents and how they are reported to Pension Committee and Pension Board.

## 7 QUARTERLY REVIEW OF RISK REGISTER

- 7.1 Following the quarterly review of the risk register there were no changes made.

- 7.2 The most critical risks are currently:

- NR01 – 'Ability to deliver admin service to members and employers within agreed standards' The current factors impacting this risk are set out in item 10 – Pension Fund Administration report.
- NR12 – 'Failure to achieve decarbonisation targets in the required timescales in accordance with climate change priorities' Government climate policies not moving fast enough or sufficiently enforced.

- NR05 – Failure to manage personal data in line with data protection regulations. Following an increase in the number of data breaches caused by enveloping errors and on the advice of Information Governance and Internal Audit the decision has been taken to stop all bulk printing and enveloping while the process is reviewed. Consultation with Information Governance & Internal Audit is also taking place to improve the process for providing members with activation keys for My Pension Online, following two data breaches.

## **8 RISK MANAGEMENT**

8.1 Forward planning and training plans form part of the risk management framework.

## **9 EQUALITIES STATEMENT**

9.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

## **10 CLIMATE CHANGE**

10.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

## **11 OTHER OPTIONS CONSIDERED**

11.1 None.

## **12 CONSULTATION**

12.1 The Council's Monitoring Officer and Section 151 Officer have had the opportunity to input to this report and have cleared it for publication.

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| <b>Contact person</b>   | Carolyn Morgan, Governance and Risk Advisor<br>01225 395240 |
| <b>Background papers</b>  | None  |
| <b>Please contact the report author if you need to access this report in an alternative format.</b> |   |