

## **LOCAL GOVERNMENT PENSIONS BOARD**

**Friday, 29 June 2018**

**Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 1.45 pm**

### **Present**

#### **Members:**

Alderman Ian Luder (Chairman)	Yvette Dunne
James Tumbridge (Deputy Chairman)	Christina McLellan
Jon Averbs	

#### **Officers:**

Kate Limna	- Chamberlain's Department
Jeff Henegan	- Chamberlain's Department
Tom Broughton	- Chamberlain's Department
Matt Mott	- Chamberlain's Department
Christopher Rumbles	- Town Clerk's Department

#### **1. APOLOGIES**

Apologies were received from Martin Newnham

#### **2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations of interests.

#### **3. COURT ORDER**

The Order of the Court, appointing the Board and setting its terms of reference, was received.

#### **4. ELECTION OF CHAIRMAN**

In accordance with Standing Order 29, the Board proceeded to elect a Chairman for the year ensuing. The Town Clerk read a list of Members eligible to stand and Ian Luder, being the only Member expressing his willingness to serve was duly elected as Chairman.

#### **5. ELECTION OF DEPUTY CHAIRMAN**

In accordance with Standing Order No 30, the Board proceeded to elect a Deputy Chairman for the ensuing year. The Town Clerk read a list of Members eligible to stand and James Tumbridge, being the only Member expressing his willingness to serve, was duly elected as Deputy Chairman.

#### **6. MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the public minutes and non-public summary of the meeting on 28<sup>th</sup> February 2018 are approved as an accurate record.

### **Matters Arising**

The Chairman formally welcomed the Pensions Manager, Matt Mott, to his first meeting of the Board.

### **Insurance Policy**

The Deputy Chairmen referred to the insurance cover offered to Members of the Board and asked for clarity on this. The Deputy Chairman suggested that standard insurance policies would exclude data breaches and he asked for an assurance that the City Corporation had put in place appropriate measures to indemnify Members of the Board in the event of a data breach.

The Corporate Treasurer agreed to review the insurance cover offered to Members of the Board and report back on this.

### **7. OUTSTANDING ACTIONS**

The Board received a report of the Town Clerk that summarised outstanding actions from previous meetings.

The Chairman confirmed that the Pensions Manager would give a presentation at the meeting in relation to a training plan for the Board.

RECEIVED.

### **8. REPORT OF ACTION TAKEN SINCE THE LAST MEETING**

The Board received a report of the Town Clerk that summarised the action taken under delegated authority to the Town Clerk.

RECEIVED

### **9. LOCAL GOVERNMENT PENSIONS BOARD - REVISION TO TERM OF APPOINTMENT**

The Board considered a report of the Town Clerk proposing an extension to the term of Membership of the Deputy Chairman to 2021 to allow for a staggering of elected Members on the Board moving forward.

A Member questioned whether there were any plans to make changes to the terms of the Scheme Member representatives and the Town Clerk clarified that further research would be needed before any proposal could be put forward.

The Deputy Chairman suggested a staggered approach could be adopted over a three-year period that would allow for gradual change. The Deputy Chairman agreed with the Town Clerk that he would consider options and report back by the end of August.

**RESOLVED**, that an extension of the membership term of James Tumbridge to April 2021, be approved.

#### 10. **THE CITY CORPORATION'S PENSIONS SCHEME - UPDATE**

The Board received a report providing information regarding a range of topics in relation to the City Corporation's Local Government Pension Scheme.

The Pensions Manager referred to a mandatory requirement to maintain accurate data including Guaranteed Minimum Pension (GMP) data. Furthermore, as GMP values were accrued by scheme members national insurance contributions made to the Fund until to April 2016 (known as contracting out which ceased in April 2016) it is necessary to reconcile the GMP data held by the Fund with the data held by HMRC to ensure it is accurate.

It was noted that HMRC require the Fund to submit initial GMP enquiries by 31<sup>st</sup> October. Data mismatches that have been investigated and accepted by both the Fund and HMRC may require adjustments to the value of current GMPs in payment and future GMPs to be paid. It was confirmed that a report would come back to the Board next year.

The Pensions Manager clarified to the Chairman that any additional liability would be fed into the actuarial review in March 2019. It was noted that this timeframe of work will enable the 2019 actuarial valuation to fix the employee contribution.

The Deputy Chairman referred to the data breach and questioned the classification of this within the summary table which showed no breaches of the law to report.

The Corporate Treasurer clarified to the Board that the breach occurred shortly before the change in law in terms of reporting and that this was a City Corporation breach; the Information Commissioner's Office had been notified of the incident in good time.

The Deputy Chairman stressed that where a breach had been reported to the Information Commissioner's Office outside of the 72 hour requirement that a formal reply would be needed from the Information Commissioner's Office before it would be known for certain that there would be no negative consequence to the City Corporation. It was noted a verbal agreement would not be binding and the written position can on occasions be contrary to this.

Members expressed their concern with a delay in being notified of the breach and asked that this be earlier in future. It was highlighted that Local Government Pensions Board Members could find themselves being approached by Scheme Members and that it would be important for Board Members to understand what had happened if this were the case.

The Board agreed that the Chairman and Deputy Chairman are to be notified at the earliest opportunity. It was proposed notifying the Board of any breach at the earliest opportunity and by no later than the 72-hour point when any breach would need reporting to the Information Commissioner.

**Resolved**, that the update be noted. Agreed that the Reporting Breaches of the Law Policy be amended to show the Board are to be notified of any breach at the earliest opportunity and by no later than the 72-hour point for reporting breaches to the Information Commissioner.

**11. PENSION FUND - DRAFT ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018**

The Board received a report of the Chamberlain providing a draft Pension Fund Statement of Account.

The Corporate Treasurer reminded the Board of the statutory requirement for the City Fund Accounts, including the Pension Fund Accounts to be audited and signed by 31 July. It was noted that the accounts and audit completion reports from the external auditors on both the City Fund and Pension Fund accounts would go to Audit and Risk Management Committee and Finance Committee for sign off.

A Member questioned a fall in the figure for achieving the target of five days for payment in death grants. The Pension Manager explained to the Board that the delays occurred following retirement of the previous Pension Manager, and with the team being short of two posts. Reassurance was offered that the delays were only very short temporary delays of days rather than months and that the issue had been addressed moving forward.

The Chairman commented that he would like to see an improvement to over 95% in relation to the areas of performance and asked that, where this is not being achieved, reasons for this are included within the report to the Board. The Board recognised that difficult cases can often distort the picture but agreed that it would be helpful if this could be explained in the report, so they are aware of the full picture.

The Chairman concluded this item noting the accounts and audit completion reports will now go forward to Audit & Risk Management Committee and Finance Committee for sign off and confirmed that any major issues would be notified to the Board. The Chairman asked that the Board receives the audit completion report and details of any adjustments.

RECEIVED

**12. LGPS 2018 REGULATIONS**

The Board received a report of the Chamberlain providing an overview of amendments to the Local Government Pension Scheme.

The Pensions Manager talked the Board through key changes and the impact this will have on existing scheme Members. It was noted that all scheme Members impacted by the regulation changes would be written to informing them of the changes.

RECEIVED

**13. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

**14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

**Training Plan and Needs Analysis**

The Pension Manager introduced this item and confirmed he had taken the opportunity to review the original training plan prepared by Barnet Waddingham. The Pensions Manager stated his intention to invite a representative of the Pension Regulator to attend the next Board meeting to offer an overarching view of their expectations of Local Pension Boards and the role of the Pension Regulator.

The Pensions Manager went on to talk the Board through a history of the Local Government Pension Scheme, those who can join the scheme, benefits of membership and benefits into payment of pension.

The Deputy Chairman referred to a Court decision relating to gender reassignment and the Pensions Manager clarified that the Local Government Pension Scheme remains broadly gender neutral in terms of contribution rates which are based on actual pay and a normal pension age which is based on an individual's state pension age, however, there could be some quirks in relation to gender reassignment. It was noted that any instance would be dealt with on a case by case basis and the Fund would seek guidance from government departments such as HMCLG and LGA.

Members asked about the nomination of co-habiting partners. The Chairman highlighted the importance of scheme members nominating their intended beneficiaries and to provide details to go on record. The Pensions Manager clarified that the 2013 regulations no longer required a formal nomination in relation to co-habiting partners, although the Fund does offer a co habiting partner notification form. This is very useful in the event of a scheme member's death as the Fund has an initial contact and potential beneficiary. However, the scheme member and co-habiting partner must meet certain criteria to be eligible for a partner pension, such as being financially dependent or interdependent on each other and free to enter into a civil partnership or marriage with each other.

Members noted that a notification form remains on the City Corporation's website and that these are continuing to be being returned.

The Board conveyed their thanks to the Pensions Manager for a very good summary.

**15. EXCLUSION OF THE PUBLIC**

RESOLVED – That under 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

16. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the non-public minutes of the previous meeting are approved as an accurate record.

The Deputy Chairman referred to insurance cover for the Board and asked for an assurance from the Comptroller that Members of the Board would be covered in the event of a cyber security breach or that an appropriate indemnity would be put in place if a gap were identified.

17. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no non-public questions.

18. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other business.

**The meeting closed at 3.30pm.**

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Chairman

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