

LOCAL GOVERNMENT PENSIONS BOARD

Tuesday, 4 February 2020

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

Present

Members:

James Tumbridge (Chairman)
Jon Averbs
Yvette Dunne

Christina McLellan
Mark Wheatley

Officers:

Kate Limna	- Corporate Treasurer
Jeff Henegan	- Assistant Pensions Manager
Matt Mott	- Pensions Manager
Christopher Rumbles, Clerk	- 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. MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes of the meeting on 7th October 2019 are approved as an accurate record.

4. OUTSTANDING ACTIONS

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

RESOLVED – That the Board notes the report.

5. TERMS OF REFERENCE

The Board considered a report of the Town Clerk presenting terms of reference for annual review.

The Chairman acknowledged that the Board had now moved to a staggered approach to membership to allow for retention of knowledge and experience moving forward.

Resolved, that the terms of reference are agreed.

6. **THE CITY OF LONDON: LOCAL GOVERNMENT PENSION SCHEME - REVISION TO THE RISK REGISTER**

The Board received a report of the Chamberlain providing an updated risk register and offering an opportunity to review existing risks and actions and seeking their views on whether they considered appropriate control measures were in place.

The Pensions Manager responded to a question and confirmed that the City Corporation's pension risk register was in line with other LGPS Pension Fund risk registers.

Investment Strategy

The Chairman noted risk CHB LGPS 001a relating to the Investment Strategy of the Pension Fund being reviewed every three years by the Financial Investment Board with proper advice from an Investment Consultant.

The Chairman acknowledged the division of responsibilities between Committees and accepted that Local Government Pensions Board were not responsible for the Investment Strategy but noted there had been no communication between Local Government Pensions Board and Financial Investment Board since the immediate past Chairman had stepped down.

The Chairman proposed a resolution be passed to the Financial Investment Board asking for an annual summation of investment activity in relation to the Pension Fund being provided to the Local Government Pensions Board. This would allow the Board to receive the level of assurance needed.

The Board agreed that it would be helpful to receive a note back from the Financial Investment Board.

Print Runs

The Chairman asked for an assurance that lessons had been learned from errors with past print runs and that the position was now under control. The Pensions Manager assured the Board that the Pension Office now had direct contact details for the print company staff and were in ongoing dialogue with them regarding future requirements. Details of the 2020 schedule had already been provided to them. The Pensions Office continued to challenge to the print company and ask questions of them about delivery and expected standards. These actions provided the level of assurance needed.

Data Protection Training

The Chairman questioned whether the Pensions Team would benefit from any specialist Data Protection training given the unusual position of how long pension data had to be retained for and given GDPR requirements that data must not be retained for longer than it was needed.

The Pensions Manager referred the Data Retention Policy agreed by the Board last year that allowed for data to be retained for up to 15 years after pension payments had ceased or up to age 75 for former scheme members where there was not a liability to pay a pension.

The Pensions Manager referred to national guidance proposing data be retained for 100 years and suggested this would be something for consideration as part of the annual review of the Data Retention Policy in June.

Robust recruitment process

A Member questioned whether there was any mechanism for ensuring recruitment to vacancies within the Pensions Office and that the City Corporation's salaries were competitive. The Pensions Manager explained that all roles at the City Corporation were subject to a job evaluation to achieve the appropriate grade for the work being undertaken.

Employer becoming insolvent or abolished

The Chairman noted an amber six rating for the City Corporation being abolished or becoming insolvent and suggested this risk rating could be reviewed. The Corporate Treasurer clarified that this risk related to admitted bodies being abolished and not the City Corporation. The risk related to those organisations admitted into the City Corporation Pension Fund.

The Chairman suggested this risk was unlikely and proposed dropping the rating to green 4.

Outsourcing of services as a result of the Fundamental Review

The Board noted that the City Corporation is undertaking a Fundamental Review of its services.

Members expressed their concern that parts of the organisation may not consider pension implications when making decisions regarding their service and questioned whether it would be appropriate to send another letter reminding Chief Officers and Service Committee Chairman of the need to consider pensions as part of any proposals.

The Corporate Treasurer referred to a letter that was issued to Committee Chairman two years ago asking them to ensure that consideration was given to avoiding any risk of liabilities falling on the Pension Fund as part of their considerations relating to new contractual arrangements. Members discussed the appropriate point to re-issue this letter and it was agreed to wait for the outcome of the Fundamental Review to understand the proposals. It was agreed that the item would be noted as an outstanding action for consideration at a future meeting.

Resolved, that the risk register be approved subject to Risk No 6: Employer becomes insolvent or is abolished with insufficient funding to meet liabilities being reduced to from Amber 6 to Green 4.

7. THE CITY CORPORATION'S PENSIONS SCHEME - UPDATE

The Board received a report of the Chamberlain providing an update on a range of topics relating to the City Corporation's Local Government Pension Scheme (the Scheme)

The Chairman thanked officers for the revised format of the risk update and pension scheme update and confirmed he found these helpful.

Pension Estimates

A Member referred to estimates and questioned how often these can be requested. The Pensions Manager explained they can be requested at any time, however, a criteria has been implemented with one estimate request per scheme member in a 12 month period and only if the intended retirement date is within the next 5 years.

The Board noted that LGPS Members were issued with a statement each year providing them with their figures. It was acknowledged that the biggest risk in producing pension figures for estimates and statements was human error and that the long-term aim was to move to a more automated pension admin system with scheme members accessing the information online.

The Board agreed that moving to an automated pension admin system would be a great improvement. The Pensions Manager welcomed the endorsement of the Board and confirmed that he would look to engage City Procurement. There was also a pension admin system framework being developed by Norfolk County Council that was due to go live this summer. It was agreed that an update would be provided at the next Board meeting in June.

Fundamental Review

The Board noted that the Fundamental Review was already impacting on the Pensions Office with regards to the voluntary flexible retirement scheme currently offered by the Corporation. It was noted that the Pensions Office did not have the resources to answer individual questions and that people were being referred to their pension statements in the first instance for an indication of their potential pension values should they consider taking advantage of the offer.

The Pensions Manager clarified that where it was known the City Corporation had agreed flexible retirement, scheme members would be provided with actual pension benefits values and the necessary election forms.

The Pensions Office have asked HR to confirm that where Flexible Retirement is agreed the date is to be set in advance. This would ensure the team have the appropriate resources in place to deal with the expected increased number of retirements and allow them to plan ahead and avoid a backlog.

Resolved, that the updated be noted.

8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

Barnet Waddingham Training

The Corporate Treasurer referred to the next Barnet Waddingham pension training session taking place on 25th March, but the Chairman not being able to make it on this occasion. It was agreed information regarding the training would be circulated to the Board.

The Chairman referred to previous Pensions Board Trustee training sessions where the Board had got into the habit of sending one Board Member and asking them to take away two or three issues from the session to highlight to the Board.

The meeting closed at 2.50pm

Chairman

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