

**PENSIONS COMMITTEE**  
**Wednesday, 8 February 2023**

Minutes of the meeting of the Pensions Committee held at Committee Room, West Wing 2nd Floor, Guildhall on Wednesday, 8 February 2023 at 2.00 pm

**Present**

**Members:**

Alderman Ian David Luder (Chairman)  
Timothy Butcher (Deputy Chairman)  
Clare James  
David Sales  
Deputy Madush Gupta  
Deputy Andrien Meyers

**Officers:**

Caroline Al-Beyerty	- The Chamberlain
Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Sarah Port	- Chamberlain's Department
Chris Rumbles, Clerk	- Town Clerk's Department

**In attendance:**

Lucy Tusa (Mercer)

**1. APOLOGIES**

Apologies were received from Henry Pollard and Sir David Wootton.

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

There were no declarations.

**3. MINUTES**

**RESOLVED** – That the public minutes and non-public summary of the Pensions Committee meeting on 29 November 2022 be approved as an accurate record.

**4. PENSIONS COMMITTEE WORK PROGRAMME 22 / 23**

The Committee considered a report of the Chamberlain detailing a forward-looking Pensions Committee work programme.

RECEIVED

**5. RISK REGISTER FOR THE PENSIONS COMMITTEE**

The Committee considered a report of the Chamberlain presenting a Pensions Committee risk register for review.

The Chamberlain confirmed that there had been no changes to any of the risks since the last meeting. It was highlighted that on page 33 the target risk rating score for risk 13 'failure to discharge responsible investment duties' had not printed out and Members were asked to note that this had a score of four.

McCloud was highlighted as the biggest risk, with the position on this remaining unclear until regulations come through from Central Government. It was unknown at this point when the regulations would be published.

There was a question raised regarding any potential impact on the Local Government Pensions Scheme as a result of a nuance on the Teachers Pension Scheme and this impacting on McCloud, with the Chamberlain responding confirming she was not aware of this but would follow up with the actuary to establish the position.

A Member sought an assurance regarding short-term cashflow and any impacts as a result of inflation. The Chamberlain confirmed this was in hand with a paper due to follow at the next meeting providing a cash flow update. Currently enough cash flow was coming through to meet all Pension Fund obligations but with this being kept under review and Pensions Committee would be kept up to date.

The Chairman referred to the current approach of reviewing the Pensions Committee Risk Register at each meeting. Having established key risks in the early stages of the Committee and with these now being in place, the Chairman proposed a move to bi-annual reporting of the Risk Register and only where a score had worsened or where something was going awry would reporting be required. Members were in agreement with this change in reporting frequency, with an acknowledgement of the comprehensive risk review that had been undertaken during the early stages of the Committee in considering all potential risks and capturing these.

The Chamberlain proposed risk register reporting be done on a six-monthly basis. Where there were proposed changes to the risk register or where a target score was not being met this would continue to be reported as required. Members endorsed this revised timetable for risk reporting.

RESOLVED: That Members

- Reviewed the existing risks and actions present on the Pensions Committee's Risk Register, and confirmed that appropriate control measures were in place; and
- Confirmed that there were no further risks relating to the services overseen by the Pensions Committee and that the Risk Register would be reviewed every six months.

## 6. **PENSIONS SCHEME - ADMINISTRATOR'S UPDATE**

The Committee received a report of the Chamberlain providing a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting.

The Chamberlain highlighted the Key Performance Indicator (KPI) relating to Payment of lump sum death grants and meeting this target being dependent on

all the required paperwork being received in the correct format and with the correct details being provided; this often involved a number of beneficiaries and requiring all the paperwork to be completed by each of them. There were also instances where no death grant form had been completed or where there was a struggle to identify a beneficiary. Delays can often occur where paperwork has to be returned to request additional information, however the KPI starts from the date the application was received by the Pensions Office.

The Deputy Chairman remarked that a five-day target for death grants appeared very tight given all the paperwork involved, adding there was no benefit in having a target that cannot be met and suggesting it should be reviewed. The Chamberlain agreed to review the KPI target for payment of death grants and come back with a target that more accurately reflected the work involved in making the payment.

The Chairman added that the payment of lump sum death grant KPI had been impacted by two payments that had fallen below the target, with this small number having a big percentage impact on the overall target score. The Chairman suggested that officers could consider an appropriate scoring method to avoid a situation of multiple beneficiaries and a delay in one replying impacting on the overall KPI score.

Reference was made to complaints dealt with under the Scheme's Internal Disputes Resolution Process. Members noted that the detail of these complaints would need to be taken in the non-public part of the agenda.

A Member referred to the Pensions Dashboard and questioned if there was any information available on this, with Members noting it was being worked on in the background and that an update would follow. It was agreed that a Pensions Dashboard update would be included in future administration updates to keep Members up to date on progress with this area of work.

RESOLVED: That Members: -

- Receive the report and note its content.

**7. LOCAL GOVERNMENT PENSION SCHEME - ADMINISTRATION STRATEGY**

The Committee received an Administration Strategy document for the City of London Pensions Fund for their review and to provide feedback thereon.

The Chairman remarked on how the strategy document appeared to codify what was already being done, with the Chamberlain acknowledging this point and confirming the intention to bring the Administration Strategy back every two years for Members' consideration and review.

RECEIVED

**8. FUNDING STRATEGY STATEMENT**

The Committee considered a Funding Strategy Statement (the 'FSS') that had been produced in accordance with the Public Service Pension Act 2013.

A Member noted reference to consultation with key parties and questioned whether this had included consultation with all employers before the document was published, to which the Chamberlain responded confirming the City Corporation was the major employer in the fund at over 90% and with consultation taking place through Pensions Committee representing the City Corporation. There were other Admitted Bodies in the fund but with most of these having a small number of employees, it not being considered necessary to consult with them. The City Corporation at 90% of the fund would take precedence. The Chairman proposed that the Funding Strategy Statement be presented to Local Government Pensions Board for their information.

The Chairman noted reference within the document to the aims of the fund being to enable primary contribution rates to be kept as nearly constant as possible and suggested additional wording could be included to reference 'taking into account movements in secondary rates' as this had the potential to counteract any movement in the primary rate and therefore see the overall rate being maintained as constant. Following a brief discussion, Members agreed that it should be the overall contribution rate being kept as constant as possible and reference to 'primary' should be removed.

RESOLVED: That Members: -

- Agreed the revised Funding Strategy Statement, subject to removal of the word 'primary'.

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There were none.

10. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**  
There were no additional items of business.

11. **EXCLUSION OF THE PUBLIC**  
RESOLVED: That under Section 100(A) 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 I of the Schedule 12A of the Local Government Act.

12. **MINUTES**  
**RESOLVED** – That the non-public minutes of the Pensions Committee meeting on 29 November 2022 be approved as an accurate record.

#### **Complaints or disputes under the Scheme's Internal Disputes Resolution Process (IDRP)**

At this point in the meeting, Members received an update on complaints that were being dealt with under the Scheme's Internal Disputes Resolution Process.

13. **PENSION FUND - FINAL DRAFT ACTUARIAL VALUATION AS AT 31 MARCH 2022**

The Committee considered a report of the Chamberlain presenting a Pension Fund – Final Draft Actuarial Valuation as at 31 March 2022.

**14. PERFORMANCE MONITORING PENSION FUND TO 31 DECEMBER 2022**

**a) City of London Corporation Pension Fund Quarterly Monitoring Report Q4 2022**

The Committee received a report of the Chamberlain providing a Pension Fund quarterly monitoring report for Q4 2022.

**b) Investment Performance Monitoring to 31 December 2022**

The Committee received a report of the Chamberlain providing an update on Investment Performance Monitoring to 31 December 2022.

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

A question was raised in relation to the following item:

**GMP Reconciliation**

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

An additional item of business was considered as follows:

**Responsible Investment Statement**

**The meeting ended at 3.00pm**

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Chairman

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