

LOCAL GOVERNMENT PENSIONS BOARD

Tuesday, 17 January 2017

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 Avern	Martin Newnham

Officers:

Christopher Braithwaite	-	Town Clerk's Department
Kate Limna	-	Chamberlain's Department
Charlie Partridge	-	Chamberlain's Department
Tom Broughton	-	Chamberlain's Department
Jeff Henegan	-	Chamberlain's Department

1. APOLOGIES

There were no apologies for absence.

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 minutes of the previous meeting are approved as an accurate record.

A Member asked whether the relevant websites had now been updated with the identities and contact details of the Pensions Board members. The Town Clerk explained that the entry for the Board on the Corporation's website had been updated. The Chamberlain explained that the entry on www.yourpension.org would be updated following the meeting.

4. WORK PROGRAMME

The Board considered a report of the Town Clerk which set out a proposed Work Programme for the Board's next four meetings. The Town Clerk explained that the Work Programme would be updated following the discussion of further items at this meeting.

A Member commented that the standing item on each agenda regarding the annual schedule of events for the pensions scheme should include updates on progress with each item as relevant.

A Member commented that it would also be beneficial for the Board to receive the Pension Fund Annual Report. The Chamberlain explained that this was published in September each year and would therefore be presented to the Board's meeting in October 2017. The Chairman commented that, for future years, it would be beneficial for the Board to meet in September to allow the Board to comment on the report prior to it being published.

The Chairman commented that, with regard to disputes and complaints under the Scheme, it would be helpful for the Board to be provided with historic information regarding these, going back to at least April 2016 to allow the Board to identify any common themes. A Member commented that it would also be beneficial for this information to be accompanied by lessons learnt and any new practices which were put in place as a result of these issues.

Ms Allen commented that, in April 2017, it was anticipated that The Pensions Regulator would publish a report regarding the findings of the recent survey it had conducted of Pensions Schemes and suggested that it would be beneficial for this to be presented to the Board's April 2017 meeting.

RESOLVED – That the Board notes the report.

5. REVIEW OF THE BOARD'S TERMS OF REFERENCE

The Board considered a report of the Town Clerk which provided the Board with the opportunity to conduct the annual review of its Terms of Reference. The proposed Terms of Reference included amendments to bring the Terms of Reference more in line with those of the Model Terms of Reference published by The Pensions Regulator. The Town Clerk explained that those Model Terms of Reference were provided as supporting information to the Terms of Reference.

The Chamberlain noted that there was an erroneous reference to the London Borough of Havering within the supporting information to the Terms of Reference, which would be removed.

The Board reaffirmed its decision from the previous meeting that the Board should meet four times during 2017 and then three times per annum thereafter.

RESOLVED – That the Board approves the amendments to the Terms of Reference for submission to the Court of Common Council.

6. TRAINING NEEDS ASSESSMENT

The Board considered a report of the Town Clerk which provided information regarding the training requirements for members of Pensions Boards. The Town Clerk explained that the report provided CIPFA's Technical Skills and Knowledge Framework for Local Pensions Boards, which included a training needs assessment document, which Members were requested to complete and return to the Town Clerk.

A Member asked for further information from Ms Allen regarding the level of training which The Pensions Regulator of expected Pensions Board Members. Ms Allen explained that the guiding principle was that Members should feel that they have sufficient knowledge to be effective in their role. She explained that an understanding of the key legislation and issues was likely to be required for all Members, and further specialised training may be required depending on the issues of facing each Scheme.

The Board agreed that this would be an appropriate point in the meeting to agree the dates of future meetings, and agreed that meetings should be held on 26 April, 7 July and 2 October 2017.

RESOLVED – That the Board:

- a) notes the report; and
- b) agrees that future meetings be held on 26 April 2017, 7 July 2017 and 2 October 2017.

7. **NATIONAL REGULATORY ENVIRONMENT**

The Board received a presentation from Ms Allen which built on the introductory presentation made at the Board's last meeting and provided further information regarding the regulatory environment in which the Board operated.

The presentation provided the Board with information regarding the key regulations which applied to the Local Government Pensions Scheme, particularly the Local Government Pensions Scheme Regulations 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. Ms Allen also provided Members with information regarding the previous regulations covering the Scheme, and with details of proposals in upcoming legislation which had recently been consulted on.

Ms Allen also provided the Board with detailed information regarding the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2004, the Finance Act 2004 and information regarding upcoming legislation in relation to Exit Payments.

Ms Allen also provided the Board with information regarding the key policies which Schemes were required to have, including the Governance Compliance Statement, Funding Strategy Statement, Pensions Administration Statement, Discretions Policy Statement, Communication Policy Statement and Investment Strategy Statement.

Ms Allen also advised the Board of the website www.lgpsregs.org, which provided information and guidance of the regulations in relation to the Local Government Pensions Scheme. She explained that this was an excellent resource for Board Members. A Member commented that this would be very useful for Board Members, and commented that it would be helpful if officers also regularly reviewed the website and advised Members of any significant issues.

Throughout the presentation, the Board agreed that the following items should be included on the Board's Work Programme:

- Information of the Investment Strategy Statement;
- Information on the triennial valuation of the Pensions Fund (every third year)
- Information from Internal Audit regarding any recent or forthcoming audits of the Pension Fund or pensions administration.

RESOLVED – That the Board notes the presentation.

8. **THE CITY CORPORATION'S PENSIONS SCHEME**

The Board considered a report of the Town Clerk which provided information regarding a range of areas within the Corporation's Pensions Scheme, as had been requested by the Board at last meeting.

Annual Schedule of Events

The Board noted the annual schedule of events for the Pensions Scheme. The Chamberlain explained that this would be provided to future meetings, and future versions would include the publication of the Pensions Scheme Annual Report (in September) and the issue of Pensions Saving Statements (October), along with a note regarding reporting of the triennial valuation of the Pension Fund.

Communication with Scheme Members

The Board noted the information provided by the Chamberlain regarding the communications which were provided to Scheme Members. The Board commented that the quality of communications with the Members was excellent.

Members commented that it was important that information regarding Pensions was provided during the induction process for new employees, and the Chamberlain and Town Clerk agreed to discuss this with Human Resources.

The Board agreed that the next Newsletter should include information regarding the Board and its Members, so that Scheme Members were aware of the Board and its role.

With regard to the information sent to Members regarding opting out of the Scheme, the Chairman suggested that it would be beneficial for the sentence "You may wish to take financial advice before making a decision to opt out" to be in bold type.

The Chairman asked for clarification whether Scheme Members on deferred benefits had been advised of the changes to the calculation of benefits in the event of late retirement. The Chamberlain explained that he did not think that they would have been, but would confirm this. He explained that there would be very few Scheme Members to whom this applied.

Scheme Risk Register

The Board considered the proposed Risk Register for the Pensions Scheme. The Town Clerk explained that, if the Board was satisfied with the proposed risks, these would be scored using the Corporation's risk scoring matrix. The Board was informed that, following this, control measures and targets to reduce the risk level would be developed, with the full register being submitted to the next meeting and all meetings thereafter.

Members commented that:

- The risk in relation to Pensions Scheme Administration should include "data accuracy" and "lack of resources" among the potential causes;
- In relation to succession planning, it would be beneficial for the Board to be provided with details of the structure of the pensions administration team. The Chamberlain agreed that this could be circulated to the Board alongside the minutes of this meeting; and
- The Board should be provided with the Financial Investment Board's (FIB's) risk register, so that it could be satisfied that FIB was taking an appropriate approach to risk management in relation to the Pension Fund.

Ms Allen commented that a risk should also be added in relation to the employee covenant, in the event that an admitted or scheduled body employer to the Scheme ceased to exist.

Disputes

The Board commented that the majority of disputes under the Pensions Scheme appeared to be in relation to ill health. The Chamberlain and Ms Allen explained that this was the case in most Pensions Schemes.

RESOLVED – That the Board notes the report.

9. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

10. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no items of urgent business.

The meeting closed at 3.45 pm

Chairman

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