

## **LOCAL GOVERNMENT PENSIONS BOARD**

**Friday, 7 July 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  
James Tumbridge  
Jon Avern

Yvette Dunne  
Christina McLellan  
Martin Newnham

#### **Officers:**

Caroline Al-Beyerty	-	Chamberlain's Department
Kate Limna	-	Chamberlain's Department
Jeff Henegan	-	Chamberlain's Department
Tom Broughton	-	Chamberlain's Department
Tracey Jansen	-	Town Clerk's Department - Human Resources
Chris Rumbles	-	Town Clerk'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. 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 of the meeting on 26<sup>th</sup> April 2017 are approved as an accurate record.

## **Matters Arising**

### **Pension Opt Out Figures**

Members noted the pension opt-out figures totalled 380 out of a workforce of 3800. It was suggested a staff survey might prove beneficial in understanding how the scheme is seen amongst staff.

It was agreed that a comparison to other Local Authorities will be carried out initially to establish if the City Corporation's opt out figures are out of kilter with the national picture.

### **Training**

Members noted that the training needs assessment is being reviewed. It was noted that the Police Pensions Board had similar training requirements and that the intention is to conduct some joint training. Training plans will be formulated once all the training needs assessment forms have been received.

### **Date of next meeting**

Friday 6<sup>th</sup> October 2017, 1.45pm was agreed for the next meeting. Town Clerk agreed to circulate suggested options and timeframes for meetings in 2018.

## **7. WORK PROGRAMME**

The Board considered a report of the Town Clerk which set out a proposed Work Programme for the Board's next three meetings.

**RESOLVED** – That the Board notes the report.

## **8. NEW STARTER INDUCTION**

The Board received a report of the Director of HR outlining information provided to new starters on the Local Government Pension Scheme.

The Head of Corporate HR advised Members that the Jobs page on the intranet is about to be refreshed and this will include information relating to the LGPS. It has also been agreed that as part of the induction process for new starters the Pensions Manager will attend the Town Clerk's new starter welcome lunches going forward to be available to answer any questions. Online FAQs for new starters will also now include information relating to the LGPS.

In response to a comment from the Chairman, the Head of Corporate HR agreed that the '10 good reasons to join the LGPS' could include information relating to the 50:50 contribution (i.e. contributions are halved and the pension is built up at half the normal rate). The Head of Corporate HR suggested the leaflet would be amended to incorporate the 50:50 option. It was confirmed that information relating to the Local Government Pension Scheme is available to all employees on the intranet.

In response to a question from a Member, the Chamberlain advised that new starters are advised of the option to transfer funds in to the Local Government Pension Scheme. It was highlighted that a good number of new employees are aware of this option as is evidenced by the number that do it. Staff are reminded that they have up to one year to transfer in to the LGPS nine months after they join the City Corporation.

The Chairman commented that it would be useful to know how many of those opting out are longstanding employees or how many are new starters.

**Resolved:-** That the report is noted.

9. **PENSION SCHEME UPDATE**

The Board received a report of the Chamberlain that provided information on a range of topics relating to the Local Government Pension Scheme.

The Chamberlain advised that annual pension statements are in the process of being prepared for issue on 31<sup>st</sup> August. It was confirmed that the 31<sup>st</sup> August deadline is a statutory deadline and it is always a time of year that presents workload challenges for the team.

In response to a question from a Member, it was acknowledged that additional resources will not be needed and that the deadline will be met.

**Risk Register**

The Chamberlain updated Members in relation to the risk register highlighting changes to the risk level for item 1 and 5 as agreed at the last meeting and advising of the decision to add insolvency at item 6. It was confirmed the LGPS risk register will now be logged on the City Corporation's central risk management system.

A Member referred to Data Protection and changes to legislation that will come in to force in March 2018 regarding storage of personal information. Changes will be introduced that will require a seven step process to be complied with, for audit purposes. It was agreed this information will be circulated to the Board.

The Deputy Chamberlain advised that Data Protection is on the Strategic Risk Register, but that reference could be made to this on the LGPS Risk Register.

The Chairman acknowledged that Data Protection is a strategic risk, but that this Board should see it at a local level. It was agreed that that the Board will receive a report on data protection to map against comments regarding changes to legislation

In response to a question from a Member, the Chamberlain confirmed that it is the Board that determines the level of risk attached to each item on the risk register and that it had previously been determined that inappropriate investment was considered unlikely. It is for the Board to decide if this has now changed.

It was agreed that risk 3 (inappropriate investment) will remain as unlikely.

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

There were no questions.

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

### **Annual Workshop for Local Government Pension Boards.**

A Member updated the group on his recent attendance at a workshop remarking that it had proved to be a very interesting day to see how other schemes operated and also provided a good chance to network.

The day provided for lively and interesting debate with a key presentation by the scheme advisory board. The following areas were covered during the day:-

- Data Protection 2018.
- A need for sharing and transparency of information between schemes and a central depository.
- Establishment of a national network and creating a standard email address to share data.
- Streamlining the appeals process to the ombudsman.
- Pension fund deficits, with the City Corporation sitting somewhere in the middle.
- Training – with people not understanding their legal requirements.
- Continuity of Members; having a staggered process of election to the Board so there is succession planning. There is a potential issue for this Board as all members were elected at around the same time and on the same terms.
- Pooling and standardising of payroll software for all the different schemes.

The Member advised that it was a day that was well worth attending and provided useful discussion and networking opportunities. It was suggested Board Members take the opportunity to attend in future if they are able to do so.

It was agreed that the slide pack from the day will be circulated to the board.

### **Pensions Manager**

The Chamberlain advised that a new Pensions Manager is still to be recruited. Applications received in response to the recent advert were not considered suitable. A further advert will go out again in the autumn and if this is not successful then a re-think will be needed.

In response to a question from a Member, the Chamberlain explained that they are looking for someone with experience in pension funds covering police, judges and LGPS and this presents difficulties within Local Government as the pool of people with this experience is becoming smaller and smaller.

The Chairman commented that someone is needed in this role with a persona and that is able to engage with Members and not just someone with technical ability

### **Committee Terms**

The Chairman indicated his intention to step down in 2019 to allow another Member to join the board that will then allow a smooth transition in employer representative on the Board.

A Member commented that all Members have been appointed to the Board on four year terms and it would sensible to stagger the terms. The Chairman

advised that Audit & Risk Management Committee re-appoint Members on unequal terms so that term endings are staggered.

### **Sharing of Information**

In response to a question from a Member regarding a voluntary code to abide by, the Chamberlain confirmed that information relating to the City Corporation's Pension Scheme expenses and operating costs are already shared. When sharing there is a need to be careful in how data is used. When slides from the conference are circulated this will be looked at to see how the City Corporation is impacted.

### **Data Protection and Succession Planning**

A Member asked for data protection and succession planning to be added to the agenda at the next meeting.

#### **12. 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 item 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.

#### **Item No.**

13

#### **Paragraph No.**

3

#### **13. PENSION FUND - DRAFT STATEMENT OF ACCOUNTS**

The Board considered a report of the Chamberlain providing information relating to the draft Pension Statement of Account.

The Chamberlain highlighted the growth in pension fund asset value over the year as a result of high returns in the global stock markets. The fund remains on target to meet its 17 year deficit reduction plan. Depending on various macroeconomic factors the funding position is liable to fluctuate over time.

It was highlighted that people coming in to the scheme are critical in enhancing the funding position, particularly as this is a mature fund.

In response to a question from a Member, it was confirmed that employee contribution levels are set by government and the employer contribution set by Finance Committee every three years following the actuary's triennial valuation. Employee contribution levels are tiered dependent on salary. If the Government considers there is a growing gap in the funding position of the scheme on a national basis then levels can be changed.

The Chairman referred to Finance Committee's decision to uphold the original 17 year deficit reduction target, which is to be welcomed by this Committee.

The Chamberlain emphasised that this report is only a draft set of accounts and that they were currently being audited by the external auditors. Regular meetings take place between officers and auditors and early indication is that the main statements and figures will remain as they are, but some of the supporting wording will change before the accounts are presented to Audit &

Risk Management Committee and Finance Committee in July. It was confirmed that the annual report will come to the next meeting of this Board.

The Chairman asked that a report is presented at the next meeting on admitted bodies and liability and whether there are bond agreements in place to secure liability funding..

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

There were no non-public questions.

**15. 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 3.00pm**

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Chairman

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