

LOCAL GOVERNMENT PENSIONS BOARD

Monday, 7 February 2022

Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 12.00 pm and livestreamed at www.youtube.com/watch?v=LnXHVV/L5KPs

Present

Members:

James Tumbridge (Chairman)	Christina McLellan
Martin Newnham (Deputy Chairman)	Mark Wheatley
David Pearson	

Officers:

Kate Limna	- Chamberlain's Department
Jeff Henegan	- Chamberlain's Department
Christopher Rumbles, Clerk	- Town Clerk's Department
Emma Moore	- Chief Operating Officer
Graham Newman	- Chamberlain's Department

1. APOLOGIES

There were no apologies.

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

Martin Newnham declared an interest in item 11 relating to Residential Emoluments.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes and non-public summary of the Local Government Pensions Board meeting held on 20 October 2021 be approved as an accurate record.

Matters Arising

McCloud Judgement – A Member referred to their recent review of the City of London Pension Fund website and the difficulty they had in finding information relating to the McCloud Judgement. It was clarified that information showed very quickly when using the search function, but that this would be reviewed to see if it could be given greater prominence.

4. WORK PROGRAMME

The Board received a report of the Town Clerk detailing ongoing actions.

RESOLVED – That the Board notes the report.

5. **THE CITY CORPORATION'S PENSIONS SCHEME - UPDATE**

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

A Member referred to hard copy payslips having stopped during the pandemic and questioned whether this was likely to start again, with these always having proved helpful. It was confirmed that physical payroll had started again last month and that hard copy payslips would be issued in April and when pension amounts had changed by £2 or more. Paper copies of P60s will also be issued.

The Chamberlain referred to the Pension Fund - Draft Annual Report for the year ended 31st March 2021 still not having been published due to the City Corporation accounts not yet having been formally signed off by the external auditor. As previously explained, this delay in signing off the Pension Fund - Annual Report was being driven by systematic challenges within the local audit framework. The City Corporation has published the Draft Annual Report on its website to minimise the breach.

The Chamberlain further explained that under regulations of Central Government, auditors were not allowed to sign off local authority accounts separately. CIPFA were currently reviewing the issue, but it was ultimately a decision of Central Government how accounts were signed off.

The Chairman raised his concern in failing to meet a government deadline, acknowledging it was as a result of a delay in audit activity across London Local Government. The Chairman suggested the Chamberlain give consideration to raising a letter on behalf of the Board raising their concerns.

RESOLVED: That the report be received, and its content noted.

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

The Board received a report of the of the Chamberlain providing a review of the Risk Register for the Local Government Pensions Board.

A Member referred to CHB LGPS 009 McCloud Remedy still appearing as a high area of risk on paper. It was explained how there remained points of clarification and regulations to be implemented, and until such time the risk would remain high. As soon as regulations were determined and put in place this should hopefully lead to a reduced risk with the solutions and remedies then being worked through.

The Chairman referred to CHB LGPS 001 Insufficient Assets and previous assurances that this was moving in the right direction, but with it appearing to have slipped back with how it was currently written. The Chairman remarked on the current and target score being the same, which seemed to indicate the situation cannot be improved.

The Board noted how this risk was looking at assets longer term over a twenty-year period, with the Pension Fund's return having continued to perform strongly during this financial year and it currently exceeding its absolute return target over all time horizons, but with it remaining subject to changes in return and it being scored accordingly. Following discussion, it was agreed to move the risk score over one place so there can then be a target score to aim for, whilst accepting this target may take some time to meet.

The Chairman referred to CHB 007 Cyber Security showing a target score but with there appearing to be no aim to improve it. Members noted how the pensions administration system had moved to a hosted environment as part of the City Corporation's overall Cyber Security strategy and this could potentially lead to an improved risk rating.

The Chairman questioned whether pension administration should be looked at differently to other areas of the City Corporation when considering hosting it externally and whether this would need feeding back to IT. It was questioned whether a slightly different approach should be taken with this risk and suggested officers consider this and come back with a revised target.

RESOLVED: That Board Members: -

- Agreed to moving the risk score relating to CHB LGPS 001 Insufficient Assets one place.
- Confirm that there were no further risks relating to the pension administration overseen by the Local Government Pensions Board.

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

There were no questions.

8. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no additional items of business.

9. EXCLUSION OF THE PUBLIC

RESOLVED, That under Public Services Pensions Act 2013 the public be excluded from the meeting on the grounds they involve the likely disclosure of exempt information.

10. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the non-public minutes of the Local Government Pensions Board meeting on 20 October 2021 be approved as an accurate record.

11. RESIDENTIAL EMOLUMENTS

The Board received a report of the Chamberlain relating to Residential Emoluments. Board Members noted that following publication of the agenda it had been identified that this item would need to be considered in confidential session owing to the personal information included within the report having the potential for people to be identified.

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

There were no non-public questions.

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

The Chairman referred to progress in filling the Employer Representative Vacancy on the Board and asked for this to be progressed and an update provided.

The meeting closed at 12.53pm

Chairman

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