

PENSIONS COMMITTEE
Monday, 11 July 2022

Minutes of the meeting of the Pensions Committee held at Committee Rooms, West Wing, Guildhall on Monday, 11 July 2022 at 10.30 am

Present

Members:

Alderman Ian David Luder (Chair)
Timothy Butcher (Deputy Chair)
David Sales
Alderman Sir David Wootton
Deputy Madush Gupta
Deputy Andrien Meyers

In Attendance (Observing Online)

Deputy Henry Pollard

Officers:

Kate Limna	- Chamberlain's Department
Jeff Henegan	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Priyanka Naidoo	- Chamberlain's Department
Joseph Anstee	- Town Clerk's Department

Also in attendance:

Lucy Tusa (Mercer)

1. APOLOGIES

Apologies for absence were received from Shahnan.

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

There were no declarations.

3. ORDER OF THE COURT OF COMMON COUNCIL

The Committee received the Order of the Court of Common Council on 21 April 2022, appointing the Committee and approving its terms of reference.

4. ELECTION OF CHAIR

The Committee proceeded to elect a Chair in accordance with Standing Order 29. Expressions of interest were sought from Members, and there being multiple expressions of interest, a ballot of eligible Members present was undertaken and Alderman Ian Luder, upon receiving a majority of votes cast, was duly elected as Chair of the Committee for the ensuing year.

The newly elected Chair thanked Members for their support and looked forward to leading the Committee during its first year.

5. **ELECTION OF DEPUTY CHAIR**

The Committee proceeded to elect a Deputy Chair in accordance with Standing Order 29. Expressions of interest were sought from Members, and there being multiple expressions of interest, a ballot of eligible Members present was undertaken. There being a tie between two candidates, the drawing of lots was undertaken and arising from this Timothy Butcher was duly elected as Deputy Chair of the Committee for the ensuing year.

6. **PENSIONS COMMITTEE WORK PROGRAMME**

The Committee considered a report of the Chamberlain presenting the Committee's work programme to support business planning in its inaugural year. The Chamberlain introduced the report and drew Members' attention to the key points. The Committee noted that agreement of the CMA Order would be added to the work programme for the November meeting, and that TPR training would need to be completed by Members.

The Chair added that further meeting dates would be drafted and circulated to Members to check availability, with meetings to be scheduled near the end of each quarter, with adjustments where necessary such as for the Actuarial Valuation.

RESOLVED – That the Pensions Committee note the report and agree the Pension Committee Work Programme.

7. **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 Pensions Scheme. The Chamberlain introduced the report and drew Members' attention to the key points, also advising that Pensioner P60s had been issued on 23 May 2022. The Committee further noted the Member training requirements set out in the report. The Chamberlain also introduced key officers for the Committee to Members.

In response to a question from a Member, the Chamberlain advised that the Administrator's Update would be a regular submission to the Committee, with a similar document submitted to the Local Government Pensions Board, and would be developed over time in accordance with the Committee's needs.

RESOLVED – That the report be noted.

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

The Committee considered a report of the Chamberlain reviewing the Risk Register for the Pensions Committee. The Chamberlain introduced the report and presented the Risk Register to Members, advising that it was an amalgamation of the risks overseen by the Local Government Pensions Board and the Financial Investment Board, with a number of risks in common with other committees. The Chamberlain added that amendments had been made to reflect the new governance arrangements.

In response to a question from the Chair regarding the risk of Insufficient Assets, the Chamberlain advised that it had not been necessary to draw down on the pension fund assets over the last few years, and that the risk would be reassessed following the next valuation of the Fund. The Chamberlain added that the Risk Register was presented on the corporate template, with there being limited scope to amend the format where it did not lend itself to presenting specific Pensions risks. With regards to the risk of Employer Insolvency, the Chamberlain advised that any liability for the City Corporation arising from the insolvency of other bodies would be considered on a case-by-case basis, depending on how that body was funded. In response to questions from Members, the Chamberlain outlined the key elements of the risk on Cybersecurity and advised that a separate Pensions Administration System was in place, which was hosted offsite. The Chamberlain added that there was no specific Cybersecurity Policy for the Pension Fund.

The Chair noted that the Committee were due to consider valuation assumptions and longevity analysis at the next meeting, and sought additional details on this. The Chamberlain advised that the appointment of an independent member and establishment of a small working group to assist with the Actuarial Valuation was the subject of a report later on the agenda and that reporting to Committee would depend on when actuary results were received, with these expected in late September.

The Committee then discussed the potential impact of regulatory decisions such as that in respect of McCleod, with the Chamberlain advising that this was a risk for all local government pension schemes, particularly on the administrative side, and that further regulatory guidance on this was anticipated.

The Chair then drew the Committee's attention to the recommendations, and proposed that the Committee review their Risk Register at each meeting during their first year, adding that there would be a particular need for review following the Triennial Valuation. The Committee agreed to review the Risk Register at each meeting until the next municipal year.

RESOLVED – That the Pensions Committee:

- i) Review the existing risks and actions present on the Pensions Committee's Risk Register, and confirm that appropriate control measures are in place;
- ii) Confirm that there are no further risks relating to the services overseen by the Pensions Committee; and
- iii) Agree to review the Risk Register at each meeting until the next municipal year.

9. **ASSET POOLING IN THE LGPS**

The Committee received a report of the Chamberlain providing background on asset pooling in the LGPS, and the London LGPS Collective Investment

Vehicle (LCIV) – the asset pool of which the City of London Corporation Pension Fund is a member. The Chamberlain introduced the report and drew Members’ attention to the key points.

The Committee noted the proportion of City Corporation funds invested in the LCIV, and that the Financial Investment Board had previously agreed that additional funds would be moved over to the LCIV when it was deemed appropriate. The Chamberlain advised that the LCIV had a pipeline of new funds under consideration, which could be circulated to Members.

RESOLVED – That the report be noted.

10. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

11. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was no other business.

The Chair then thanked any Members of the public observing the meeting via YouTube for their participation.

12. 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.

Item No.	Paragraph(s) in Schedule 12A
13-14	3
15-16	-

13. INVESTMENT PERFORMANCE MONITORING REPORTS

a) Quarterly Report to 31 March 2022

The Committee received a report of Mercer.

b) Investment Performance Monitoring to 31 March 2022

The Committee received a report of the Chamberlain.

14. APPOINTMENT OF AN INDEPENDENT MEMBER

The Committee considered a report of the Chamberlain.

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

There were no questions.

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

There was no other business.

The meeting ended at 11.57 am

Chair

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