

Committee(s): Local Government Pensions Board	Dated: 12 December 2022
Subject: Pensions Committee Update Report (Public)	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For Information
Report author: Kate Limna – Chamberlain's Department	

Summary

The Local Government Pensions Board has responsibility for assisting the Pensions Committee to ensure the effective and efficient governance and administration of the scheme. The role is one of providing oversight of assurance in the governance of the scheme administration and not in decision making. This report summarises the reports and decisions made by the new Pensions Committee on the public agenda at their meetings on 11 July, 27 September and 29 November 2022.

Recommendation

Members are asked to note the report.

Main Report

Background

1. In November 2021, the Policy and Resources Committee considered a report covering the committee structure proposals arising from the Governance Review (Governance Review: Committee Structure Considerations). Within that report, Members were asked to consider the creation of a new body to have responsibility for discharging the Corporation's responsibilities as an administering authority of the Local Government Pension Scheme (LGPS). The creation of such a committee had been raised during the Member engagement process for the Governance Review.
2. At that meeting Members agreed to the creation of a Pensions Committee, and this was subsequently endorsed by the Court of Common Council (the Court) in December 2021. The terms of reference, membership and meeting arrangements for the new Pension Committee, were agreed by the Policy & Resources Committee at their February 2022 meeting and agreed by the Court of Common Council on 15 April 2022. The Terms, of Reference are attached at **Appendix A**.
3. The following Members were elected to the Pensions Committee by the Court:
 - Ian David Luder, J.P., Alderman (4 years)

- James Henry George Pollard, Deputy (4 years)
 - David James Sales (4 years)
 - Sir David Wootton, Alderman (4 years)
 - Shahnaz Bakht, (2 years)
 - Timothy Richard Butcher, (2 years)
 - Deputy Madush Gupta (2 years)
 - Deputy Adrien Meyers (2 years)
4. The Pensions Committee met for the first time on 11 July 2022 where Alderman Ian Luder was elected Chair and Timothy Butcher was elected Deputy Chair. At this meeting, the Committee agreed to co-opt one independent member, Clare James. Ms James is an actuary who had been a Common Councilman until standing down at the last election. The Committee met again on 27 September 2022 and most recently on 29 November 2022.

Training

5. Training has been provided at the start of each Committee meeting as follows:
- Overview of the LGPS - delivered by Barnett Waddingham (July Meeting)
 - Investment Training - delivered by Mercer (Sept Meeting)
 - Actuarial Training – delivered by Barnett Waddingham (Nov Meeting)
6. In addition all Members of the Committee are required to complete the Pension Regulator's (tPR) training modules in respect of the public sector pension schemes. An update on this will be provided in the non-public part of this meeting.

Administration

7. At each meeting the Pensions Committee has received the Administrators Update and there is a separate report covering this on today's Agenda. In addition, at its meetings on 27 September and 30 November, the Pensions Committee reviewed all the correspondence that is issued to Scheme Members.














LGPS – Key Performance Indicators.

8. At their meeting on 27 September the Committee asked for key performance data in respect of the work carried out by the Pensions Administration Office. Attached at Appendix B are the statistics provided to the Committee at their meeting on 29 November. Members commented that where the performance was below 95% a short explanation should be provided.

Risk Register

9. The Risk Register for the Pensions Committee is an amalgamation of the risks that were on the Local Government Pension Board Risk Register and relevant risks from the Financial Investment Board Risk Register; it is reviewed at each meeting. Following the September meeting 3 additional risks were introduced covering Short Term cashflow, Breach of GDPR/Data Protection Regulations and Pension Scheme Administration. Members reviewed the risks at the November meeting and confirmed that the appropriate controls were in place and there were no further risks relating to the service. The Risk Register is attached at Appendix C(i) with the CoL Risk Matrix attached as Appendix C(ii). The report to the November Pensions Committee can be found [here](#) and table 1 below provides a summary of the risks.

Table 1: Risk Summary

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator
CHB Pensions 009	McCloud Remedy	16	
CHB Pensions 001	Insufficient assets - Pensions Fund	8	
CHB Pensions 010	Targeted returns – Pension Fund	6	
CHB Pensions 006	Employer Insolvency	4	
CHB Pensions 007	Cyber Security	4	
CHB Pensions 011	Service provider failure	4	
CHB Pensions 012	Governance/Legislative Compliance	4	
CHB Pensions 013	Failure to discharge responsible investment duties	4	
CHB Pensions 003	Short term Cash flow (new)	4	
CHB Pensions 004	Breach of GDPR/Data Protection regulations (new)	4	
CHB Pensions 008	Pension Scheme Administration (new)	4	
CHB Pensions 005	Fraud	2	
CHB Pensions 002	Actuarial Valuation	1	

Pooling in the LGPS

10. At their first meeting, Members received a paper setting out the 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 report can be found [here](#).

Pension Fund Annual Report 2021/22

11. The Committee received a report regarding the 2021/22 Pension Fund Annual Report. The LGPS Regulations require administering authorities to publish an Annual Report by 1 December each year. Members of the Local Government Pensions Board are aware that there has been a delay in approving the 2020/21 City Fund accounts, which include the Pension Fund accounts, due to a national technical issue around the accounting of infrastructure assets which affects all local authorities.

12. As a consequence of this, and as the City Corporation is changing its auditors, the audit of the City Fund Accounts and the Pension Fund Accounts for 2021/22 has not formally commenced. The Pension Fund Annual Report for 2020/21 has been published in draft, and in order to meet the requirements of the LGPS Regulations, the 2021/22 Pension Fund Annual Report was published in draft on 1 December 2022. The Pension Fund Annual Report for 2021/22 can be found [here](#).

Conclusion

13. The new Pensions Committee held its first meeting on 11 July and has subsequently met on 27 September and 29 November. This report is a summary of the reports and decisions made under the public side of the agenda.

Appendices

- Appendix A Terms of Reference
- Appendix B LGPS Key Performance Indicators
- Appendix C(i) Pensions Committee Risk Register
- Appendix 1 CoL Risk Matrix

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