

LOCAL GOVERNMENT PENSIONS BOARD
Monday, 25 September 2023

Minutes of the meeting of the Local Government Pensions Board held at Committee Room - 2nd Floor West Wing, Guildhall on Monday, 25 September 2023 at 1.45 pm

Present

Members:

Christina McLellan
Paul Wilkinson
Mark Wheatley
Peter Lisley

Officers:

Kate Limna	-	Chamberlain's Department
Graham Newman	-	Chamberlain's Department
Amanda Luk	-	Chamberlain's Department
Chris Rumbles, Clerk	-	Town Clerk's Department
Raquel Pinto	-	Town Clerk's Department

With Paul Wilkinson in the Chair.

The Chairman extended a warm welcome to Peter Lisley, with this being his first Board meeting following his appointment as a Scheme Member Representative in May.

1. APOLOGIES

Apologies were received from David Pearson.

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

There were no declarations of interests.

3. ORDER OF THE COURT OF COMMON COUNCIL

The Board received an Order of the Court of Common Council dated 21st April 2022 appointing the Committee and agreeing its terms of reference for the ensuing year.

RECEIVED.

4. ELECTION OF CHAIR

The Board proceeded to elect a Chair in accordance with Standing Order No. 29. Mark Wheatley, being the only Board Member expressing their willingness to serve, was duly elected Chairman for the ensuing year.

The Chairman wanted to bring a few matters to the Board's attention. Firstly, regarding the frequency of meetings, which were now twice a year. Secondly

regarding Members conflict of interests which might affect Members availability to stand for the Board. Finally, the Chairman asked that an email be sent to the Court of Common Council to invite Members of the Court to join the Board. The Town Clerk advised that a letter had been sent to the Court of Common Council advising of all vacancies and encouraging Members to join.

5. **ELECTION OF DEPUTY CHAIR**

The Board proceeded to elect a Deputy Chair in accordance with Standing Order No. 30. Peter Lisle, being the only Member expressing their willingness to serve, was duly elected Deputy Chairman for the ensuing year.

6. **MINUTES**

RESOLVED –

- That the public minutes of the meeting on 12 December 2022 be approved as an accurate record of the meeting.
- That the public minutes of the Pensions Committee meetings on 8 February and 20 June 2023 be received.

Matters arising:

A Member noted that a meeting was alluded to in the minutes between the Chairman of the Board and the Chairman of the Pensions Committee which had not yet happened. The Chairman advised that this meeting had been organised but was subsequently cancelled and would be re-scheduled.

7. **PENSION SCHEME - ADMINISTRATOR'S UPDATE**

The Board received a report of the Chamberlain providing information on the scheme administration details that have been reported to the Pensions Committee since the last Local Government Pensions Board meeting on 12 December 2022.

The Board noted that the final legislation regarding McCloud was laid before Parliament, and this would take effect from the 1 October 2023. This in turn would affect the risk register which would be adjusted accordingly. The Board also noted that there had been a minor data breach which would be further explained during the non-public section of the meeting.

A Member of the Board raised a question regarding McCloud and whether there would be any financial implications from the resolution. Members heard that the financial implications were currently unknown, however these were expected to be minor.

The Deputy Chairman raised a question regarding the pensions administration system, specifically what was planned for the administration system and the timeline. The Chamberlain explained the Pensions Team was testing a member self-service system which once they were satisfied with it, would be rolled out in phases. The Board noted that the aim was to have self-service available to all scheme members by the end of the financial year but recognising that deferred and pensioner scheme members may choose not to sign up. Members raised concerns regarding those who have difficulties accessing content online as to

whether paper notifications would still be made available. It was noted that although there was encouragement for scheme members to sign up to using the self-service system, if the deferred and pensioner scheme members chose not to, they would continue to receive communications in the same format they currently did (and this would include newsletters).

The Chamberlain brought to the Board's attention a report that went to Finance Committee and Audit & Risk Management Committee regarding the City Fund and Pension Fund accounts. Members noted that the City Fund and Pension Fund accounts could not be signed off separately and that the 2020/2021 accounts which had been delayed following a national infrastructure issue were undergoing final checks and were expected to be signed off in the next couple of weeks. The Board noted that a new set of auditors were being used from 2021/2022 onwards and this work was also undergoing final checks. The 2022/23 audit was being undertaken, with most of the Pension Fund work now complete and the 2022/23 accounts were expected to be signed off before the end of the calendar year.

RESOLVED - That the report be received and its content noted.

8. **PENSIONS COMMITTEE UPDATE REPORT**

The Board received a report of the Chamberlain which summarised the reports and decisions made by the Pensions Committee on the public agenda at their meetings on 8 February and 20 June 2023.

The Chamberlain advised that since the report had been finalised a further vacancy had arisen on the Pensions Committee, and these were being advertised to Members of the Court. On the risk register, the Board heard that the risk surrounding McCloud, (currently the highest risk), was expected to decrease following the regulations being laid before Parliament and the implementation of the McCloud Remedy with effect from 1 October 2023. Members noted that the Pensions Committee agreed the Funding Strategy Statement which was a document that was required to be reviewed every three years following an actuarial valuation, and it formed part of the Pension Fund Annual Report.

The Chamberlain went on to brief the Board that papers that had been reported at the Pensions Committee in September would be shared with the Board, in particular the City Fund and Pension Fund Audit Plan 2022-23 and the Department for Levelling Up, Housing and Communities (DLUHC) Consultation. The response regarding the consultation was delegated to the Chief Officer, however, once the response was submitted, this would be shared with Members for information. An update report on the Climate Action Strategy was also presented at the Pensions Committee which would be circulated to Members via email.

The Deputy Chairman sought assurance regarding the impact of McCloud and whether the Pensions Office had sufficient resources to effectively implement the Remedy. The Board noted that at this time, current staffing levels were expected to be sufficient to cope with the additional workloads that the Remedy

implementation would bring. However, should the administrative impact of implementation prove to be a greater burden than originally expected, additional resources may need to be requested.

RESOLVED - That the report be received and its content noted.

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

The Chairman asked if the City of London Corporation were confident that the potential impact of climate change had been fully factored into fund valuations and that risk is most widely appreciated and considered within the portfolio. The Chamberlain explained that they were confident on these issues, as they have a specialist Responsible Investment and Engagement (RI&E) Manager in place, who collects quarterly data around climate action. Climate action was a new area where the collection of data and how it is monitored and managed continues to evolve. The RI&E Manager maintained close contact with the Innovation and Growth team and continued to engage and work collaboratively with the rest of the Corporation. As a supplementary, the Chairman enquired if there had been any legal challenge on this in the UK, to which the Chamberlain explained that they were not aware of any instances.

The Deputy Chair enquired if there were other issues, that guided the investment principles in the funding strategy, for example not investing in certain classes of business. The Chamberlain explained that the Board would have sight of this once the climate report was shared. However, the policy was collaboration and engagement and not exclusion.

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

There were no additional items of business.

Members wanted to record their thanks to the current Committee Clerk for all his work on clerking this Board as this was his last meeting.

11. **EXCLUSION OF THE PUBLIC**

RESOLVED - That the public be excluded from the meeting for the following items that relate to business under the remit of the Court of Common Council acting in line with requirements of the Public Services Pensions Act 2013 relating to pensions scheme governance, to which Part VA and Schedule 12A of the Local Government Act 1972 public access to meetings provisions to not apply.

12. **MINUTES**

The Town Clerk advised in relation to the minutes at 12b, whilst these were discussed in the confidential session, on reflection the wording and details included within in the minutes were not confidential. It was proposed that these minutes be combined into one non-public set of minutes, pending the Board's agreement.

The Chamberlain provided more information regarding a data breach.

RESOLVED –

- That the non-public minutes of the meeting on 12 December 2022 and the confidential minutes of the Local Government Pensions Board meeting on 12 December 2022 be merged into one non-public set of minutes and;
- That these minutes be approved as an accurate record of the meeting.

13. PENSION SCHEME - ADMINISTRATOR'S UPDATE

The Board received a report of the Chamberlain providing a record of its Pensions Regulator Training (tPR).

14. PENSIONS COMMITTEE UPDATE REPORT

Members received a report of the Chamberlain providing a record of the Pensions Committee tPR training.

15. PENSIONS COMMITTEE UPDATE REPORT (NON-PUBLIC)

Members received a report regarding a summary of the non-public reports and decisions made by Pensions Committee during the non-public part of the agenda at their meetings on 8 February and 20 June 2023.

16. LONDON CIV UPDATE

The Committee received a report of the Chamberlain concerning an update on the London CIV (LCIV), the asset pool operator for London LGPS Funds and in which the Pension Fund is invested in.

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

There were no non-public questions.

18. 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 ended at 2.43 pm

Chairman

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