

PENSIONS COMMITTEE
Tuesday, 3 December 2024

Minutes of the meeting of the Pensions Committee held at Committee Room - 2nd
Floor West Wing, Guildhall on Tuesday, 3 December 2024 at 2.00 pm

Present

Members:

Deputy Timothy Butcher (Chairman)
David Sales (Deputy Chairman)
Deputy Madush Gupta
Clare James
Deputy Henry Pollard

Officers:

Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Sarah Port	- Chamberlain's Department
Raquel Pinto	- Town Clerk's Department

In attendance:

Mark Wheatley – Chairman of the Local
Government Pensions Board
Steve Turner – Mercer
Gregory Hall - Mercer
Graham Muir – Barnett Waddingham
Liam Mayne – Barnett Waddingham

1. APOLOGIES

Apologies were received from Deputy Christopher Boden, Alderman Gregory Jones, and Timothy McNally. Apologies for lateness were also received from Deputy Henry Pollard.

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

There were none.

3. MINUTES

RESOLVED: That:-

- The public minutes and non-public summary of the Pensions Committee meeting on the 17 September 2024 were approved as an accurate record.

Matters arising:

The Committee noted that the City Fund and Pension Fund accounts had been signed off, and that the Pension Fund Annual Report was published on the 28 November 2024 ahead of its statutory deadline.

4. **ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE**

The Committee considered a report of the Town Clerk regarding the Committee's Terms of Reference.

A Member questioned whether the membership was sufficient given the risk of losing quorum. The Chairman acknowledged the importance of the committee and noted that the number of members was reduced in the previous year, given the difficulty in getting Members to express an interest in the Committee's vacancies, as well as the requirement for Members to complete training. The Chairman agreed that this issue would nevertheless be kept under review.

RESOLVED: That:-

- The terms of reference of the Pensions Committee were approved for submission to the Court of Common Council in April 2025,
- That any further changes required in the lead up to the Court's appointment of Committees were agreed to be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman.

5. **WORK PLAN**

The Committee considered a report of the Chamberlain concerning a forward-looking Pensions Committee work programme.

RESOLVED: That Members: -

- Received the report and noted its content.

6. **PENSION SCHEME ADMINISTRATOR'S UPDATE**

The Committee received a report of the Chamberlain with a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting.

A Member raised questions about record keeping, emphasising the need for a formal plan to address data gaps, as required by the Pensions Regulator. It was suggested that a formal plan to fill data gaps should be presented at a subsequent meeting.

A Member inquired about the time scale for GMP reconciliation, noting that it has been an ongoing item for some time. It was confirmed that the time scale had slipped due to other priorities like the McCloud remedy, however, this remained a priority to be addressed at a subsequent Committee meeting.

A Member asked about the responsibilities for pension dashboards, including decisions on matching criteria and filling data gaps. It was clarified that these decisions needed to be brought back to the Committee for agreement, and that the City of London's dashboard had a staging date of October 2025 and the full connection deadline being October 2026.

RESOLVED: That Members: -

- Received the report and noted its content.

7. **GENERAL CODE OF PRACTICE COMPLIANCE REVIEW - BARNETT WADDINGHAM'S REVIEW**

The Committee considered a report of the Chamberlain relating to a review undertaken by Barnett Waddingham on the City of London Pension Fund's compliance with the Pension Regulator's General Code of Practice released in January 2024.

The Chairman welcomed representatives from Barnett Waddingham who were present at the meeting.

The Committee noted that the report used a red, amber, and green rating system. The review assessed 53 modules, resulting in 3 reds (non-compliant), 4 ambers (best practice actions needed), and 34 greens (compliant) – the remaining 12 modules were not specifically applicable to the LGPS and/or did not need to be individually assessed. The proposals for addressing the red and amber items would be brought to the February Committee meeting.

Barnett Waddingham stated that the results were amongst the average compared to other administering pension funds with a good number of green ratings and a small number of reds.

The policies would be kept under review and would be updated as needed based on further guidance or legislative changes. A systematic programme would also be developed to bring updates to the Committee on a rolling basis.

RESOLVED: That Members:-

1. Agree that the following documents/ policies will be drafted on the following areas, which have been flagged as **red or amber**, and brought back to the February 2025 Committee meeting:
 - i. A Training Policy which will address the tPR's expectations;
 - ii. A document setting out the processes for monitoring, reviewing and protecting scheme data;
 - iii. A revised Administration Strategy to include details of third-party providers and expectations for these providers and to highlight roles and responsibilities in relation to Scheme returns; and
 - iv. An updated Pensions Committee Risk Register to include 'Scams' and mitigation processes in more detail under Fraud (CHB Pensions 005) .
2. Agree that the following documents/policies will be drafted/updated on the below areas which have been flagged as **green**. These will be brought to Committee in due course:
 - i. Create an IT systems process and controls document (also in accordance with the Pension Fund's external audit recommendations);

- ii. Create a document to cover the steps taken around Transfers Out including:
 - a. To ensure as far as possible that scheme members are made aware of potential scams and take the necessary steps to protect themselves; and
 - b. Process and transfer of contributions;
- iii. Update the Administration Strategy to include the processes for receiving and monitoring contributions; and
- iv. Update the Communications Policy to include reference to benefit statements provided by AVC providers.

8. AUTUMN BUDGET 2024, MANSION HOUSE SPEECH AND LGPS (ENGLAND AND WALES): FIT FOR FUTURE CONSULTATION SUMMARY

The Committee received a report of the Chamberlain providing Members with a summary of the Labour Government's Autumn Budget and subsequent Mansion House Speech where the Chancellor of the Exchequer announced measures pertaining to the Local Government Pension Scheme: Fit for the Future Consultation.

During the discussion the following points were noted:

- The consultation included 30 questions divided into three broad areas, which would reduce the autonomy of the administering authority due to a high number of proposals that could be mandatory. Numerous proposals had been put forward by the Government covering LGPS pooling, UK "local" investment and governance (for pools and individual LGPS funds).
- There was a significant change proposed in the Autumn Budget, which meant that death benefits would now be taxable for inheritance tax purposes. This change would impact the administration of the scheme, requiring administrators to liaise with estates and solicitors to organise the tax due.
- The administrators of the pension scheme would be responsible for paying the inheritance tax.
- The importance of communicating these changes to members of the pension fund was highlighted, especially regarding the potential impact on death benefits and inheritance tax.

The Chairman suggested and moved that, due to the nature of the discussion and the possible disclosure of information relating to the financial or business affairs of the authority, that the debate would carry on in the non-public section of the meeting. This was unanimously agreed.

RESOLVED: That Members: -

- Received the report and noted its content.

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

There were no questions.

10. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was no urgent business.

11. **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.

12. **MINUTES**

RESOLVED: That:-

- The non-public minutes of the Pensions Committee meeting on the 17 September 2024 were approved as an accurate record.

13. **PERFORMANCE MONITORING**

The Committee received a presentation from Mercer concerning the Pension Fund Quarterly Monitoring Report for Q3 2024 and a report of the Chamberlain relating to the Investment Performance of the Pension Fund as at 30 September 2024.

The Committee unanimously agreed to change the order of the agenda to discuss items 15 and 16 first before considering item 14.

14. **C WORLDWIDE - MERCER'S REVIEW**

The Committee received a report of the Chamberlain pertaining to a deep dive carried out by the Investment Consultant Mercer, on the Global Equity Manager C Worldwide.

15. **RUFFER - MERCER'S REVIEW**

The Committee received a report of the Chamberlain pertaining to a deep dive carried out by the Investment Consultant Mercer, on the Multi-Asset Manager Ruffer.

16. **OPEN ENDED INFRASTRUCTURE FUND - IMPLEMENTATION DISINVESTMENT ADVICE**

The Committee considered a report of the Chamberlain which set out possible disinvestment options from the equity funds, to allocate to the JP Morgan Infrastructure Investment Fund.

17. **LOCAL GOVERNMENT PENSION SCHEME - CASUAL WORKERS**

The Committee received a joint report of the Executive Director of HR & Chief People Officer and the Chamberlain & Chief Financial Officer with the latest update on the progress of the Casual Workers Pension Remediation Process, identifying areas of potential exposure and overall impact and updates on the financial liability.

18. **BREACHES OF THE LAW POLICY - UPDATE**

The Committee received a report of the Chamberlain which provided an update on the breaches of the law policy, which came at the request of the Local Government Pensions Board. The Breaches policy would come to the February Committee for review.

19. LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE

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

20. PENSION SCHEME ADMINISTRATOR'S UPDATE - NON-PUBLIC APPENDICES

The Committee received two non-public appendices which were read in conjunction with agenda item 6.

21. NON-PUBLIC REPORT OF ACTION TAKEN

The Committee received a report of the Town Clerk, which advised Members of action taken by the Town Clerk in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b).

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

There were no questions.

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

There was no business.

At this point in the meeting, the Town Clerk noted that the meeting was inquorate and therefore in line with Standing Order 36 of the Court of Common Council, the formal meeting would be dissolved and consideration of business adjourned until the next regular meeting of the Pensions Committee. Any business requiring approval prior to the next regular meeting would be considered by the Town Clerk under urgency procedure in consultation with the Chairman and Deputy Chairman of the Pensions Committee.

The meeting ended at 4.15 pm

Chairman

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