

London Borough of Islington

Pensions Board - 30 June 2020

Minutes of the meeting of the Pensions Board held virtually via Zoom on 30 June 2020 at 6.00 pm.

Present: Alan Begg, Valerie Easmon-George, Maggie Elliott (Vice-Chair), George Sharkey and Councillor Paul Smith (Chair)

Observers: Councillors Paul Convery and Satnam Gill

Councillor Paul Smith in the Chair

87 APOLOGIES FOR ABSENCE (Item A2)

None.

88 DECLARATION OF SUBSTITUTE MEMBERS (Item)

None.

89 DECLARATION OF INTERESTS (Item A3)

None.

90 MINUTES OF THE PREVIOUS MEETING (Item A4)

RESOLVED:

That the minutes of the meeting held on 3 December 2019 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

91 PENSION ADMINISTRATION PERFORMANCE (Item B1)

The Deputy Pensions Manager reported that there had been a drop of 6.5% in overall performance from the 87.5% achieved in the last quarter. He also noted the overall increase of 16% of cases processed over the period, a number of which were Covid-19 related.

He pointed out that deferred annual benefit statements would be sent to former members of the pension scheme in July 2020. It was likely that annual benefit statements for active members would not be sent out by the statutory deadline of 31 August 2020. However, he was hopeful that the statements would be produced by 30 September 2020. The Pensions Regulator had confirmed that no breach of regulations would be caused provided statements were despatched by 30 November 2020.

With regard to the recruitment of new members to the Scheme, the Board agreed that the leaflet produced by the Pensions Team should be sent out to non-contributors to the scheme.

RESOLVED:

- (a) That the number of members auto-enrolled into the Local Government Pension Scheme from 1 February 2020 to 30 April 2020, as detailed in the report of the Corporate Director of Resources, be noted.
- (b) That the information in respect of the Internal Dispute Resolution Procedure, compliments and complaints, also detailed in the report, be noted.
- (c) That it be noted that there may be a possible delay of one month in issuing the active benefit statements.
- (d) That the Deputy Pensions Manager arrange for the leaflet on the benefits of the Scheme to be sent to non-contributors, with a view to the recruitment of new members.

92 PENSION FUND - DRAFT 2019/2020 STATEMENT OF ACCOUNTS AND 2020/2021 ADMINISTRATION CASHFLOW FORECAST (Item B2)

Alan Begg highlighted a number of queries on the draft accounts, which were responded to by the Pension Fund Manager. However, he noted a particular discrepancy in paragraph 3.5 on page 12 of the report, by the adverse affect caused by a decrease in the Fund by £24m. The Pension Manager pointed out that the decrease was actually in market value and not in expenditure. Alan Begg suggested that this be clarified in the draft accounts.

RESOLVED:

- (a) That the 2020/21 annual cash flow forecast pension fund administration cost attached as Appendix 1 to the report of the Corporate Director of Resources be approved.
- (b) That, subject to an additional amendment to the appropriate page on the draft accounts to clarify that there has been a decrease in market value of £24.5m and not in expenditure, the 19/20 draft pension fund accounts attached as Appendix 2 to the report be approved, before it is audited by Grant Thornton, the Council's external auditors.

93 FORWARD PLAN (Item B3)

Members suggested that there could be more information on each of the following areas, caused by the Covid 19 virus, in order to plan mitigating actions:

- Risk tolerance- employer covenants, funding update and investment downside and impact on contributions.
- Business Continuity- disruption impact on pension administration, investment and critical projects
- Market opportunities- asset allocation, liquidity and planned strategic changes

Pensions Board - 30 June 2020

- Governance- unavailability of committee members, key individuals and ability to respond quickly
- External third parties cannot fulfil their obligations- examples include networks SAB, MHCLG
- Member communications-market volatility on investment valuations especially AVC

RESOLVED:

- (a) That the contents of Appendix A to the report of the Corporate Director of Resources, detailing proposed agenda items for future meetings, be approved.
- (b) That the Head of the Pension Fund report to the next meeting of the effect on Fund members of the six issues highlighted in the bullet points above.
- (c) That, if the Macleod judgement is sent out for consultation during July 2020, a report be submitted to the Board in September 2020 on the likely impact on the Fund and the Council.

The meeting ended at 6.40 pm

CHAIR