

London Borough of Islington

**Pensions Board - 21 June 2021**

Minutes of the meeting of the Pensions Board held in the Council Chamber, Islington Town Hall, Upper Street, N1 2UD on 21 June 2021 at 6.00 pm.

**Present:** Alan Begg, Mike Calvert, David Poyser and George Sharkey

Observers: Councillors Paul Convery and Satnam Gill OBE

**Councillor Dave Poyser in the Chair**

8 **APOLOGIES FOR ABSENCE (Item A1)**  
Received from Valerie Easmon-George and Maggie Elliott.

9 **DECLARATION OF SUBSTITUTE MEMBERS (Item )**  
None.

10 **DECLARATION OF INTERESTS (Item A2)**  
None.

11 **MINUTES OF THE PREVIOUS MEETING (Item A3)**

**RESOLVED:**

(a) That the minutes of the meeting held on 23 March 2021 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

(b) That it be noted that, with reference to minute 6 (Scheme Advisory Board – LGPS Good Governance Recommendations) the informal meeting for members of the Pensions Board and Sub-Committee to be held before September to consider all of the recommendations proposed by the Scheme Advisory Board and whether any should be adopted into Islington’s Fund would be arranged when final documentation had been received from MHCLG.

12 **MEMBERSHIP, TERMS OF REFERENCE AND DATES OF MEETINGS OF THE PENSIONS BOARD AND PENSIONS SUB-COMMITTEE IN 2021/22 (Item A4)**

**RESOLVED:**

(a) That the membership of the Pensions Sub-Committee, appointed by the Audit Committee on 25 May 2021, its terms of reference and dates of meetings for the

municipal year 2021/22, as set out at Appendix A to the report of the Acting Director of Law and Governance, be noted.

(b) That the membership of the Pensions Board, appointed by the Audit Committee on 25 May 2021, its terms of reference and dates of meetings for the municipal year 2021/22, as set out at Appendix A to the report of the Acting Director of Law and Governance, be noted.

**13 PENSION ADMINISTRATION PERFORMANCE (Item B1)**

**RESOLVED**

(a) That the performance of the Pensions Administration Team against key indicators, for the period from 1 February to 30 April 2021, including information on complaints and internal disputes, as detailed in the report of the Corporate Director of Resources, be noted.

(b) That the impact of the McCloud/Sargeant judgement on Local Government Pension administration, as detailed in the report, be noted.

(c) That the numbers of members auto-enrolled into the Local Government Pension Scheme, again as detailed in the report, be noted.

(d) That it be noted that pensioners received the 2021 pensions increase in May 2021 due to resourcing challenges within a key team.

(e) That the passage through Parliament of the Pension Schemes Act 2021 and its implication for the governance of Occupational Pensions, as detailed in the report, be noted.

**14 PENSION FUND- DRAFT 2020/21 STATEMENT OF ACCOUNTS (Item B2)**

The following points were made during discussion:

- Page 31 – The following sentence at the foot of the page should be highlighted: “\* 3-year advance deficit lump sum contribution of £26.9m is included in Islington Council’s normal contributions. The entire amount was accounted for, in previous years it was treated as a prepayment.”
- Page 21 – line 10 – the figure of “10,441” did not appear to have been added in? It would be helpful if that figure was included elsewhere in future years.
- Page 43 – paragraph 23 (Related Parties) – final sentence of first paragraph should refer to “Note 7”, rather than “Note 2”.
- Page 18 – paragraph 3.4 – indicated net assets of £1,665m, whereas page 39 indicated an asset value of £1,377m, indicating a shortfall. However, it was noted that the figure on £1,665m on page 18 was the value of the Fund at the end of March 2021 and the figure quoted on page 39 was a March 2020 snapshot, following a three-year valuation.

**RESOLVED:**

That the 2020/21 draft pension fund accounts, attached as Appendix 1 to the report of the Corporate Director of Resources, be approved, before being audited by Grant Thornton, the Council’s external auditors.

15 **FORWARD PLAN OF BUSINESS (Item B3)**

The following points concerning the Risk Register were noted:

- It was important for the Pensions Board to know what the risk scores were after mitigation and to know what the scores were in the previous Risk Register for each risk
- One of the risks mentioned in "Risk Area 1 – Operations" "The provision of accurate reports from payroll" (page 74 of the agenda pack, which attracted a maximum score of 40, whereas the "McCloud Judgment – LGPS Regulatory Changes", detailed in "Risk area 4 – Regulatory and Compliance" (page 77 of the agenda pack) indicated a risk of 18. It was suggested that the former seemed too high and the latter ought to be higher. The Deputy Pensions Manager stated that the provision of accurate reports from payroll warranted its higher score, since the Pensions Team relied heavily on this information. He suggested that the McCloud risk was a managed risk.

**RESOLVED:**

(a) That the contents of the report of the Corporate Director of Resources, comprising information on forthcoming business for the Board, be noted.

(b) That the "LGPS Current Issues- May" attached as Appendix B to the report and the updated risk register attached as Appendix C be noted.

The meeting ended at 6.45 pm

**CHAIR**