

London Borough of Islington

Pensions Board - 14 September 2021

Minutes of the meeting of the Pensions Board held in Committee Room 5, Islington Town Hall, Upper Street, N1 2UD on 14 September 2021 at 6.00 pm.

Present: Alan Begg, Mike Calvert, Valerie Easmon-George, and Maggie Elliott

Observers: Councillors Paul Convery, Mick Gilgunn and Satnam Gill OBE

Maggie Elliott (Vice-Chair) in the Chair

16 APOLOGIES FOR ABSENCE (Item A1)

Received from George Sharkey and Councillor Dave Poyser.

17 DECLARATION OF INTERESTS (Item A2)

None.

18 MINUTES OF THE PREVIOUS MEETING (Item A3)

RESOLVED:

That the minutes of the meeting held on 21 June 2021 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

19 PENSION ADMINISTRATION PERFORMANCE (Item B1)

In introducing the report, the Pensions Manager noted the slippage of 3% in overall performance and attributed this to the fact that staff had been focused on the production of annual pension statements. He detailed the issues encountered with recruiting staff to the Pensions Team, which was under-resourced. The Board expressed serious concern at the situation and agreed that representations needed to be made to the Corporate Director of Resources about the shortage of staff in the Pensions Team, particularly given the fact that the valuation of the Fund was imminent.

The Pensions Manager described the circumstances around the data breach and his work with the Council's Head of Information Governance to ensure that there was no reoccurrence.

The Board were most concerned to learn of the continued delays in receiving AVC data from the Prudential and suggested that the Pensions Manager write to the

Prudential to say that, unless there was an improvement, the matter would be referred to the Pensions Regulator.

RESOLVED

(a) That the performance of the Pensions Administration Team against key indicators, for the period from 1 May to 31 July 2021, including information on the number of members auto-enrolled into the Local Government Pension Scheme, internal dispute resolution procedure, compliments and complaints, as detailed in the report of the Corporate Director of Resources, be noted.

(b) That the continued delays in receiving AVC data from the Prudential, as detailed in the exempt appendix to the report, be noted and, given that the Prudential was in breach of their obligations, that the Pensions Manager write to them requesting that the situation be rectified without delay, failing which the Council would refer the matter to the Pensions Regulator.

(c) That the data breach which took place during the process of sending out the deferred annual pension statements, again as detailed in the report, be noted.

(d) That the Government's recent publication of guidance on the use of Special Severance Payments be noted.

20 **DRAFT FUNDING STRATEGY STATEMENT CONSULTATION WITH EMPLOYERS (Item B2)**

The Head of Pension Fund and Treasury Management stated that a letter would be included with the draft Funding Strategy Statement, highlighting the changes to employers.

A suggestion was made that reference should be included on page 40 of the Statement to the fact that no equity protection strategy had been implemented post March 2020.

RESOLVED:

(a) That, subject to the inclusion of a sentence on page 40 of the Statement to the effect that no equity protection strategy had been implemented post 2020, noted the main updates to the Funding Strategy Statement upon which employers were to be consulted between September and October 2021.

(b) That the Head of Pension Fund and Treasury Management, with the Fund Actuary, update the Statement for consultation with employers admitted to the Islington Fund.

21 **DRAFT PENSION ANNUAL REPORT 2021 (Item B3)**

During discussion, the following amendments/comments were suggested:

- Foreword on page 7, paragraph 2 – it would be helpful to include a meaning to "The Fund returned 22.1% against a customised benchmark....."
- Foreword on page 7, paragraph 3 – line 2 – figures appear to be missing from "At the end of March 1....." and include an explanation of "TCFD" at end of that paragraph.
- Foreword on page 7, paragraph 4 – "Pensions Board" should come before "Pensions Sub-Committee"

- Page 9 – “Investment report” – include an explanation of “customised benchmark”

The Vice-Chair of the Board asked that the final draft of the annual report be circulated to Board members in advance of the AGM.

RESOLVED:

- (a) That Board members forward any further suggested amendments to the draft Annual Report directly to the Head of Pension Fund and Treasury Management.
- (b) That the draft 2020/21 summary Annual Report, attached at appendix 1 to the report of the Corporate Director of Resources, be noted.
- (c) That the Pension Fund statement of accounts, activities and performance, all as detailed in the report, be noted.

22 PENSION BOARD FORWARD WORK PROGRAMME (Item B4)

The Board were informed that the reports on “Pension discretion policies review” and “Governance Review Implementation”, both of which had been scheduled for this meeting, would be submitted to the November meeting. Since the Risk Register had been reviewed at the last meeting, a Board member suggested that the report be postponed from November 2021 to March 2022.

On the matter of the date and venue for the AGM, the Board were concerned at the prospect of bringing a large group of pensioners together at the current time, when the event was held successfully online last year. Following a question as to the legality of the holding the meeting online, the Vice-Chair asked the Clerk to seek advice from Legal Services on that point.

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 it be noted that reports on “Pension discretion policies review” and “Governance Review Implementation” would be postponed to the Board meeting in November 2021 and the report on “Risk Register” to March 2022.
- (c) That the “LGPS Current Issues – August 2021”, attached as appendix B to the report, be noted.
- (d) That the Clerk seek advice as to the legality of holding the AGM online and that, if confirmation is provided that that would be legal, then the AGM be held online.

23 **PENSION ADMINISTRATION PERFORMANCE - EXEMPT APPENDIX**
(Item E1)

Noted.

The meeting ended at 6.55 pm

CHAIR