

London Borough of Islington

**Pensions Board - 5 October 2023**

Minutes of the meeting of the Pensions Board held in the Council Chamber, Town Hall, Upper Street, N1 2UD on 5 October 2023 at 4.00 pm.

**Present:** Alan Begg, Valerie Easmon-George and Councillor David Poyser (Chair)

Councillor Paul Convery (observer from Pensions Committee)

**Councillor Dave Poyser in the Chair**

**85 APOLOGIES FOR ABSENCE (Item A1)**

Received from Maggie Elliott.

**86 DECLARATION OF INTERESTS (Item A2)**

None.

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

**RESOLVED:**

That the minutes of the meeting held on 12 July 2023 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them

**88 REVIEW OF COUNCIL CONSTITUTION - APPROVED CHANGES TO TERMS OF REFERENCE FOR PENSIONS COMMITTEE AND PENSIONS BOARD (Item A4)**

Under the paragraph on "Expenses" in the Board's revised Terms of Reference, a Board member recommended that clarification was needed on the reference to the final sentence "For the avoidance of doubt, Board members shall not receive an annual allowance of any kind", "*with the exception of the Independent Member*" (*amended by the Board on 5 December 2023*)

A suggestion was made that the following be added as a final sentence: "Councillors on the Board do not receive a member's allowance of any kind for this role".

It was noted that a recommendation to amend the Board's Terms of reference would have to be made to Islington Council, who were custodians of the Constitution.

A member of the Board drew attention to the fact that both the Board's and the Committee's Terms of Reference gave responsibility for reviewing the Risk Register relating to the Pension Fund. A suggestion was made that it was appropriate for

both bodies to consider the Risk Register and that it should therefore be considered by the Committee annually and the Board quarterly.

Confirmation was given that travelling expenses incurred by Board members would be reimbursed by the Head of Pension Fund and Treasury Management.

**RESOLVED:**

That, subject to the addition to the paragraph on “Expenses” detailed in the preamble above, to note the changes to the Terms of Reference of the Pensions Committee and the Pensions Board, as approved by the Council on 13 July 2023 and detailed in the Appendix to the report of the Corporate Director of Resources.

**89 TRAINING/CONFERENCES - AN OPPORTUNITY FOR MEMBERS OF THE BOARD TO FEEDBACK ON ATTENDANCE AT ANY PENSIONS' CONFERENCES AND TRAINING OPPORTUNITIES (Item A5)**

(a) Valerie Easmon-George reported that she had attended a useful online pensions course organised by Westminster Council, covering a range of diverse pension-related subjects.  
(b) Alan Begg reported that he was a regular attender of finance-related conferences, which were probably more relevant to the work of the Pensions Committee, on ESG and climate change. He had attended a conference last summer on the Pension Regulator's requirements for pensions' managers on climate change and how this might be managed.

The Head of the Pension Fund and Treasury Management drew the Board's attention to a further training opportunity from CIPFA for 8 November 2023, which had recently been circulated. She invited those interested to contact her directly in order that she could make the necessary booking.

**90 DECISIONS OF PENSIONS COMMITTEE HELD ON 26 SEPTEMBER 2023 (Item A6)**

Noted. The notice of decisions from the Pensions Committee was considered in tandem with relevant agenda items.

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

The Pensions Manager reported that some of the complaints received related to pension death benefit, where an employee had not completed the necessary form to indicate to whom the lump sum death grant should be allocated. These cases went to probate, but the Council's position was that it did not wish to become involved in disputes between family members of the deceased. It would be necessary to clarify the policy in this respect and he suggested that the Pensions Team could remind Fund members by including a message on the annual benefit statements.

He also reported that the scoping impact of the McCloud remedy was being assessed for former, current and deceased members of the Fund. Additional resources were being utilised for this purpose. Admitted bodies had not supplied the information required by the Pensions Team so assumptions would have to be made about the missing data. Members of the Board urged the Pensions Manager to prompt schools and admitted bodies to supply the required information on their employees who fell within the scope of McCloud as a matter of urgency.

Unfortunately, annual benefit statements for active members had been despatched later than anticipated and this would have to be reported to the Pensions Regulator. Work was ongoing with the Council's Human Resources Team to mitigate this happening in the future.

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On the Risk Register, the Pensions Manager said that he met monthly with Human Resources and felt confident that their input would have a positive affect on trends in the Register. He suggested that new software for use by Pensions Team and Human Resources would mitigate some of the red areas highlighted in the Register.

A member of the Board suggested that any areas marked in red on the Register should include some narrative. He noted that some of the "Trend" arrows on the Register were incorrect and required attention. Narrative should also be included in the Register to indicate "no new risks" where appropriate.

The Board noted that, with reference to risk no 14 "Loss of Investment returns; bond yields fall", which was coloured red, it was likely always to remain so, despite the very good work by the Pensions Committee to avoid.

### **RESOLVED:**

(a) To note the number of members auto-enrolled into the LGPS during the relevant period from 1 May to 31 July 2023, that there were no complaints under consideration under the Internal Dispute Resolution Procedure, the numbers of compliments and complaints to the Pensions Team and that there were no current Internal Audit investigations, all as detailed in the report of the Corporate Director of Resources.

(b) That the performance data for the administration activities of the Council's Pensions Office, again as detailed in the report, be noted.

(c) To note the publication by Department for Levelling Up, Housing and Communities of the LGPS Amendment (No.3) Regulations 2023 implementing the 'McCloud Remedy'.

(d) To note the reported breach of the law to the Pensions Regulator regarding the production of the Annual Benefit Statements for active members.

(e) To note the updated Pensions Risk Register at Appendix 1 of the report.

(f) To note that three new staff had been recruited to the Pensions Team since the Board's last meeting.

## **92 DRAFT ANNUAL REPORT 2022/23 (TO FOLLOW) (Item B2)**

A suggestion was made that it would be helpful for one page setting out all the Fund's investments to be included in the Annual Report.

### **RESOLVED:**

(a) To note the draft 2022/23 pension annual report attached as Appendix 1 to the report of the Corporate Director of Resources.

(b) To note the 2022/23 Pension Fund statement of accounts, activities, governance and performance, as attached to the report.

## **93 PENSION FUND PERFORMANCE - 1 APRIL TO 30 JUNE 2023 (Item B3)**

Noted the position on the Fund's investment in property, which was long-term. The Pensions Committee had decided to postpone any decision to invest further in property at the current time and would be looking at all asset classes for future investment. Although Islington's Fund was 20% invested in property and this was in the top quartile, some other Funds had a larger investment of property in their funds.

### **RESOLVED:**

To note the decisions of the Pensions Committee held on 26 September 2023, particularly as they related to performance.

**94 FORWARD PLAN OF BUSINESS FOR PENSIONS BOARD (Item B4)**

It was noted that the date for the AGM had not yet been confirmed, but was likely to be in November 2023.

**RESOLVED:**

To note Appendix 1 attached to the report of the Corporate Director of Resources, comprising the forward programme of business for the Board, and Appendix 2, Mercer's "LGPS News Issue August 2023"

**95 PENSION FUND PERFORMANCE - 1 APRIL TO 30 JUNE 2023 - EXEMPT APPENDIX (Item E1)**

Noted.

The meeting ended at 5.15 pm

**CHAIR**