

London Borough of Islington

**Pensions Board - 20 March 2024**

Minutes of the meeting of the Pensions Board held in Committee Room 3, Islington Town Hall, Upper Street, N1 2UD on 20 March 2024 at 4.00 pm.

**Present:** Alan Begg, Maggie Elliott (Vice-Chair) and George Sharkey

Councillor Paul Convery, observer and Chair of Pensions Committee

**Maggie Elliott (Vice-Chair) in the Chair**

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

Received from Councillor Dave Poyser and Valerie Easmon-George.

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

None.

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

The following points were noted:

(a) Benchmarking of performance indicators - with reference to minute 102 from the previous meeting and the proposal to undertake benchmarking of performance indicators, it was anticipated that the first report might be presented to the September meeting.

(b) Councillor Dave Poyser – it was noted that Councillor Poyser had formally stood down as a councillor.

**RESOLVED:**

(a) That the minutes of the meeting held on 6 December 2023 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

(b) That a formal vote of thanks be placed on record for the work of ex-Councillor Dave Poyser, for his services as Chair of the Pensions Board.

**108 TRAINING/CONFERENCES - AN OPPORTUNITY FOR MEMBERS OF THE BOARD TO FEEDBACK ON ATTENDANCE AT ANY PENSIONS' CONFERENCES AND TRAINING OPPORTUNITIES (Item A4)**

George Sharkey reported that he had recently attended a TUC Pensions Team meeting. He offered to circulate presentation slides to Board members who requested them.

Alan Begg reported that he had attended a conference in December 2023 presenting a toolkit for avoiding pension scams. He had also attended a conference in February 2024, which Councillor O'Sullivan had also attended, on impact investments.

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

The Pensions Manager drew the Board's attention to the significant fall of 7.6% in the number of spouses/dependent's pension in payment. The reason for this fall was a combination of pension suspensions and the cessation of dependants' pensions due to non-eligibility and deaths. He was hopeful that the new software supplier would be in a position to search and identify these cases, in order to reduce the numbers. He also anticipated that, with the introduction of the member self-service platform, performance on estimates would improve.

**RESOLVED:**

(a) To note the number of members auto-enrolled into the LGPS during the period from 1 November 2023 to 31 January 2024, 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 Scheme Advisory Board news update and briefing statement on funding surpluses, attached as Appendix 1 to the report.

(d) To note the contract award report, agreed by the Corporate Director of Resources under delegated authority, in relation to the procurement of a new pensions administration software, attached as Appendix 2 to the report.

**110 PENSIONS' PERFORMANCE REPORT CONSIDERED BY THE COMMITTEE ON 11 MARCH 2024 AND DECISIONS (Item B2)**

The decisions of the Pensions Committee from their meeting held on 11 March 2024 were noted.

The Chair of the Pensions Committee commented on the performance of investments, noting that equities had been performing well. There were one or two managers where performance had been below benchmark. LCIV RBC's performance was attributed to poor stock selection. He suggested that the poor performance shown by Quinbrook could be down to a calculation discrepancy, as this was generally a good investment. On the investment strategy update, the Committee had looked at the overall classes and the Committee's decision to allocate 5% of the Fund to impact assessment, and asked officers to readjust the asset allocation to find space for new investments, to include London, the UK and inclusive economy investments.

Board members suggested that it would be important to specify the meaning of "impact assessments" in order to ensure that they would realise a good return for the Fund.

**111 RISK REGISTER (Item B3)**

The Pensions Manager expressed concerns about the continuing late provision of payroll reports, but had taken the matter up with the Payroll Team.

A Board member noted that the wording in the mitigations and controls columns had not changed for this and previous meetings and needed to be addressed before the next meeting to evidence how the mitigations had/had not improved some of the risks. All dates through the report, the heat map and the Risk Register needed to be synchronised.

**RESOLVED:**

(a) To note the contents of the report of the Corporate Director of Resources and revisions made to the Pensions Risk Register, since the Board's last meeting.

(b) To note the risk associated with the failure to apply the correct Pensions Increase for all pensioner dataset, due to software calculation issues.

(c) To note the risk associated with the late provision of year-end payroll reports

(d) To note the risk associated with loss of investment returns or bond yields fall.

(e) That, for the next meeting of the Board, the Pensions' Manager update the text in the current and further actions columns to evidence whether these actions were having positive impacts.

**112 PENSION FUND ADMINISTRATION COST 3-YEAR FORECAST AND ANNUAL CASHFLOW (Item B4)**

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In response to a question about outcomes against forecast, the Head of Pension Fund and Treasury Management reported that a comparison was included in the accounts at the end of the year and that this also included transaction costs.

**RESOLVED:**

To note the cash flow and forecast of administration cost attached as Appendix 1 and Appendix 1A to the report of the Corporate Director of Resources.

**113 FORWARD PLAN OF BUSINESS FOR PENSIONS BOARD (Item B5)**

**RESOLVED:**

(a) To note Appendix 1 attached to the report of the Corporate Director of Resources, comprising the forward programme of business for the Board.

(b) To note that the date for the AGM would be 30 September 2024, at Islington Assembly Hall.

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

Noted.

The meeting ended at 5.10 pm

**CHAIR**