

London Borough of Islington

Pensions Board - 31 July 2024

Minutes of the meeting of the Pensions Board held in Committee Room 1, Town Hall, Upper Street, N1 2UD on 31 July 2024 at 4.00 pm.

Present: Alan Begg, Mike Calvert, Valerie Easmon-George,
Councillor Una O'Halloran and George Sharkey

Councillor Paul Convery, observer and Chair of
Pensions Committee

Ian Ship – prospective Board appointee and observer

George Sharkey in the Chair

115 APOLOGIES FOR ABSENCE (Item A1)

Received from Councillor Satnam Gill OBE (member of the Pensions Committee and observer at the Pensions Board).

116 DECLARATION OF INTERESTS (Item A2)

None.

117 MINUTES OF THE PREVIOUS MEETING (Item A3)

The Board noted that Maggie Elliott, former Vice-Chair of the Board, had tendered her resignation since the last meeting on 20 March 2024.

RESOLVED:

(a) That the minutes of the meeting held on 20 March 2024 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 in appreciation of the work of Maggie Elliott, for her valuable services as Vice-Chair of the Pensions Board.

118 TRAINING/CONFERENCES - AN OPPORTUNITY FOR MEMBERS OF THE BOARD TO FEEDBACK ON ATTENDANCE AT ANY PENSIONS' CONFERENCES AND TRAINING OPPORTUNITIES

Alan Begg reported that he had attended an investment conference on zero asset investments in April 2024. Referring to the training on "The Pension Regulator: Code of Practice" provided to Pensions Committee members in the previous week, he suggested that training also be provided to Board members on the subject.

119 PENSION ADMINISTRATION PERFORMANCE - FEBRUARY TO APRIL 2024

The Assistant Director Treasury and Pensions introduced the report, highlighting the marginal increase in the Fund's active membership and preserved beneficiaries. In

Pensions Board - 31 July 2024

response to a question about the staffing of the Pensions Team, the Pensions manager reported that it was possible that the implementation of new systems could have knock on effects. The current priority for the Team was the provision of statements.

Observations were made about the importance of retaining in person facilities for Fund members who preferred to engage with Pensions Team staff directly, rather than engaging with a pensions' dashboard, via information technology. It was noted that the review of member communications planned for November 2024 with the aim of improving member engagement and understanding of the LGPS, would be highlighted at the AGM planned for September.

It was suggested that it would be most helpful for front line staff to receive pensions' messages on their payslips, given that many of these staff did not have access to information technology facilities.

RESOLVED:

(a) To note the number of members' auto-enrolled into the LGPS, the information in respect of the Internal Dispute Resolution Procedure, compliments and complaints, the performance data for the administration activities of the Council's Pensions Office, and that there had been no new Internal Audit Investigations in Pensions Administration since the last report, all as detailed in the report of the Corporate Director of Resources, covering the period from February to April 2024.

(b) To note the Scheme Advisory Board update, as detailed in paragraph 3.7 of the report.

(c) To note the new timetable for the development of the Pensions dashboard.

(d) To note the Fund's communication strategy in relation to scheme member engagement and the new member's portal, again as detailed in the report.

(e) To note the Mercer LGPS Current Issues briefing for June 2024.

(f) That members of the Board be offered the opportunity of viewing the new Pensions' website, before it goes live.

120

RISK REGISTER (Item B2)

The Board noted that the Committee had recommended that the Risk Register needed to be revised, particularly to include such matters as synchronising data with financial quarters and updating of commentary in all areas of the Register and reference to asset balance.

The Deputy Director of Finance acknowledged that the risks needed to be captured more widely and that work was ongoing to achieve this. Customer outcomes and quality was being reviewed, to ensure that members had access to an efficient one-stop shop for pensions information.

Revisions to the Register were suggested as follows:

- Align information in the Register to financial quarters, every quarter
- Update information in "Further actions to mitigate risks" column, which have not changed from Board meeting to Board meeting
- Review the "Target date" column information conscientiously

Pensions Board - 31 July 2024

- “Rating score” columns needed to be reviewed, since they had not changed much over time
- The target date for column 2 relating to “Governance & Compliance with statutory regulations and guidance issued by TPR and LGA” appeared as “ongoing”, which was not considered a satisfactory description for a target, especially since this was compulsory training for Board members.

RESOLVED:

(a) That the observations made by the Board and detailed above for suggested changes to the Risk Register be noted.

(b) That all Board members be requested to review and update their individual training assessments.

121 PENSION FUND- DRAFT 2023/24 YEAR END ACCOUNTS (Item B3)

An amendment was made to the report on submission, by the substitution of “30th May 2024” for “31st May” in the first line of paragraph 3.4.

The following observations were made by Board members:

Paragraph 3.4 – last line – add Council deficit figure

Note 22 – include “m” after “£186.1” in line 1

Note 23 – amend misspelling of George “Sharkey”

Note 25 – should be a stand-alone slide

RESOLVED:

To note the 2023/24 draft pension fund accounts attached as Appendix 1 to the report of the Corporate Director of Resources and to commend officers on the fact that the accounts would be available for the Annual General Meeting in September 2024.

122 LGPS – PENSIONS ADMINISTRATION - KPI REVIEW (Item B4)

RESOLVED:

To note the update of Islington Pension Fund’s administration Key Performance Indicators to align more closely with neighbouring boroughs for future performance reporting and monitoring, as detailed in the report of the Corporate Director of Resources.

123 PENSION PERFORMANCE REPORT (+DECISIONS OF THE PENSIONS COMMITTEE TO BE HELD ON 24 JULY 2024) (Item B5)

The decisions of the Pensions Committee from their meeting held on 24 July 2024 were noted.

The Chair of the Pensions Committee commented on the performance of the Fund, the Investment Strategy review update and the restructure to the passive equity mandate.

On performance, he stated that, for the future, the standard chart at paragraph 3.1 of the report of the Corporate Director of Resources, which detailed fund managers’ performance, would include asset allocation value and the overall change in the value of the Fund, both quarterly and annually. The market value of the Fund was £1.9bn and had performed according to the benchmark. The investments in the Fund were very diversified. The triennial review was on the horizon and all aspects, including liabilities, would have to be reviewed, bearing in mind that there could be an uplift in life expectancy.

Pensions Board - 31 July 2024

On the Investment Strategy, he noted that a manager had been appointed to manage Global Emerging Markets, via a pooled fund. A new strategic asset allocation for impact investments had been approved.

On the restructure of the passive equity portfolio, the Pensions Committee had expressed a desire to amend the current index to ensure that companies on the UN's list of businesses involved in activities in the Occupied Palestinian Territory deemed compliant in human rights abuses be excluded from the Fund's investments. Independent professional advice was being sought in the matter of consolidating the current two passive equity pooled funds. Before divesting from those funds, Fund members would have to be consulted and officers had been asked to give particular consideration to the most effective options for consulting Fund members on the proposal to consolidate, possibly via payslips.

Members of the Board queried whether there were any performance concerns around Pantheon and Quinbrook, but were reassured that both were likely to recover performance, and were also long-term investments.

RESOLVED:

To note the decisions made by the Pensions Committee on 24 July 2024, as detailed in the summary of decisions.

124

PENSIONS BOARD FORWARD WORK PROGRAMME (Item B6)

The Assistant Director Treasury and Pensions reported that the draft Annual Report would be circulated to Board members at the end of August/beginning of September for observation, in advance of the AGM planned for 30 September 2024.

RESOLVED:

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

The meeting ended at 5.15 pm

CHAIR