

**Tower Hamlets Council  
Local Government Pension Scheme**

# PENSION BOARD

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**Monday, 16 March 2020 at 10.00 a.m.  
Room C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent,  
London, E14 2BG**

**This meeting is open to the public to attend.**

**Members:**

**Chair:** John Jones

John Gray, (Admitted Bodies Representative for Active Fund Members)  
Steve Hill, (Representing Pensions Fund Employers)  
Councillor Asma Islam, Mile End Ward  
Annette McKenna, (Representing Admitted Bodies Employers)  
Nneka Oroge, Active Fund Members' Representative  
David Stephen Thompson, (Representing Retired/Deferred Pension Fund Members)

**Quorum**

A meeting is only quorate when at least **one person** of each member and employer representatives are present including an independent chair Or 50% of both member and employer representatives are present.

Contact for further enquiries:

David Knight, Principal Committee Services Officer  
1st Floor, Town Hall, Town Hall, Mulberry Place, 5 Clove Crescent,  
London, E14 2BG  
Tel: David Knight, Principal Committee Services Officer  
Tel: 020 7364 4878; E-mail: [david.knight@towerhamlets.gov.uk](mailto:david.knight@towerhamlets.gov.uk)  
Web: <http://www.towerhamlets.gov.uk/committee>

Scan this code to your mobile phone to view Committee website.



**1. APOLOGIES**

**2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS** (Pages 5 - 8)

**3. UNRESTRICTED MINUTES** (Pages 9 - 14)

To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Pensions Board held on 25<sup>th</sup> March, 2020.

**4. TERMS OF REFERENCE**

The Board's terms of reference were published at the inaugural meeting. The Board decided that it was not necessary to publish these with each agenda, however, if required, a copy may be obtained from the clerk to the meeting.

**5. SUBMISSIONS FROM FUND MEMBERS**

To consider any written submissions from Fund Members/Stakeholders.

(Submissions must be received by the Clerk to the meeting no later than 5.00p.m. on the day before the meeting.)

**6. SUBMISSIONS / RESPONSES FROM PENSION COMMITTEE**

To receive any submissions/responses (to be notified at the meeting).

**7. REPORTS FOR CONSIDERATION**

**7.1 2020/21 Pension Fund Risk Register**

**Special circumstances justifying urgent consideration**

This report was not available for publication by the statutory publication deadline because additional information was required. It is presented for consideration at this meeting as it is not possible to defer until the next meeting. It should also be noted that the report title was made available as part of the original meeting agenda.

**7.2 Pension Fund Administration Strategy**

**Special circumstances justifying urgent consideration**

This report was not available for publication by the statutory publication deadline because additional information was required. It is presented for consideration at this meeting as it is not possible to defer until the next meeting. It should also be noted that the report title was made available as part of the original meeting agenda.

### **7.3 Pension Fund Conflict of Interest Policy**

#### **Special circumstances justifying urgent consideration**

This report was not available for publication by the statutory publication deadline because additional information was required. It is presented for consideration at this meeting as it is not possible to defer until the next meeting. It should also be noted that the report title was made available as part of the original meeting agenda.

### **7.4 Pension Fund Breaches Policy**

#### **Special circumstances justifying urgent consideration**

This report was not available for publication by the statutory publication deadline because additional information was required. It is presented for consideration at this meeting as it is not possible to defer until the next meeting. It should also be noted that the report title was made available as part of the original meeting agenda.

## **8. PENSIONS ADMINISTRATION UPDATE AND REMEDIATION PLAN**

To follow

## **9. PENSIONS BOARD WORK PLAN - 2020/21**

## **10. PENSION BOARD TRAINING**

To follow

## **11. PENSIONS COMMITTEE AGENDA FOR THE FORTHCOMING MEETING**

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# Agenda Item 2

## **DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER**

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

### **Interests and Disclosable Pecuniary Interests (DPIs)**

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

### **Effect of a Disclosable Pecuniary Interest on participation at meetings**

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

### **Further advice**

For further advice please contact:-

Asmat Hussain, Corporate Director for Governance and Monitoring Officer.  
Tel 020 7364 4800

## APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

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**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE PENSION BOARD**

**HELD AT 10.00 A.M. ON MONDAY, 25 NOVEMBER 2019**

**C3 - TOWN HALL MULBERRY PLACE**

**Members Present:**

John Jones (Chair)	(Independent Chair)
John Gray (Member)	(Representing Active Admitted/Statutory Bodies Pension Fund Members)
Steve Hill (Member)	(Head of Benefits Services, Resources)
Councillor Asma Islam (Member)	Mayoral Advisor for the Community and Voluntary Sector
Annette McKenna (Member)	Pensions Board Member representing Admitted Bodies Employers
Nneka Oroge (Member)	Trade Union Representative
David Stephen Thompson (Member)	

**Officers Present:**

Kevin Bartle	– Interim Divisional Director of Finance, Procurement and Audit
Ngozi Adedeji	– (Team Leader Housing Services, Governance)
David Knight	– (Senior Democratic Services Officer)
Farhana Zia	– Senior Committee Officer

**1. APOLOGIES**

Apologies for absence were received from Councillor Kyrsten Perry, Roger Jones, Colin Robertson and Tim Deane.

**2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**

Mr John Gray disclosed an interest in item 7.3, stating that he may have been a policyholder with Equitable Life but no longer holds a policy with them.

Mr Gray also declared that he is the joint Vice-Chair of LAPFF in relation to the report 8.1.

**3. UNRESTRICTED MINUTES**

The minutes of the meeting from the 19<sup>th</sup> September 2019 were agreed and approved as a correct record save for the following amendment:

Page 9 – Councillor Kyrsten Perry and N Adedeji were in attendance for the meeting.

**Matters arising**

Page 12 – The risk register is under review however the Board will be presented with the risk register at its next meeting.

**4. TERMS OF REFERENCE**

The terms of reference for the Pensions Board were noted by the Members of the Board.

**5. SUBMISSIONS FROM FUND MEMBERS**

No submissions were received at the meeting from Fund Managers.

**6. SUBMISSIONS / RESPONSES FROM PENSION COMMITTEE**

The written report conveying the views of Board Members was well received at the Pensions Committee meeting. The Chair said the relationship between the Board and the Committee was working very well.

**7. REPORTS FOR CONSIDERATION****7.1 Actuarial Valuation Update**

Ms Miriam Adams, Interim Pensions and Investment Manager provided the Board with a verbal update with regard to the Actuarial Valuation. Ms Adams said the deadline had not been achieved because there had been a change in the methodology used to calculate the actuarial valuation.

Ms Adams said there were a large number of queries which needed to be solved. The dataset did not match with payroll and as such there were early warning signs that a whole system analysis was required to attain the full results.

The Chair, Mr John Jones thanked Ms Adams for her update.

**7.2 LGPS Update - Investment Consultancy and Fiduciary Market Investigation Order 2019, The Pensions Regulator Publication of the LGPS Cohort Report, Updated UK Stewardship Code, Good Governance Report and TPR Governance Survey**

Ms Miriam Adams, Interim Pensions and Investment Manager, introduced the report stating the purpose of the report was to update Board Members on the recent and key developments in relation to the LGPS.

The Chair, Mr John Jones referred to page 16 of the agenda, second bullet point and said it was clear the Pensions Board had a clear role to play in ensuring the LGPS scheme was performing to a high standard.

Mr Jones also referred to the eighth and ninth bullet point, on page 16 and said it was good the Pensions Regulator agreed Scheme Managers needed to take a holistic approach when considering the governance and administration risks to the fund.

With regards to the Competition and Markets Authority and the setting of objectives, Mr Jones referred to point 6.2 stating he was heartened to see these had to be measurable objectives.

The Board **RESOLVED** to:

1. Note the contents of the report.

### 7.3 Equitable Life Additional Voluntary Contribution (AVC)

Ms Miriam Adams, Interim Pensions and Investments Manager introduced the report stating the report provided an update on the historic Equitable Life AVC investments for active and deferred members of the Tower Hamlets Fund.

Ms Adams referred Members to point 3.2 and said the proposed transfer of Fund was subject to a vote of policy holders as well as approval of the High Court.

The Board **RESOLVED** to:

1. Note the contents of the report.

### 7.4 Pensions Administration Quarterly update- Quarter End September 2019

Mr David Stephen-Thompson proposed and Mr John Jones **MOVED** that the Board take this item in Private Session.

The Board agreed the issues raised within the report, where commercially, legally or personally sensitive and should not be divulged to third parties.

The Board **RESOLVED** :

That in accordance with the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contained information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government, Act 1972.

The Pensions Board discussed and **AGREED** a root and branch exercise was required, to ensure better processes were in place for the administration of the Pension Fund.

The Board **AGREED** a further briefing, including the remedial action plan and the Pension Regulators response would be provided to the Board in January 2020.

The Board **RESOLVED** to **AGREE**:

1. To note the report contents;
2. To note the identified regulatory breaches to be reported to The Pension Regulator;
3. To note that a detailed remediation plan which has the deadlines for all actions, owners and up to date status will be provided to the Board in February.

## **8. EXCLUSION OF THE PRESS AND PUBLIC**

The Chair Moved and it was:

**RESOLVED:**

That in accordance with the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contained information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government, Act 1972.

### **8.1 Quarterly Voting and Engagement Update for September 2019**

The Board **RESOLVED** to:

1. Note the contents of the report.

## **9. PENSIONS COMMITTEE AGENDA FOR THE FORTHCOMING MEETING**

The Board received and noted the agenda for the Pension Committee meeting scheduled for 28<sup>th</sup> November 2019.

## **10. WORK PLAN**

### **10.1 Local Pension Board Updated LBTH Pensions Board Work Plan For 2019/20**

Board Members were asked to note the Pension Board's updated work plan for 2019/20.

The Chair, Mr John Jones reiterated the Board's desire to receive a report on the corporate risk register and an update concerning the Pensions Administration report.

The Board expressed their wish to invite Mr Paul Rock, Head of Internal Audit, Fraud and Risk to a future meeting of the Board to examine how Internal Audit reports on Fund activity.

The Board **RESOLVED** to:

1. Note the contents of the report;
2. Note the pension board terms of reference attached at appendix 1; and
3. Agree the updated work plan attached as Appendix 2 to the report.

The meeting ended at 12.42 p.m.

Chair, John Jones  
Pension Board

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