

Pension Board



Monday, 13 June 2022 at 10.00 a.m.

**Committee Room One - Town Hall, Mulberry Place, 5 Clove
Crescent, London, E14 2BG**

Agenda

Chair: John Jones

Members

Vice-Chair: David Stephen Thompson

John Gray, Nneka Oroge, Councillor Abdul Mannan, Roger Jones and Annette McKenna

Substitutes:

Michael Alderson

[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.]

Further Information

Reports for consideration, meeting contact details, public participation and more information is available on the following pages.



Public Information

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The meeting will be broadcast live on the Council's website. A link to the website is detailed below. The press and public are encouraged to watch this meeting on-line. Please note: Whilst the meeting is open to the public, the public seating in the meeting room for observers will be extremely limited due to the Covid19 pandemic restrictions. You must contact the Democratic Services Officer to reserve a place, this will be allocated on a first come first served basis. No one will be admitted unless they have registered in advance.

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Pension Board

Monday, 13 June 2022

10.00 a.m.

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3. APPOINTMENT OF VICE-CHAIR	
4. PENSION BOARD TERMS OF REFERENCE, MEMBERSHIP, QUORUM AND DATES OF MEETINGS 2022/23	7 - 16
5. UNRESTRICTED MINUTES	17 - 26
<p>To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Pensions Board held on 7th March 2022.</p>	
6. SUBMISSIONS FROM FUND MEMBERS	
<p>To consider any written submissions from Fund Members/Stakeholders.</p> <p>(Submissions must be received by the Clerk to the meeting no later than 5.00p.m. on the day before the meeting.)</p>	
7. SUBMISSIONS / RESPONSES FROM PENSION COMMITTEE	
8. REPORTS FOR CONSIDERATION	
8.1 ESG, Voting, Engagement and Stewardship Update	To Follow
8.2 Draft Pension Fund Triennial Valuation Assumptions	To Follow
9. PENSIONS COMMITTEE AGENDA FOR THE FORTHCOMING MEETING	
10. ANY OTHER BUSINESS	

11. EXCLUSION OF PRESS AND PUBLIC

In view of the contents of the remaining items on the agenda the Committee is recommended to adopt the following motion: "That, under 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 contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972."

EXEMPT SECTION (Pink Papers)

The exempt committee papers in the agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please post them to the Democratic Service Office, 1st Floor, Mulberry Place London E14 2BG or hold onto the papers until such time you can return to the Town Hall and dispose of the papers in the confidential bins.

11 .1 RESTRICTED MINUTES OF THE PREVIOUS MEETING

27 - 36

To confirm as a correct record of the proceedings the restricted minutes of the meeting of the Pensions Board held on 7th March 2022.

Next Meeting of the Committee:

Monday, 12 September 2022 at 10.00 a.m. to be held in the Committee Room One - Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

Agenda Item 2

DECLARATIONS OF INTERESTS AT MEETINGS– NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Code of Conduct for Members at Part C, Section 31 of the Council's Constitution

(i) Disclosable Pecuniary Interests (DPI)

You have a DPI in any item of business on the agenda where it relates to the categories listed in **Appendix A** to this guidance. Please note that a DPI includes: (i) Your own relevant interests; (ii) Those of your spouse or civil partner; (iii) A person with whom the Member is living as husband/wife/civil partners. Other individuals, e.g. Children, siblings and flatmates do not need to be considered. Failure to disclose or register a DPI (within 28 days) is a criminal offence.

Members with a DPI, (unless granted a dispensation) must not seek to improperly influence the decision, must declare the nature of the interest and leave the meeting room (including the public gallery) during the consideration and decision on the item – unless exercising their right to address the Committee.

DPI Dispensations and Sensitive Interests. In certain circumstances, Members may make a request to the Monitoring Officer for a dispensation or for an interest to be treated as sensitive.

(ii) Non - DPI Interests that the Council has decided should be registered – (Non - DPIs)

You will have 'Non DPI Interest' in any item on the agenda, where it relates to (i) the offer of gifts or hospitality, (with an estimated value of at least £25) (ii) Council Appointments or nominations to bodies (iii) Membership of any body exercising a function of a public nature, a charitable purpose or aimed at influencing public opinion.

Members must declare the nature of the interest, but may stay in the meeting room and participate in the consideration of the matter and vote on it **unless:**

- A reasonable person would think that your interest is so significant that it would be likely to impair your judgement of the public interest. **If so, you must withdraw and take no part in the consideration or discussion of the matter.**

(iii) Declarations of Interests not included in the Register of Members' Interest.

Occasions may arise where a matter under consideration would, or would be likely to, **affect the wellbeing of you, your family, or close associate(s) more than it would anyone else living in the local area** but which is not required to be included in the Register of Members' Interests. In such matters, Members must consider the information set out in paragraph (ii) above regarding Non DPI - interests and apply the test, set out in this paragraph.

Guidance on Predetermination and Bias

Member's attention is drawn to the guidance on predetermination and bias, particularly the need to consider the merits of the case with an open mind, as set out in the Planning and Licensing Codes of Conduct, (Part C, Section 34 and 35 of the Constitution). For further advice on the possibility of bias or predetermination, you are advised to seek advice prior to the meeting.

Section 106 of the Local Government Finance Act, 1992 - Declarations which restrict Members in Council Tax arrears, for at least a two months from voting

In such circumstances the member may not vote on any reports and motions with respect to the matter.

Further Advice contact: Janet Fasan, Director of Legal and Monitoring Officer, Tel: 0207 364 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	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. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	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— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
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	Any tenancy where (to the Member's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (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>Non-Executive Report of the:</p> <p>Pension Board</p> <p>Monday, 13th June 2022</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Janet Fasan, Director of Legal and Monitoring Officer</p>	<p>Classification: Open (Unrestricted)</p>
<p>Pension Board Terms of Reference, Membership, Quorum and Dates of Meetings 2022/23</p>	

Originating Officer(s)	Farhana Zia, Democratic Services Officer (Committees)
Wards affected	All Wards

Executive Summary

This report sets out the Terms of Reference, membership, quorum and dates of meetings of the Pensions Board for the municipal year of 2022/23 for the information of members of the Pensions Board.

Recommendations:

The Pensions Board is recommended to:

1. Note its Terms of Reference, quorum, membership and dates of future meetings as set out in Appendices 1, 2 and 3 to this report.
2. Confirm 10a.m. as the preferred time at which the scheduled meetings will start.

1. REASONS FOR THE DECISIONS

- 1.1 The report is brought annually to assist new and returning Members by informing them of the framework of the Board set out in the Council's Constitution.

2. ALTERNATIVE OPTIONS

- 2.1 The report asks Members solely to confirm its constitutional arrangements and therefore they are not required to consider any alternative options.

3. DETAILS OF THE REPORT

- 3.1 The Pensions Board was established under the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local

Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time).

- 3.2 Each year following the establishment of the Board at the Council's Annual Meeting, it is customary that the newly established Board notes its procedural arrangements.

Pension Board Arrangements

- 3.2 At the Annual General Meeting of the full Council held on 25th May 2022, the Authority approved proportionality, establishment of the Committees and Panels of the Council and appointment of Members thereto. The membership of Pensions Board for the municipal year 2022/23 was among the committees memberships approved and these details are set out at Appendix 2 to the report.
- 3.3 Having been established by Council, it is customary that the Board (at its first meeting of the municipal year) notes its terms of reference and quorum. These are set out in Appendix 1 to the report.
- 3.4 The Board meetings for the remainder of the year, as agreed at the same meeting of the Council, are also provided at Appendix 3.
- 3.5 Meetings are scheduled to take place at 10:00 a.m. The Board may wish to agree an alternative start time that suits its Members at the first meeting of the Board.
- 3.6 It may be necessary to convene additional meetings of the Board should urgent business arise. Officers will consult with the Chair and Members as appropriate.

Membership

- 3.7 To ensure the size of the Board is not cumbersome but representative across the scope of the Pension Fund, a working party in February 2015 agreed that the Board Membership should comprise 7 members composed of:
- 3 employer representatives,
 - 3 employee representatives and
 - an independent non-voting member to act as Chair of the Board.
- 3.8 The employer and employee categories were further divided into the following categories:

Employer Representatives

- 1 Elected Member
- 1 Tower Hamlets Senior (management) Officer

- 1 Admitted/Statutory Bodies (management)

Employee Representatives

- 1 Active Fund Member (Tower Hamlets employee)
- 1 Active Fund Member (Admitted/Statutory Bodies employee)
- 1 Non-active Fund Member (Retired/deferred fund members)

4. EQUALITIES IMPLICATIONS

- 4.1 When drawing up the schedule of dates, consideration was given to avoiding school holiday dates and known dates of religious holidays and other important dates where at all possible.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

- 5.2 Not applicable to this report.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report recommends that the Pensions Board to note its Terms of Reference, Quorum, Membership and Dates of future meetings as set out in Appendices 1 – 3. There are no direct financial implications arising from this report.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The terms of reference, membership and quorum are consistent with the legal framework and Part A, Section 10 of the Council's Constitution and have been adopted by Council in accordance with Part A, Section 7(a).

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 – Pensions Board Terms of Reference
- Appendix 2 – Membership
- Appendix 3 – Scheduled meetings for the Municipal Year

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- NONE

Officer contact details for documents:

N/A

Pensions Board

<p>Summary Description: The Board was created under the Public Service Pensions Act 2013 to assist the Administering Authority (Tower Hamlets Council) in its role as a scheme manager of the scheme.</p>	
<p>Membership: The Board shall consist of 6 voting members, as follows: 3 Member Representatives; and 3 Employer Representatives.</p> <p>There shall be an equal number of Member and Employer Representatives.</p> <p>There shall also be 1 other representative who is not entitled to vote (to be appointed as Chair).</p>	
Functions	Delegation of Functions
<p>1. The purpose of the Board is to assist the Administering Authority in its role as a scheme manager of the Scheme. Such assistance is to:</p> <p>a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and;</p> <p>b) to ensure the effective and efficient governance and administration of the Scheme.</p> <p>More details are set out in the Pensions Board Meeting Procedure Rules</p>	<p>None</p>
<p>Quorum: 1. A meeting is only quorate when at least one person of each member and employer representatives are present plus an independent chair or 50% of both member and employer representatives are present.</p> <p>2. A meeting that becomes inquorate may continue but any decisions will be non-binding.</p>	
<p>Additional Information:</p> <ul style="list-style-type: none"> • Constitution Part D, Section 54 (Pensions Board Meeting Procedure Rules) 	

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LONDON BOROUGH OF TOWER HAMLETS

BOARD MEMBERSHIP 2022 - 2023

NOMINATIONS SUBMITTED TO THE ANNUAL COUNCIL MEETING ON 25TH MAY 2021

PENSION BOARD (One Councillor to work alongside six other members of the Board)		
<i>Independent Chair (1)</i>	<i>Employer Representatives (3)</i>	<i>Employee Representatives (3)</i>
Mr John Jones	Councillor XX XX (Representing Pensions Fund Employers) *Roger Jones (Representing Pensions Fund Employers) Annette McKenna (Representing Admitted Bodies Employers) Substitute:- *Michael Alderson (Representing Pensions Fund Employers)	Nneka Oroge (Active Fund Members' Representative) John Gray (Admitted Bodies Representative for Active Fund Members) David Stephen Thompson (Representing Retired/Deferred Pension Fund Members)

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PENSIONS BOARD

SCHEDULE OF MEETING DATES –2022- 23

Monday, 13th June 2022

Monday, 12th September 2022

Monday, 28th November 2022

Monday, 27th February 2023

Note:

All meetings will start at 10:00 a.m. unless otherwise determined by the Chair.

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE PENSION BOARD

HELD AT 10.01 A.M. ON MONDAY, 7 MARCH 2022

COMMITTEE ROOM ONE - TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG

Members Present in Person:

John Jones	Independent Chair
David Stephen Thompson	Vice-Chair – (Representing Retired/Deferred Pension Fund Members)
Councillor Abdal Ullah	(Representing Pensions Fund Employers)

Members In Attendance Virtually:

John Gray	(Representing Active Admitted/Statutory Bodies Pension Fund Members)
Nneka Oroge	(Representing Active Fund Members)
Michael Alderson	Substituting for Roger Jones – (Representing Pension Fund Employers)

Apologies:

Annette McKenna	Pensions Board Member representing Admitted Bodies Employers
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Others Present in Person:

Others In Attendance Virtually:

Andrew McKerns	Hymans Robertson
Susan Black	Hymans Robertson

Officers Present in Person:

Ngozi Adedeji	(Principal Lawyer Civil Litigation, Governance)
Miriam Adams	Interim Head of Pensions and Treasury
Farhana Zia	(Democratic Services Officer, Committees, Governance)

Officers In Attendance Virtually:

Nisar Visram	(Director of Finance, Procurement & Audit)
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1. APOLOGIES

Apologies for absence were received from Annette McKenna, (Representing Admitted Bodies Employers), Roger Jones (Representing Pensions Fund Employers), with Michael Alderson substituting, and from Councillor Kyrsten Perry, Chair of the Pensions Committee.

2. DECLARATIONS OF INTERESTS

There were no declarations of pecuniary interests made by members of the Board.

3. UNRESTRICTED MINUTES

The unrestricted minutes from the 22nd November 2021 meeting were **AGREED** and **APPROVED** to be an accurate record of the meeting.

4. SUBMISSIONS FROM FUND MEMBERS

There were no submissions made by fund members.

5. SUBMISSIONS / RESPONSES FROM PENSION COMMITTEE

There were no submissions/responses from the Pensions Committee.

6. REPORTS FOR CONSIDERATION**6.1 Presentation - GDPR**

Ms Susan Black from Hymans Robertson gave a presentation on GDPR. Ms Black informed the Board that the GDPR regulations were introduced in 2018, however the Scheme Advisory Board had released updates in September 2021 and as such the LGPS Funds had been advised to use the updated templates they had provided.

Ms Black said the purpose of the GDPR regulation was to enhance individuals' control and rights over their personal data, to simplify the regulatory environment for international business and address the transfer of personal data outside the EU and EEA areas. She said the UK version of GDPR regulations closely followed the principles set by the EU and said there were penalties if companies did not follow the guidance. She said the Information Commissioners Officer (ICO) had a range of actions it could take if there was non-compliance. Ms Black said aside from the financial penalties and organisation risked reputational damage.

In terms of the Fund, Ms Black said the risk register already captured the failure to comply with the GDPR regulation as a potential risk and said a risk assessment had already been done, with a range of internal controls in place. She said the policies had been shared with employers however the other risk was cyber risk. Ms Black said that steps had been taken to address this, with officer training, risk workshops and regular Board updates being provided.

She said the purpose of this was to ensure everyone was up to date with the latest information on GDPR compliance.

In response to comments and questions from the Board members the following was noted:

- Ms Black clarified organisations were obligated to report on GDPR breaches. She said if there was any under reporting the regulator would step in. She said where there had been large data breaches such as a cyber-attack the IOC would investigate this separately.
- In response to if the IOC were reactive in investigating breaches or if they are proactive, Ms Black said this was hard to say. They had been proactive. Ms Adams added the Pension scheme had to adhere to the Pensions Regulators code of practise and cyber risk was an important topic.
- Ms Adams clarified the Information and Governance Team within the Council had overall responsibility for GDPR. She said templates had been passed onto the team, who were happy with the documents. They had recommended the Council's website should be updated to include the additional information.
- Ms Adams clarified the mandatory training was for all staff to complete. She said it was a refresh for staff, with further training workshops also being offered.
- In response to how compliance with data protection can affect the compliance with GDPR, Ms Adams stated considerable progress had been made over the past few years. She said they now had an employers' forum and the I-connect system, whereby employers were required to upload information. She said there were still six employers who are not compliant however they were working with them to resolve this.
- **ACTION:** The Chair, Mr Jones requested the presentation slides be circulated to members of the Board.

The Chair thanked Ms Black and Mr McKerns, from Hymans Robertson for attending the Board meeting.

6.2 Pension Fund Accounts and Annual Report, 10/03/2022 Pensions Committee

Ms Miriam Adams, Interim Head of Pensions and Treasury introduced the report and stated this was the draft unaudited Statement of Accounts and Annual Report for the LBTH Pension Fund for year ending 31st March 2021. She said the report was attached at appendix A. She said the audit of the Pension Fund Account had commenced and referred Board Members to page 8 of the supplementary agenda. Ms Adams referred to several sections within the report such as the performance of the Fund at page 17 of the agenda and the list of investment managers at page 18. She said the membership of the Fund fluctuates daily and said the changes in the market value of

investments, page 39 of supplementary agenda, had been impacted due to Covid-19.

In response to comments and questions from Board members the following was noted:

- The Board commented on the thoroughness of the report and said this was truly comprehensive and commendable. They thanked Ms Adams and her team for producing the report.
- Referring the covering report and the introduction to the annual accounts report, Mr Thompson said that whilst they acknowledged the accounts to be true and fair statements, the accounts had not been signed off, for the last three years. He asked what progress had been made? Ms Adams responded stating the accounts for the Pension Fund were complete however the external auditors were not able to sign off the accounts or issue an opinion until the main accounts for the council, were completed.
- Mr Nisar Visram, Director for Finance, Procurement and Audit informed members that the Audit Committee had signed off the 2018/19 and 2019/20 accounts at their meeting in January 2022. He said the 2020/21 accounts were available in draft format online and he hoped these would be signed off shortly. He said the Pension side of the work was more stable, but there was this co-dependency with the Council accounts.
- In response to what the Pensions Regulators position was concerning the delay, Ms Adams said the regulator had been informed.
- In response to where the growth of assets had occurred, Ms Adams confirmed this was mainly due to the Baillie Gifford investments. She said equities had done extremely well. She said the returns from LGIM and the diversified group fund had also performed well but unfortunately the fixed income mandates had not done so well. She said the Pensions Committee had agreed to take out an Equity Protection Plan and said the windfall from this was £20m.
- Ms Adams confirmed that a training log was kept on the training attended by members of the Board and the Committee. She said additional training provided by CIPFA and LGA training is also sent to members, as well as third party training.
- Referring to administration costs, Mr Thompson asked if these were benchmarked against others, other than CIPFA? Ms Adams responded stating the Pension Fund has recently joined the CIPFA Benchmarking Scheme and said whilst this would be a big exercise, it was important that the Pension Fund recommenced this. She said in addition the Fund would be subscribing to the CEM investment benchmark, that will compare various authorities across the investment manager cost component.
- Referring to LCIV, the collective vehicle for the pooling of investments, Mr Thompson asked where savings had been made in relation to administration costs. Ms Adams said the membership numbers for the

Fund were very fluid with a lot of factors feeding into this. She said it was not as easy to look at percentages and equate this to the number of actives in the fund. She said many people were 'starting' and 'leaving' the fund and there was a high opt-out rate.

- **ACTION:** The next set of information on LCIV costs and the LCIV annual report to be circulated to the members of the Board.
- Referring to the table on page 24, and the investment management costs, Mr Gray asked if the figures would be considerably less or like the previous years, prior to the introduction of pooling. Ms Adams responded stating the investment management fees were calculated on a percentage basis. So, if the value of the investment increases, so does the fee.
- **ACTION:** The Chair asked that the Board and the Committee receive a report on the management fees and costs and if these costs are lower due to pooling. He said this was essential to ensure transparency.
- **ACTION:** The Chair asked the that Training log for the Board be shared with the members.

The Pensions Board **RESOLVED** to:

Note the recommendations being made to the Pensions Committee who were to consider this report at its meeting of 10th March 2022.

The Pensions Committee is recommended to:

1. Note the contents of this report;
2. Approve the Pension Fund Annual Report and Accounts (Appendix 1); and
3. Note that the 2018/19 and 2019/20 audit will not be concluded until the council's main accounts audit have been concluded.

6.3 Public Services Pensions Scheme: Pensions Dashboards. 10/03/2022 Pensions Committee

Ms Miriam Adams, Interim Head of Pensions and Treasury introduced the report and stated this was a government backed initiative which required the pensions industry to design and own the dashboard. She said the Pension Scheme Act 2021 received Royal Assent on the 11th February 2021, and provided the legal framework to support pension dashboards, including powers to compel schemes to provide member information.

In response to comments and questions from Board members the following was noted:

- Mr Thompson said he noted this was a two-year project and said given the resource implications, what were the 'critical bottlenecks' referred to in the second recommendation of the report? Ms Adams responded stating the bottlenecks has been reported to the Board for quite a while; They related to the uploading of employer data. She said there was a project plan in place, whereby she was working with the six

largest employers and was trying to get them to provide the data digitally via i-connect. She said if this was not resolved soon, the incoming data would create a bottleneck, in terms of meeting the deadline for setting up the Dashboard.

- Referring to paragraph 3.16 and the sentence “External support may be required”, Mr Thompson asked what support was to be provided and how was this to be monitored? Mr Visram replied stating the data issue were a significant challenge and as such they had used a ‘payroll consultancy’ to identify the risks. He said the recommendations and the action plan from the report were discussed at bi-weekly meetings but there were some system changes required and as such external support may be required because of the pressure to progress things quickly.

The Pensions Board **RESOLVED** to:

Note the recommendations being made to the Pensions Committee who were to consider this report at its meeting of 10th March 2022.

The Pensions Committee is recommended to:

1. Note the requirement to improve the reliability of data in accordance with the Pensions Dashboards Programme data standards guide in order to supply the correct information to the dashboards and ensure compliance with the statutory staging timeline to onboard schemes.
2. Note the critical bottleneck the scheme faces in respect of council employee payroll data.

6.4 The General Data Protection Regulation, 10/03/2022 Pensions Committee

Mr John Jones stated the GDPR presentation had covered most of the points relating to the LGPS being GDPR compliant and therefore he did not intend to go through the report.

Ms Adams said the Board should note the documents referred to in the report as these would be shared with all the employers in the Scheme and would also be available on the Council’s website.

The Pensions Board **RESOLVED** to:

Note the recommendations being made to the Pensions Committee who were to consider this report at its meeting of 10th March 2022.

The Committee is recommended to:

1. Note the content of this report
2. Note the updated Full GDPR Privacy Notices and Employer’s Memorandum of Understanding issued by the LGA (Appendices 1-5).

6.5 Risk Register Quarterly Update

Ms Miriam Adams, Interim Head of Pensions and Treasury stated this was a regular report that was presented to the Board and the Committee. She referred members to page 58 and 59 of the agenda and stated paragraph 3.1 listed the recommendations of the Pensions Regulator. Ms Adams went through the report referring to paragraph 3.3 and 3.4, the risks which required close monitoring. In particular, she referred to the McCloud judgement and said much depended on the regulations that the government would issue and how this will affect the Pensions Scheme.

In response to comments and questions from members of the Board the following was noted:

- Commenting on the risks, Mr Thompson said there were 5 red rated risks, 4 amber rated risks and 1 to Green. He said the Board needed to keep its focus on this as all the risks related to data quality.
- Mr Thompson asked for a fuller update in relation to the recruitment and retention of staff within the Pensions Team. Mr Visram responded stating the Head of Pensions and Treasury post was currently live to advert with a closing date for the end of March 2022. Ms Adams added there were currently four vacancies within the team, with some members of staff being on fixed term contracts and other posts being filled by agency staff.
- **ACTION:** The Chair requested a quick email be sent to Board Members on the number of vacancies outstanding which showed the number of full-time posts, how many were fixed-term posts and who was occupying the roles, in order for the Board to have a clearer and better understanding of the recruitment situation within the Team.
- Referring to investments at risk due to the Russia/Ukraine conflict in Europe, Ms Adams said a written update had been provided to the members of the Board and the Committee. She said Fund Managers had been contacted on the 23rd February and she had spoken to LGIM who confirmed they had no investments in the low carbon fund in Russia and Ukraine. LCIV said the Ruffer and Baillie Gifford Funds had less than 0.01% of whole Fund assets invested. However, investments managers had also been asked to look at any indirect investments. Ms Adams said she would report back to the Board and Committee once this information was available.
- **ACTION:** Mr John Jones requested that Mr Colin Robertson, the Independent Advisor to the Pensions Committee, be invited to the next Pension Board meeting to make a presentation on asset allocation of investments and how and if investments in Russia are at greater risk than others. Councillor Ullah added that it would be sensible for Baillie Gifford to also attend the meeting to talk about their investments.
- **ACTION:** Ms Adams to send the Board members the Risk Management Policy, which the Board discussed at its meeting of 21st November 2021.

The Pensions Board **RESOVLED** to:

Note the recommendations being made to the Pensions Committee who were to consider this report at its meeting of 10th March 2022.

The Committee is recommended to:

1. Note and comment on the detailed Risk Register (Appendix 1)

6.6 Governance Review Update (Verbal)

Ms Miriam Adams, Interim Head of Pensions and Treasury provided a verbal update in relation to the Governance Review. She said EON had sent a link to all members of the Board and Committee and would welcome responses as soon as possible. She said they had extended the deadline of 7th March to allow for further responses.

- **ACTION:** Ms Adams to send a copy of the review to Mr Michael Alderson, substitute member for Mr Roger Jones.

6.7 LAPFF draft work plan (Verbal)

Ms Miriam Adams, Interim Head of Pensions and Treasury said no comment had been raised regarding the work plan and as such it appeared the Board and Committee were happy with this.

- Mr Thompson said the document was excellent in that it was substantial and thoroughly researched. He said it was a campaigning document which had been a very good read.

The Pension Board **RESOVLED** to:

1. **NOTE** the update provided by Ms Adams.

7. PENSIONS ADMINISTRATION AND LGPS QUARTERLY UPDATE – DECEMBER 2021, 10/03/2022 PENSIONS COMMITTEE

Ms Miriam Adams, Interim Head of Pensions and Treasury said the report provided members with information relating to the administration and performance of the Fund over the last quarter as well as an update on the key LGPS issues and initiatives which impact the Fund.

In response to comments and questions from members of the Board the following was noted:

- The Chair stated it was clear the Pensions Administration of the Fund was moving forward and said this was encouraging than what it was nearly a year ago.
- In respect to paragraph 3.7 and the table therein, the Chair asked if the actual number could be provided next to the percentages. Ms Adams

said numbers were provided in the table at 3.2 however she would ensure they were linked, to provide further clarity.

The Pensions Board **RESOLVED** to:

Note the recommendations being made to the Pensions Committee who were to consider this report at its meeting of 10th March 2022.

The Pensions Committee is recommended to:

1. Note and comment on the contents of this report and appendix

8. **EXCLUSION OF PRESS AND PUBLIC**

The Chair **MOVED** and it was

RESOLVED

“That, under 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 contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.”

8.1 **RESTRICTED MINUTES OF THE PREVIOUS MEETING(S)**

The Board members noted the restricted minutes of the Pension's Board meeting of 22nd November 2021 and had no comment to make in relation to the exempt items.

The Board **AGREED** and **APPROVED** the restricted minutes of 22nd November 2021.

8.2 **ESG, Voting, Engagement and Stewardship Update, 10/03/2022 Pensions Committee**

The minute for this item is restricted.

9. **ANY OTHER BUSINESS**

No other business was discussed by the Board Members, other than a few announcements and reminders.

- The Chair reminded Board Members to complete the Hymans training package.
- Mr John Gray, said he was on the taskforce looking at Social, Economic Diversity in the financial sector and said he would forward a survey to Ms Adams. He asked board members to complete the survey and attend a virtual meeting if possible.

- Councillor Abdal Ullah expressed his thanks to the Board and said this was his last meeting, owing to the impending election. The Chair, Mr Jones thanked Councillor Ullah for his contribution over the time he had been a member of the Board.

The meeting ended at 11.58 a.m.

Chair, John Jones
Pension Board

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