

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE PENSION BOARD

HELD AT 10.00 A.M. ON MONDAY, 8 JULY 2024

COMMITTEE ROOM - TOWER HAMLETS TOWN HALL, 160 WHITECHAPEL ROAD, LONDON E1 1BJ

Members Present in Person:

John Jones	Independent Chair
David Stephen Thompson	(Representing Retired/Deferred Pension Fund Members)
Councillor Musthak Ahmed	(Cabinet Member for Jobs, Enterprise, Skills and Growth)

Members In Attendance Virtually:

Chris Boylett	(Interim Head of Revenue and Benefits)
Nneka Oroge	Trade Union Representative
Annette McKenna	Representing Admitted Bodies Employers

Apologies:

John Gray	(Representing Active Admitted/Statutory Bodies Pension Fund Members)
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Officers Present in Person:

Paul Audu	(Interim Head of Pensions & Treasury)
Abdulrazak Kassim	(Director Finance, Procurement and Audit)
Farhana Zia	(Democratic Services Officer, Committees, Governance)

Officers In Attendance Virtually:

Carole S Bowes	(Employment Lawyer, Legal Services, Directorate Law, Probity and Governance)
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1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr John Gray, representative for Active Admitted/Statutory Bodies of the Pension Fund.

2. DECLARATIONS OF INTERESTS

There were no declarations of pecuniary interest made by Board members.

3. APPOINTMENT OF VICE-CHAIR

The Independent Chair, Mr John Jones moved, and Councillor Musthak Ahmed and Chris Boylett seconded, that Mr David Stephen Thompson be appointed as the Vice-Chair of the Pension Board for the 2024-25 municipal year.

The Pension Board:

RESOLVED

1. That Mr David Stephen Thompson be appointed Vice-Chair of the Pension Board for the 2024-25 municipal year.

4. UNRESTRICTED MINUTES

The unrestricted minutes of 11th March and 20th May 2024 were **AGREED** and **APPROVED** as an accurate record of the meeting.

5. SUBMISSIONS FROM FUND MEMBERS

There were no submissions from fund members.

6. SUBMISSIONS / RESPONSES FROM PENSIONS COMMITTEE

There were no submissions/responses from the Pensions Committee.

7. REPORTS FOR CONSIDERATION

7.1 Pension Board Terms of Reference, Membership, Quorum and Dates of Meetings 2024/25

Ms Farhana Zia, Democratic Services Officer introduced the standard Terms of Reference report. She explained that each year the Board is presented with its Terms of Reference and related information for noting.

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

- Ms Zia confirmed the Board meetings were scheduled to take place before the Pensions Committee meetings for the remainder of the municipal year.

The Pension Board **RESOLVED** to:

1. Note the Terms of Reference, Quorum, Membership and Dates of future meetings as set out in Appendices 1,2, and 3 of the report.
2. Confirm 10:00 a.m. as the preferred time at which the scheduled meetings will start.

7.2 Tower Hamlets Pension Fund Closing 2023/24 and External Audit

Mr Paul Audu, Interim Head of Pensions and Treasury presented the Pension Fund year-end closing for the 2023/24 accounts and provided an update on the external audit work.

He said EY were preparing to audit the accounts which were appended to the report at appendix 1. The Board would have a further opportunity to approve the accounts once they had been audited.

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

- Referring to Paragraph 3.4, Mr Thompson asked if the Board and Committee would receive an update in relation to the work commenced by EY at their September meetings. Mr Audu said this was the aim and the dates referred to on the workplan (Item 8 of the agenda) were indicative dates.
- Mr Thompson asked for reports to be despatched in a timely manner, as soon as the key audit risks referred to in paragraphs 3.5 and 3.6 were known. Mr Audu said the Board and the Committee would have sufficient time to assess the risks and said the audited accounts would need to be signed off by the Board and Committee in any event. He said the accounts needed to be published by the 31st December 2024.
- Mr Audu confirmed that the prior year set of accounts were to be finalised by September however they were waiting for a government directive regarding this.
- Mr Audu confirmed that the fees referred to in paragraph 3.7 were not known at present.
- Referring to page 153 of the agenda and management fees, Mr Jones queried why there was a large variant in numbers. Mr Audu said the set of accounts were still being worked on and the figures quoted were not final numbers.
- Board members and Abdulrazak Kassim, Director of Finance, Procurement and Audit Governance acknowledged and thanked the finance team for achieving their goal and delivering the unaudited accounts by the 31st May deadline.

The Pension Board **RESOLVED** to:

1. Note the report and the draft unaudited Tower Hamlets Pension Fund Statement of Accounts included in the Council's Draft Annual Financial Report 2023/24 appended to the report at appendix 1.

7.3 Governance and Compliance Statement

Mr Paul Audu, Interim Head of Pensions and Treasury introduced the report stating the Pension Fund was required to have an updated Governance Compliance Statement. He said officers were developing the Statement which would be presented to the Board and the Committee in September 2024.

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

- Mr Thompson commented that a simplified version of the Compliance Statement ought to be made available to Fund members either on the website or sent with the Annual Benefit Statements. He said this may encourage fund members to attend or highlight issues to the Board and Committee under item 5 of the agenda.
- Mr Audu stated the Statement needed to be reviewed and updated periodically to ensure it was up-to-date and complied with TPR regulations.
 - **ACTION:** Referring to page 226 of the agenda and the composition of the Board, Mr Jones asked for the second paragraph after the three bullet points be amended to state that a representative, one from each side, i.e. employer and employee were required for the Board to be quorate. Mr Audu said this would be amended prior to the report returning to the Board and Committee.
 - **ACTION:** Mr Audu stated the partial compliance on holding an AGM with Fund members was still on the agenda to progress. He said he would revisit this in the Autumn once the Annual Benefit Statements had been despatched. Mr Jones concurred this needed to be progressed soon.

The Pensions Board **RESOLVED** to:

1. Note the report and the current TH Pension Fund Governance Compliance Policy including the compliance statement appended at appendix 1, which requires updating.

7.4 Admissions Policy

Mr Paul Audu, Interim Head of Pensions and Treasury presented the Admissions policy report. He said the LGPS regulations set out the types of employers that can join the Fund and this was set out in paragraph 3.1 of the report. He said it was recommended the admissions policy be reviewed once every three years and as such officers would be reviewing the policy in consultation with the Fund Actuary. He said that the updated policy would be presented to the Committee and Board in September 2024.

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

- Referring to the 10 outstanding cases referred to in paragraph 3.11, Mr Jones asked if these were due to missing agreements. Mr Audu said they were legacy cases that had not been completed. He said he was working with the Actuary and legal advisers to ensure the completion of the process. Mr Jones said the Board would monitor the progress of the 10 outstanding cases.
- Members of the Board noted that the Compliance Statement would be returning in September.

- **ACTION:** The Board asked for this report and others from this meeting be added to the Board workplan (Item 8) for September.

The Pensions Board **RESOLVED** to:

1. Note the current TH Pension Fund Admissions Policy included in the report at Appendix 1;
2. Note the current TH Pension Fund's standard Admission Agreement template included in the report at Appendix 2; and
3. Note that officers have identified 10 outstanding legacy Admission Agreements with employers and are working in collaboration with the employers, TH legal and procurement services, and the Fund Actuary to resolve any issues and complete them if possible.

7.5 Training Strategy

Mr Paul Audu, Interim Head of Pensions and Treasury introduced the report stating the training strategy set out the expectations for Board and Committee training considering their responsibility and remit.

He said members needed to be knowledgeable and skilled in the work of the Pensions Committee and Board and said training was an essential part of this. He referred to paragraph 3.1 in the report which listed the governance structure and framework for training. He said the Committee and the Board would be provided with a refreshed training strategy to consider at its next meeting in September 2024.

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

- Mr Audu said there would initially be a skills and knowledge assessment before a programme would be put in place to support member learning. He said there were many ways training was provided; from attending seminars and conferences, online training as well as specific training provided at meetings, such as the meeting in March 2024.
- Mr Jones commented anonymised data on who had completed the training modules ought to be shared with the Committee and Board. Mr Thompson concurred and said it would be helpful to have data on the number of completions and the outcome of the completions.
- Mr Thompson stated training during meetings should continue to be provided as well as other means of training. He suggested members receive a 'certificate of competence' which stated the level of competence achieved. Mr Audu commented this would be difficult to provide especially due to the yearly changes made to the membership of the Committee.
- **ACTION:** Referring to page 274 of the training strategy, Mr Jones requested the contact details be updated to the current postholders details.

- **ACTION:** Abdulrazak Kassim, Director of Finance, Procurement, Audit and Governance suggested the Board have a standing item on its agenda to cover training updates.

The Pensions Board **RESOLVED** to:

1. Note the report and the scope of the proposed draft training strategy to be provided to the Pensions Board on the 16th September and Pensions Committee on 30th September 2024 for consideration and approval respectively.
2. Note the current TH Pension Fund Training and Development Policy.

7.6 Annual Benefit Statements (ABS) 2024

Mr Paul Audu, Interim Head of Pensions and Treasury stated the Annual Benefit Statements for active and deferred members of the scheme had to be produced by the 31st August 2024. He said work was underway to meet this deadline. He referred to paragraph 3.3 onwards which set out the changes that had been applied. Referring to paragraph 3.6, he said data quality was paramount and his team was working with third party providers to ensure the information it had was correct and complete.

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

- Referring to paragraph 3.5, Mr Thompson asked if the external contractor had been procured. Mr Audu responded stating the contractor employed was the usual contractor, the Council used. He said they were aware of the requirement to meet the 31st August deadline. Mr Audu said Fund members could view their statements online but for those who required a postal despatch these would reach the recipient by the deadline.
- Abdulrazak Kassim, Director for Finance, Procurement, Audit and Governance referred to paragraph 3.6 and said the data cleanse exercise was underway and they would provide a briefing paper to the Board and Committee once this had completed.
- **ACTION:** Discussion on how best to provide the update took place and it was AGREED Mr Kassim would speak with Mr Jones in mid-August to decide how best to disseminate the information.

The Pension Board **RESOLVED** to:

1. Note the report and work being carried out by the Pension Administration Team to ensure the timely provision of the 2024 Annual Benefit Statements.

8. PENSION BOARD WORK PLAN 2024/25

Mr John Jones, Independent Chair of the Board referred to the workplan and said with all the standing items and the items listed for the 16th September, in the workplan, a total of 11 reports were coming to the next meeting of the

Board. He said this excluded the policy reports considered at this meeting which also were to return in September 2024.

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

- Mr Jones questioned if the workplan for September 2024 was achievable. He was cautious of having additional meetings of the Board.
- Mr Thompson suggested the Board may wish to meet separately to deal with the policy matters. He said a split between policy and performance may not be a bad idea. He said the KPI report, and the risk report were missing for the July meeting.
- Mr Abdulrazak Kassim said it was important for the Board to reflect on the workplan and come to a decision.

The Pensions Board **RESOLVED**

1. That Mr Jones would converse with Mr Audu and Mr Kassim by the end of August to decide how many reports were complete and which reports could be taken by the Board at its 16th September meeting.

9. PENSIONS COMMITTEE AGENDA FOR THE FORTHCOMING MEETING

Mr Paul Audu, Interim Head of Pensions and Treasury provided an update on the Pensions Committee meeting which took place on the 1st July 2024. He said the Committee considered the same reports which formed part of the Board's agenda. He said overall the Pensions Committee had approved the recommendations set out in the noting reports but had decided to defer its decision in relation to the report cited at item 11.2.

Mr Jones thanked Mr Audu for the update.

10. ANY OTHER BUSINESS

No other business was discussed by Board members.

11. 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."

11.1 RESTRICTED MINUTES

The restricted minutes of 20th May 2024 were **AGREED** and **APPROVED** as an accurate record of the meeting.

Matters Arising

Board members requested that the actions cited on pages 288/289 and 290 of the agenda, be followed through by officers.

11.2 City Gateway Cessation report for South Quay College

Mr Paul Audu, Interim Head of Pensions and Treasury presented his report, stating the Board and Committee was being asked to consider the City Gateway Cessation report for South Quay College.

The Pension Board **RESOLVED** to:

1. Receive a further report once Officers had done further work on the report.

The meeting ended at 11.47 a.m.

Chair, John Jones
Pension Board