Pension Board Submission to the Pensions Committee

To: Pensions Committee

From: John Jones Independent Chair Tower Hamlets Pension Board

Date: 30th September 2024

1. The Pensions Board held a hybrid meeting on Monday 16th September. The main items on the agenda were a presentation from Hymans Robertson on the 2025 Triennial Actuarial Valuation; a review of the Pension Fund Risk Register; the current position in Pensions administration; and consideration of the work plan for 2024/25 and training needs for Board Members. The meeting was well attended with 6 members present in the room or online.

2. The presentation from Hymans Robertson was well received with several questions from members of the Board. These included the impact of longevity nationally and in particular in Tower Hamlets; the effect of changes in prudence on the investment strategy; the age profile of members and the calculation of future liabilities. The Board will be updated on the development of the triennial actuarial valuation with the review at a future meeting.

3. The Board considered the report on Employer Engagement and Communications and are fully supportive of the proposal to hold a forum for employers and members early in 2025. Linked to this the Board's full support for new initiatives to engage with employees on the benefits of the LGPS Pension Scheme and to encourage those who are not currently members to join the Fund. The communications plan attached to the new strategy statement sets out a range of means and targets. These should be monitored and reported on as part of the regular performance statement on Pensions Administration.

4. The Board reviewed the Governance report setting out the Governments Actuary's review of the LGPS fund valuations. It was noted that the Actuary had not raised any red flags in respect of the Tower Hamlets fund; and the current very good funding level of the Fund was welcomed.

5. In previous reports I have highlighted the importance of training and development for both Committee and Board members. A report setting out proposals for an online learning was discussed and fully supported by the Board. I would encourage the Committee to also consider their individual training requirements given the emphasis placed by the Pensions Regulator on knowledge and skills training for Committee members. LBTH officers will be liaising with Board and Committee members on the new training arrangements.

6. The Board considered the update on pensions administration and noted the generally good progress being made, albeit there were mixed performance figures reported. Questions were asked on membership numbers and those who remain undecided; the arrangements for despatching annual benefit statements; the current position on the i connect system; and staffing levels and vacancies in the pensions team. In order to address backlogs of work and improve performance, it is very important that the team has a full complement of staff with the right skills. This is an issue that the Board monitors on a regular basis.

7. A report on the updated risk register was reviewed and discussed by the Board. It was suggested that the report be amended to include more information on the mitigation actions being taken, and for target dates for completing tasks be included in future. The importance of the ongoing data cleansing exercise was discussed and noted. I have highlighted the importance of this in previous reports to the Committee.

8. The Board had a long discussion on the implications arising from Human Rights issues and how this interacts with the Fund's current investments. The view of the Board is that these should be considered in the context of the Fund's policy on ESG issues, and the Fund's investment strategy.

9. The Board were also updated on the current position in finalising the outstanding audits of accounts; and the liquidity and cash flow monitoring report. It was agreed to hold a training session at a future meeting on the issues arising from a maturing pension fund.

John Jones

19th September 2024