

Non-Executive Report of the: Pensions Committee Monday, 30 September 2024	 TOWER HAMLETS
Report of: Julie Lorraine, Corporate Director, Resources	Classification: Open (Unrestricted)
Employer Engagement and Communications Report	

Originating Officer(s)	Paul Audu, Head of Pensions and Treasury (Interim)
Wards affected	All

Executive Summary

This report updates the Pensions Committee on Employer engagement and communications from the Fund.

Recommendations:

The Pensions Committee is recommended to:

1. Note the content of this report.
2. Agree officers' proposal to hold a Pension Fund Information Forum for scheme employers and members in January 2025, at TH Town Hall, date and the event agenda to be agreed with the Fund Actuary and Investment Consultant.
3. Note that officers will provide an update on the proposed Forum planning including a draft agenda to the Committee in November for consideration and, if satisfied, approval.

1. REASONS FOR THE DECISIONS

- 1.1 Communication and early engagement with stakeholders is central to the Pension Fund's success. This report is seeking Committee approval to hold a Pension Fund Information Forum in January 2025.

2. ALTERNATIVE OPTIONS

- 2.1 None.

3. DETAILS OF THE REPORT

- 3.1 Tower Hamlets Pension Fund's Communications Policy is maintained in accordance with regulation 61 of the Local Government Pension Scheme (Administration) Regulations 2013. It outlines the approach to communicating with its diverse stakeholders including:
- Scheme members (active, deferred, retired and dependant);
 - representatives of scheme members;
 - prospective scheme members;
 - scheme employers; and
 - various external bodies
- 3.2 The LGPS is facing new risks and opportunities requiring robust communication with the Fund's many internal and external stakeholders to promote their understanding of how the changing LGPS landscape might impact them.
- The estimated funding position has improved significantly since the last formal actuarial valuation in 2022. As the next valuation in 2025 approaches, scheme employers will be seeking to understand the implications of the current funding position for them.
 - The Fund recently issued Annual Benefit Statements to active and deferred scheme members as at 31 August. The statements can be the catalyst for enquiries about retirement planning and information requests.
 - The Pension Fund annual financial statements are undergoing statutory external audit and the Fund is obliged to provide the audited financial statements to various stakeholders.
 - The government has launched a Call for Evidence as part of phase 1 of the recently announced comprehensive Pensions Review aimed at the LGPS to drive further efficiencies in assets pooling and other non-investment areas.
 - Climate change, geo-political tensions, armed conflicts, the global economic environment, cost-of-living crisis, and longevity considerations are focussing scheme members' minds on the nature and rationale of the Fund's investment strategy, and how they might influence the Fund's investment beliefs.
 - Many employers are experiencing cost pressures and would welcome some insights into the factors driving employer contributions, valuation data and assumptions, the wider dynamics of funding and investment strategies, and the need for prudence.
- 3.3 Officers are proposing to hold a Pension Fund Information Forum in January 2025, subject to Committee approval. The proposed event would enable the Fund to share information with its stakeholders and stakeholders' views to be captured and reflected in the development of the Fund's policies and strategies, and routine pensions administration service.
- 3.4 Strong and proactive engagement with employers would encourage them to provide information to the Fund periodically to help officers to monitor covenant and other risks and inform the funding and investment strategy decisions.

3.5 Officers will provide an update on the event planning to the Committee in November.

4. EQUALITIES IMPLICATIONS

4.1 There are no direct equalities implications on the content of this report.

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.

Risk Management

5.2 All material, financial, and business risks have been considered and addressed within the report and its appendices. The actuarial report and funding strategy statement will provide the Pension Fund with a solid framework in which to achieve a full funding status over the long term.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 There are no direct financial implications of the report.

7. COMMENTS OF LEGAL SERVICES

7.1 There are no direct legal implications arising from this report

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- TH Pension Fund Communications Strategy and Policy

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

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

- None

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