

# Local Pension Board

Minutes of the Local Pension Board held on 24 January 2018 at 10:00am in meeting room 302 – 160 Tooley Street, London SE1 2QH

Present: Mike Ellsmore (Independent Chair)  
Sue Plain – Employee Representative  
Neil Tasker – Employee representative  
Dominic Cain – Substitute Employer representative  
Fiona Dean – Employer Representative

Substitutes: Diana Lupulesc – Substitute Employee Representative

Apologies: Norman Coombe – Employer Representative

Officers:  
Fay Hammond – Departmental Finance Manager  
Alex Moylan – Senior Finance Manager  
Caroline Watson – Divisional Accountant

Item No	Item
1	<p><b>Apologies:</b></p> <p>Norman Coombe</p>
2	<p><b>Notice of Intention to Conduct Business in a Closed Meeting</b></p> <p>. To note the item specified below will be conducted in a closed meeting</p> <ul style="list-style-type: none"> <li>• Agenda Item 12 - Review of PAP meeting papers</li> </ul> <p><b>Resolved:</b> There were no representations relating to this item.</p>
3	<p><b>Disclosures of Interest &amp; Dispensations:</b></p> <p>. No disclosures of interest or dispensations were declared.</p>

4	<p><b>Minutes of Last Meeting</b></p> <p>The following comments were made in response to a review of the minutes:</p> <ul style="list-style-type: none"> <li>• SP requested that the role of each member is added in future.</li> <li>• SP re paragraph 7: expense needs to be allocated to HR fund for trade union duties – add to end of final bullet point in this section.</li> </ul> <p><b>Resolved:</b> that the minutes of the meeting held on 28 September 2017 are agreed as correct by the board (subject to the amendment to paragraph 7 set out above)</p>
5	<p><b>London CIV Update</b></p> <p>DW provided an update to LPB members. Key points as follows:</p> <ul style="list-style-type: none"> <li>• DW is a member of the Investment Advisory Committee, which is currently suspended pending the governance review.</li> <li>• 70% of LBS investments held indirectly with CIV. No management through CIV.</li> <li>• Lower fees have been achieved with this arrangement.</li> <li>• Property: no current plans to pool.</li> <li>• Confirmed that there have been concerns for some time re governance arrangements not working: no direct reporting mechanisms are in place.</li> <li>• Consistent responses from member funds to governance review. Unclear re role and purpose of the CIV.</li> <li>• Governance review has been published.</li> <li>• Joint Committee and Society of London Treasurers working with new interim chief executive of CIV.</li> <li>• Loss of 3 key people recently. Interim arrangements/new staff are in place.</li> <li>• Government target to be pooled by March 2018.</li> <li>• SP asked about fee transparency. DW advised that all our fund managers, to which the existing template applies, are signed up to the fee transparency template.</li> </ul> <p>Fund Update</p> <ul style="list-style-type: none"> <li>• Move to BlackRock low carbon fund (whilst ensuring minimal fee increases)</li> <li>• Sustainable infrastructure: selection process taking place in March.</li> </ul>
6	<p><b>Administration Update</b></p> <ul style="list-style-type: none"> <li>• Recruitment for Pensions Manager post taking place. Manager of data and not pensions expert (reflecting availability of pensions skills in market).</li> <li>• More advice and support will be provided to scheme members re high earner rules as more members become affected by this.</li> <li>• Data issues are being identified and actuaries are providing support in addressing legacy issues.</li> <li>• Improvements made in 2016-17 annual benefit statements.</li> <li>• New Pensions Manager to identify performance metrics.</li> <li>• Next stage is better engagement with scheme employers and scheme members.</li> <li>• Still building up metrics re turn around of queries. Not yet clear what a steady state is.</li> </ul>

7	<p><b>Investment Strategy Review Update</b></p> <ul style="list-style-type: none"> <li>• Update provided on 4 key areas considered by PAP.</li> <li>• Movement of £150m held by BlackRock to their low carbon fund (additional annual cost re fees)</li> <li>• The LPB expressed concerns re the inclusion of the fund’s advisers in the list of 4 sustainable infrastructure managers.</li> <li>• SP raised concerns re PAP’s recommendation for the SDFG to be given delegated power to rebalance within target reallocations. LPB recommend that “within target allocations” is made clear in the PAP minutes.</li> </ul>
8	<p><b>Governance Review Update</b></p> <ul style="list-style-type: none"> <li>• Review of recommendations has been carried out.</li> <li>• Pension fund elements could be incorporated into the council’s conflict of interest and risk management policies, rather than have fund specific policies.</li> <li>• Check if employer discretion policy is publicly available.</li> <li>• Self assessment against Pensions Regulator code of practice to be commissioned.</li> <li>• Terms of reference to be reviewed by LPB - distribute for comment.</li> <li>• To investigate opportunities re the commissioning of an assessment of the Fund’s compliance against the pensions regulator’s code of practice.</li> </ul>
9	<p><b>Local Pensions Board Membership and Terms of Reference</b></p> <ul style="list-style-type: none"> <li>• Terms of reference with adjustments highlighted by NT and SP have been taken to corporate governance panel. Have now been approved by council assembly.</li> <li>• Now able to appoint additional members. Schools forum has been asked to identify possible member and academies will also be asked.</li> <li>• Joint union approach to identifying the pensioner representative.</li> <li>• Joint PAP and LPB training day to take place after elections.</li> <li>• NC is stepping down. Replacement to be found.</li> </ul>
10	<p><b>Insurance Update</b></p> <ul style="list-style-type: none"> <li>• Insurance cover in place for one year commencing 1 December 2017.</li> </ul>
11	<p><b>Work Programme and Training</b></p> <ul style="list-style-type: none"> <li>• Jo Anson or Jennifer Chambers to attend April 2018 LPB meeting to cover GDPR.</li> <li>• FD: Communications to be considered as separate item in work plan.</li> <li>• SP: update on SAB activity re Tier 3 ill health to be added.</li> <li>• Scheme Update training session at July 2018 meeting.</li> <li>• Training needs analysis has been sent to LPB members for completion.</li> <li>• Immediate training requirements were identified as: taxation (before training needs analysis results); auto enrolment; national perspective on pensions.</li> <li>• Agreed that the April 2018 meeting will start at 9.15am for training.</li> </ul>

12	<b>Review of PAP Meeting Papers</b> CLOSED BUSINESS
13	<b>Any Other Business</b> None