

# Local Pension Board

Minutes of the Local Pension Board meeting held on 11 July 2018 (10am training, 10:35am formal meeting).  
Held in meeting room 202 – 160 Tooley Street, London SE1 2QH

Present: Mike Ellsmore (Independent Chair)  
Sue Plain – Employee Representative  
Neil Tasker – Employee representative  
Tony O’Brien – Retired Employee Representative  
Norman Coombe – Employer Representative

Substitutes: Fiona Dean – Employer Representative

Apologies: Dominic Cain –Employer representative

Officers: Jo Anson – Head of Financial & Information Governance  
Alex Moylan – Senior Finance Manager  
Caroline Watson – Divisional Accountant

Item No	Item
1	<p><b>Apologies:</b></p> <p>Dominic Cain</p>
	<p><b>Training Session – Recent LGPS Developments</b></p> <p>Laura Caudwell, AON</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 10 – Quarterly Investment Update</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>ME: Chaired the group that produced the report tabled in agenda item 9.</p>

4	<p><b>Minutes of Last Meeting</b></p> <p><b>Resolved:</b> that the minutes of the meeting held on 16 April 2018 are agreed as correct by the board.</p>
5	<p><b>Action Tracker</b></p> <ul style="list-style-type: none"> <li>• Action 02 – an academy representative has been identified and will attend the October LPB meeting.</li> <li>• Action 05 – report will be tabled at the October LPB meeting with a outline of proposed work and quote of costs to be discussed with LPB members.</li> <li>• Action 06 – FD requested that taxation training is covered at the next meeting. It was agreed that the Fund’s approach to tax charges on pensions would be covered at the next meeting (to be added to forward plan)</li> <li>• Action 09 – Discretions policy: JA to check with HR whether policy to be shared for consultation with scheme members.</li> </ul>
6	<p><b>Pensions Services Update</b></p> <ul style="list-style-type: none"> <li>• Update provided by Jo Anson</li> <li>• Recruiting again for pensions manager post and also for a data manager.</li> <li>• Potential to create 2 additional posts at grade 9 rather than wait for the new pensions manager to determine structure.</li> <li>• NT raised concerns about this approach: could result in both a restructure now and further one when pensions manager appointed.</li> <li>• FD asked about next steps if recruitment is not successful.</li> <li>• JA advised that consideration will be given to alternative options available.</li> <li>• ME suggested that there needs to be a Plan B, possibly some form of partnering. But he is supportive of work being done re recruitment.</li> <li>• ME recognised not able to provide KPIs yet.</li> <li>• Comments requested on draft communications strategy.</li> <li>• SP commented that on page 15, it should refer to all members and not just actives.</li> <li>• SP suggested that as part of the council’s induction process, younger age groups could be identified. If they were made aware of the benefits of remaining in the scheme, it could lead to a lower opt out rate.</li> <li>• FD acknowledged improvements in member self service portal.</li> <li>• SP suggested an advertised drop in pensions surgery for people who have outstanding queries.</li> <li>• JA advised that our software suppliers are running diagnostic on our data to assess where we are. ME requested data scores are tabled at LPB when available.</li> <li>• KPIs and benchmarking: CIPFA working with AON on template.</li> <li>• NT asked if there are financial penalties for the employers not using iConnect. JA advised that the administration strategy sets out potential for penalties and that it will come to a point where we may have to do this. However there are situations where their payroll provider is the issue.</li> <li>• SP asked at what point the LPB should ask the administering authority to confirm if they are compliant with the regulations.</li> <li>• NC agreed that the LPB should seek confirmation from the Strategic Director regarding this and that he should be invited to the next meeting.</li> <li>• Agreed: ME to send letter to Strategic Director, copying in LPB members and officers.</li> </ul>

7	<p><b>Local Pension Board Annual Report</b></p> <ul style="list-style-type: none"> <li>• The following amendments were requested: <ul style="list-style-type: none"> <li>○ Wording re attendance record for NC to be amended</li> <li>○ SP requested that additional category re attendance of absent but with apologies is added to the attendance record.</li> <li>○ SP requested the footnote re number of meetings in year is amended to explain the fourth meeting taking place early in next financial year.</li> <li>○ Requested further narrative on the Board push for greater provision of pensions administrative data.</li> </ul> </li> </ul>
8	<p><b>London Collective Investment Vehicle</b></p> <ul style="list-style-type: none"> <li>• An update was provided on the new governance structure of the LCIV.</li> <li>• The LPB were positively encouraged that the trade union role moves to non-voting with speaking rights.</li> <li>• Members requested clarification on status of other observers, in particular the treasurer.</li> <li>• Clarification to be sought on non-executive directors</li> <li>• Board expressed concerns re the lack of interaction with boroughs on the selection process.</li> </ul>
9	<p><b>CIPFA – Proposals for LGPS Fund Reporting in a ‘Pooled World’</b></p> <ul style="list-style-type: none"> <li>• ME explained that CIPFA is unable to impose standards on the pools. Also that fund would need to request information from the pools to meet reporting requirements.</li> <li>• ME referred to paragraph 22 of the report which sets out an example disclosure. This is required to be included for 2018-19 reporting.</li> <li>• It was noted that the guidance is not mandatory, but should be adopted as good practice.</li> <li>• ME expects this guidance will be included in the next version of the annual report guidance.</li> </ul>
10	<p><b>Quarterly Investment Update</b></p> <ul style="list-style-type: none"> <li>• Tabled for information only.</li> <li>• No material changes to asset allocation in quarter.</li> <li>• It was noted that the transition of £300m to low carbon investments was completed.</li> </ul>
11	<p><b>Investment Strategy Update</b></p> <ul style="list-style-type: none"> <li>• AM provided an update on the progress made in the implementation of the investment strategy decisions taken earlier in the year. c£300m was transferred into low carbon equity during June 2018 with a 2% commitment to sustainable infrastructure but funds not expected to be drawdown until late 2018.</li> </ul>
12	<p><b>LPB Forward Plan</b></p> <ul style="list-style-type: none"> <li>• The following items were added to the LPB forward plan:</li> <li>• Administering Authority and Employer Discretions</li> </ul>

	<ul style="list-style-type: none"> <li>• Administrative data scores</li> <li>• Draft response to SAB consultation on ill health as this becomes available</li> </ul>
13	<p><b>Any Other Business</b></p> <ul style="list-style-type: none"> <li>• NC advised that he is standing down from the LPB. Members expressed their thanks for his support on the Board.</li> <li>• Agreement from constitutional support that support will be phased in for LPB and PAP. This will initially include the distribution of meeting papers.</li> <li>• SP noted that with the loss of both NC and JA as employer representatives, the LPB will lose valuable governance expertise.</li> </ul>
14	<p><b>Option to Re-appoint Pension Board Chair</b></p> <ul style="list-style-type: none"> <li>• LPB members agreed to retain the independent Chair for another year.</li> <li>• SP suggested that a vice Chair should be appointed to cover for the independent Chair when required. It was agreed that this will be considered at the next meeting.</li> </ul>