



PENSION BOARD

Date: FRIDAY, 18 MARCH 2022 at 10.00 am

**Council Chambers
Civic Suite
Lewisham Town Hall
London SE6 4RU**

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MEMBERS

Jeremy Chambers	Employer Representative
Gary Cummins	Employee Representative
Rowann Limond	Employer Representative
Stephen Warren	Chair

Members are summoned to attend this meeting

**Kim Wright
Chief Executive
Lewisham Town Hall
Catford
London SE6 4RU
Date: Thursday 10 March 2022**



INVESTOR IN PEOPLE

ORDER OF BUSINESS – PART 1 AGENDA

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Lewisham



INVESTOR IN PEOPLE

The public are welcome to attend our committee meetings, however occasionally committees may have to consider some business in private. Copies of reports can be made available in additional formats on request.

Agenda Item 1

LOCAL PENSION BOARD		
Report Title	Declarations of Interest	
Key Decision		Item No.
Ward		
Contributors	CHIEF EXECUTIVE	
Class	Part 1	Date: 18 MARCH 2022

Declaration of Interests

Members are asked to declare any personal interest they have in any item on the agenda.

Personal interests

There are two types of personal interest :-

- (a) an interest which you must enter in the Register of Members' Interests*
- (b) an interest where the wellbeing or financial position of you, (or a "relevant person") is likely to be affected by a matter more than it would affect the majority of inhabitants of the ward or electoral division affected by the decision.

*Full details of registerable interests appear on the Council's website.

("Relevant" person includes you, a member of your family, a close associate, and their employer, a firm in which they are a partner, a company where they are a director, any body in which they have securities with a nominal value of £25,000 and (i) any body of which they are a member, or in a position of general control or management to which they were appointed or nominated by the Council, and (ii) any body exercising functions of a public nature, or directed to charitable purposes or one of whose principal purpose includes the influence of public opinion or policy, including any trade union or political party where they hold a position of general management or control).

If you have a personal interest you must declare the nature and extent of it before the matter is discussed or as soon as it becomes apparent, except in limited circumstances. Even if the interest is in the Register of Interests, you must declare it in meetings where matters relating to it are under discussion, unless an exemption applies.

Exemptions to the need to declare personal interest to the meeting

You do not need to declare a personal interest where it arises solely from membership of, or position of control or management on:

- (a) any other body to which you were appointed or nominated by the Council
- (b) any other body exercising functions of a public nature.

In these exceptional cases, unless your interest is also prejudicial, you only need to declare your interest if and when you speak on the matter.

Sensitive information

If the entry of a personal interest in the Register of Interests would lead to the disclosure of information whose availability for inspection creates or is likely to create a serious risk of violence to you or a person living with you, the interest need not be entered in the Register of Interests, provided the Monitoring Officer accepts that the information is sensitive. Where this is the case, if such an interest arises at a meeting, it must be declared but you need not disclose the sensitive information.

Prejudicial interests

Your personal interest will also be prejudicial if all of the following conditions are met:

- (a) it does not fall into an exempt category (see below)
- (b) the matter affects either your financial interests or relates to regulatory matters - the determining of any consent, approval, licence, permission or registration
- (c) a member of the public who knows the relevant facts would reasonably think your personal interest so significant that it is likely to prejudice your judgement of the public interest.

Categories exempt from being prejudicial interest

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

Effect of having a prejudicial interest

If your personal interest is also prejudicial, you must not speak on the matter. Subject to the exception below, you must leave the room when it is being discussed and not seek to influence the decision improperly in any way.

Exception

The exception to this general rule applies to allow a member to act as a community advocate notwithstanding the existence of a prejudicial interest. It only applies where members of the public also have a right to attend to make representation, give evidence or answer questions about the matter. Where this is the case, the member

with a prejudicial interest may also attend the meeting for that purpose. However the member must still declare the prejudicial interest, and must leave the room once they have finished making representations, or when the meeting decides they have finished, if that is earlier. The member cannot vote on the matter, nor remain in the public gallery to observe the vote.

Prejudicial interests and overview and scrutiny

In addition, members also have a prejudicial interest in any matter before an Overview and Scrutiny body where the business relates to a decision by the Executive or by a committee or sub committee of the Council if at the time the decision was made the member was on the Executive/Council committee or sub committee and was present when the decision was taken. In short, members are not allowed to scrutinise decisions to which they were party.

Agenda Item 2

PENSION BOARD		
Report Title	Minutes	
Key Decision		Item No. 2
Ward		
Contributors	CHIEF EXECUTIVE	
Class	Part 1	Date: 18 MARCH 2022

Recommendation

That the Minutes of the meeting of the Pension Board, which was open to press and public, held on 20 October 2020 (copy attached) be confirmed and signed as a correct record.

MINUTES OF THE PENSION BOARD MEEETING

Tuesday 20 October 2020 at 2pm

Present: Stephen Warren (Chair) Rowann Limond (Scheme Representative), Elizabeth Sclater (Independent Member), David Austin(Head of Corporate Resources), Robert Browning (Principal Accountant), Stephanie Fleck (Principal Lawyer)

Apologies: Suki Binjal (Employer Representative), Gary Cummins (Scheme Representative)

1. Declarations of Interest

No interests were declared.

2. Minutes

The minutes of the last meeting were agreed as an accurate record.

3. Action Log and Work Plans

The Principal Accountant presented these reports.

May of the items on the Action Plan and been carried forward from last year where progress had not been made in the interim. One of the suggestions was to include a direction of travel which could not yet be done for the items that had not made any progression. The completed actions were highlighted in the report and will be removed from the log for the next meeting. There is a separate action plan for the board and the administering authority. There was a request at the previous meeting for the administering authority to officially endorse their action plan, with the caveat that some of the items within the authority action log have been actioned in the past year. The Head of Corporate Resources endorsed the action log.

The Chair asked officers how confident they were in that the actions will be completed within the next quarter. Officer's responded that with sufficient support and time, actions should be complete by their deadlines for the next quarter.

Action: the Plan will be amended by the next meeting to reflect the changes discussed in the meeting and to ensure it is up to date.

After discussing time lost due to cancelled meetings during COVID-19 lockdowns, the Board agreed that the meetings should be scheduled at times where crucial matters require discussion and input from the Board.

The Board also agreed to a new Compliance Review next year.

RESOLVED the report was noted.

4. Risk Register

The Principal Accountant presented the first draft of the Risk Register and discussed the following:

The Risk Register came out of the Compliance Review undertaken by Aon. One of the points that came out of the review was the risk register was limited in that it focused predominantly on the financial risks with very little else. It was subsequently discovered that the administering officers of the funds maintained their own risk register to cover their risks. It was aimed that both risk registers would be merged but the Risk Register from the Board would be updated by aligning it to the CIPFA guidance.

The Risk Register was due to be taken to the Pensions Investment Committee, but will continue to be a live document, regularly updated.

Action: Actions to be taken and timeframes to be added to the risk register

5. General Update

The Principal Account gave the following summary of the report:

There is not yet a policy in place to ensure compliancy to the breaches of the law log. This is to be addressed next quarter.

There had been several changes over the last 12 months in regards to the London CIV. Their engagement with London boroughs had improved substantially. They had set up monthly business updates to update shareholders on the progress they made on setting up new funds, performance of the funds and those in development. They had also set up investor groups where there potential mandates investors may be interested in.

The Value of Assets under management now has increased up to £9.5bn. Lewisham does not have anything invested in the CIV currently, but that is likely to change within the next year, he stated.

The latest internal audit concluded in July 2020. Just two medium recommendations were given- one was to update the risk register and the other was regarding the reconciliations undertaken be done in a more timely manner.

From the Scheme Advisory report, it was question whether some large structural reforming should take place on how the LGPS functions in conjunction with the local authority and what the methods of best practice would be. Two working groups were commissioned to take forward two phases of the project- one to look forward at the outcomes they would wish to see improvements for and the other to look at establish a new compliance regime to establish how the standards would be set out. The project was paused due to COVID.

A Supreme Court judgement was made about the governments wording in their statutory guidance of how funds should or should not pursue investment strategies which are contrary to UK foreign policy. The phrasing from the government was the Funds should not be making such investments. The ruling was that the government do not have the power to make that legally binding. Funds have always had this

ability divest from sensitive countries or companies on financial grounds. It has now been made clear that non-financial factors can be considered in making investment decisions. As a result, there have been requests from certain pressure groups and freedom of information requests about certain investments the Fund might hold. It was confirmed that the Fund does have small exposure to some of the companies on a UN list, roughly £230,000. But it has been stressed in our responses that the Fund's new investment policy will divest in our current equities into our current carbon equivalents, so will divest away from those companies.

The Pension Fund Annual report summarised summarises the performance of the Fund over the year as well as the statement of accounts. There was a recommendation that Members delegate the Chair the writing of the Pension report which goes into the full report.

It was also recommended that the Board undergoes training of interest. Members agreed to notify officers of attended training to ensure the training log is kept up to date.

Action: The Chair asked if members would agree that before committing funds to the CIV the administering authority should be satisfied about the mechanisms to obtain the assurance about both the design and the ongoing operation of the controls of the CIV. The board agreed.

RESOLVED it was agreed that the Chair will write the Pension report for the full annual report.

6. Exclusion of Press and Public

It is recommended that under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3, 4 and 5 of Part 1 of Schedule 12(A) of the Act, as amended by the Local Authorities (Executive Arrangements) (Access to Information) (Amendments) (England) Regulations 2006:-

London Borough of Lewisham Strategic Update

7. London Borough of Lewisham Strategic Update

The Board received a confidential report providing a summary of a number of key strategic issues which have arisen since the last Board meeting in October 2019

RESOLVED that the report update be noted.

APPENDIX**Lewisham Pension Board - Work Programme**

OPERATIONAL	Qtr 1 (Jan-Mar 2022)	Qtr 2 (Apr-Jun 2022)	Qtr 3 (July-Sept 2022)	Qtr 4 (Oct-Dec 2022)
Draft Pension Fund Statement of Accounts			X	X
Pension Fund Annual Report (must be published by 1 December): Includes: <ul style="list-style-type: none"> Administration update (including KPI monitoring) Final Statement of Accounts Pension Board Annual Report Governance Compliance Statement 				X
Pension Fund Internal Audit Report			X	
Monitoring of Investment Performance: <i>see Hymans Robertson Performance Reports reported to PIC</i>		X	X	X
Triennial and Interim Actuarial Valuations		X	X	X
Progress Reports on the Arrangements for Pooling		X	X	X
Risk Register			X	X
Data improvement plan required			X	
Processes in place to establish internal controls		X		
Board's Learning Needs and Training	X	X	X	X
Process to assess the materiality of any payment failures and ensure that those which are material are reported to the Regulator within a reasonable period		X		

OPERATIONAL	Qtr 1 (Jan-Mar 2022)	Qtr 2 (Apr-Jun 2022)	Qtr 3 (July-Sept 2022)	Qtr 4 (Oct-Dec 2022)
Design and deliver communications in a way that ensures scheme members are able to engage with their pension provision		X		
Process to highlight or consider whether a dispute is exempt		X		
Information for members to show the procedure and process to apply for a dispute to be resolved including: - who it applies to - who the specified person (stage 1) is - the timescales for making applications - who to contact with a dispute - the information that an applicant must include - the process by which decisions are reached?		X		
Does LBL have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?		X		
Is LBL satisfied that those responsible for reporting breaches under the legal requirements and TPR guidance understand the requirements?			X	
To publish on LBL Pension Fund website: (i) Local Pension Board Conflict of Interest Policy, (ii) Local Pension Board Training Policy, (iii) Local Pension Board Training Log. (iv) Declaration of interests		X		
To publish on LBL Pension Fund website other useful related information about the pension board		X		

STRATEGIC Policies, where available, can be found at the following site: https://www.lewishampensions.org/resources/	Qtr 1 (Jan-Mar 2022)	Qtr 2 (Apr-Jun 2022)	Qtr 3 (July-Sept 2022)	Qtr 4 (Oct-Dec 2022)
Funding Strategy Statement: Oversight Must be updated at least every 3 years (in line with the triennial valuation)				X
Terms of Reference and Membership of the Board Should be reviewed at least annually	X			
Knowledge and Training Policy	X	X		
Administration Strategy <i>(To be created)</i>			X	
Breaches of Law Policy <i>(To be created)</i>		X		
Risk Management Policy			X	
Internal Disputes Resolution Procedure			X	
Governance Compliance Statement <i>(To be created)</i>				X
Discretions Policy				X
Communications Policy Statement			X	
Conflicts of Interest Policy Should be reviewed at least every 3 years, preferably annually			X	
Code of Conduct Policy Should be reviewed at least every 3 years, preferably annually			X	