

MINUTES OF THE PENSION BOARD

Wednesday 22nd June 2022 at 3pm

PRESENT: Stephen Warren (Chair), Mark Adu-Brobbey, Rowann Limond, Salena Mulhere

Officers Present: Chris Flower (Treasury and Investment Manager), Katharine Nidd (Head of Financial Strategy, Planning and Commerce), Shida Ashrafi (Service Group Manger), Samantha Harlow (Pensions Manager)

In attendance virtually: Gary Cummins

Apologies: None.

1. Declarations of Interest

Salena Mulhere declared a general interest as a Member of the Pension Fund and that she receives a small pension from the LGPS from a different local government employer.

Gary Cummins, Rowan Limmond and Mark Adu-Brobbey declared an interests as members of the Pension Fund.

2. Minutes

The minutes of the meeting held on 18 March 2022 were agreed as an accurate record of the meeting.

3. Rolling Action Log

Chris Flower presented this report. He explained that at its previous meeting the Board had requested the presentation of the rolling action log to each meeting of the Board.

Chris Flower reported that:

- Each Board member had completed and returned a self-assessment of their training needs
- Board Members were required to complete the Pension Regulator's Toolkit
- An hour of training for Board members would be provided before each Board meeting; and
- A routine learning and development item on each agenda, including recording any completion of additional training they may undertake.

4. General Update

Chris Flower introduced this report. The report presented any standing items on the agenda and provided the Board with an update on several general matters to have arisen since the last meeting.

Investment Monitoring Performance by Hymans

The Chair asked if there was any routine monitoring against any target metrics of things like interest rate exposure or inflation exposure and whether there was a benchmark against which performance was being measured. Katherine Nidd responded that in determining the asset allocation, there was the consideration of the macro-economic risks and how different asset classes respond to those risks. She stated the most of this is reflected in the risk register and in the Investment Strategy Statement. In terms of the different exposures, she stated that, to a large extent, these are considered when new mandates are considered.

Conflicts of Interest Policy

Chris Flower reported that the Policy had been reviewed and updated. Other than amending the date on that policy, there were no amendments made.

RESOLVED The Board adopt this policy unchanged.

Code of Conduct

Chris Flower reported that the Code presented was unchanged. The Board noted that the Code of Conduct for members of Lewisham Council was referenced in the Code presented but not appended.

Action:

The Board agreed that officers present the Code and the Code of Conduct for Lewisham Council to the Board's next meeting.

Summary of Discretions Policy

Shida Ashrafi presented the Summary of Discretions Policy that summarises the Council's policies for the Fund and associated policies with regard to Discretionary Compensation and Discretionary Payments.

In answer to questions from Board members, Shida Ashrafi said that:

- Flexible retirement was not currently available pending development and adoption of a new flexible retirement policy;
- The policy summarised the policy on the exercise of discretions by the Council as employer and admitted bodies may adopt their own policies;
- The current version of the Summary of Discretions Policy had not been subject to legal review.

Action:

The Board agreed to recommend to the Council that:

- makes clear in a future iteration of the policy that it applies only to the Council as an employer; and
- the Summary of Discretions Policy should be subject to legal review.

Breach of Law Policy

Shida Ashrafi presented the Breach of Law Policy.

The Board noted that the draft Policy was a Council Policy. The Board noted that, nevertheless, the Policy stated that it applied the Board.

Action:

The Board agreed that officers:

- seek professional advice about the application of the Policy to the Board; and
- report back to the next meeting with recommendations in light of that advice.

The Board noted that the requirement of the Policy that breaches were reported to the Board within a month of becoming aware of the Breach.

Action:

The Board agreed:

- that a standing item should be included on the agenda for each of its meetings to receive the Breaches Log (including a report, if appropriate, that no breaches arose since the previous meeting; and
- that any breaches were reported to the Chair and members of the Board promptly between meetings.

The Board noted the Policy in so far as it applied to the Council, Members of the Council and officers.

Communications Policy

Shida Ashrafi presented the Communications Policy to the Board.

The Board had a wide ranging discussion about the Policy.

Action:

The Board recommended to the Council that in future versions of the Policy:

- there should be a commitment to timely communication with Scheme members;
- the 'other bodies' section is reviewed to ensure that:
 - all relevant parties are identified; and
 - service providers and advisors are identified by role rather than name to minimise the risk of the Policy becoming out of date;
- there should be a clear articulation of the overall principles for communication, including accessibility.

The Board recommended to the Council that officers consider the timescales over which the Council could implement the recommendations made.

Processes to Establish Internal Controls

Chris Flower reported that additional work would be required to complete the work requested by the Council.

Action:

The Board agreed that:

- it would receive an update to the next meeting of the Board detailing the areas in procedures in place and the date of last review; and
- it would receive an update on preparation of procedures for benefit calculations to the subsequent meeting of the Board.

Pooling

The Board received a presentation from Katherine Nidd.

Action:

The Board agreed that it would receive an update at its next meeting on:

- the respective responsibilities of the London CIV and the managers appointed by it;
- the associated control activities undertaken by the London CIV; and
- the mechanisms for obtaining assurance over the operation of controls operated by the London CIV.

Internal Audit

Shida Ashrafi presented the internal audit report on pension scheme administration to the Board.

The Board noted the report.

Training

Chris Flower provided an update to the Board and presented a draft Knowledge and Understanding Policy.

Action:

The Board:

- agreed that the Policy should be amended to reflect the identification of collective training needs and the provision of collective training; and
- delegated to the Chair of the Board approval of the Policy so amended.

5. Work Programme

Chris Flower presented a proposed work programme for the Board.

Action:

The Board:

- agreed the work programme included in the agenda papers; and
- asked officers to confirm that the work programme included:
 - all areas required to be considered by the Board by legislation and guidance; and
 - all current and planned Council policies relevant to the functions of the Board.

6. Future Meeting Dates

The Board agreed the future meeting dates included in the agenda papers.

7. AOB

No other business was raised.

The meeting closed at 4.30pm