

Appendix 1

DRAFT MINUTES OF THE PENSION BOARD

Thursday 16 March 2023 at 2pm

PRESENT: Stephen Warren, Sherene Russell-Alexander

Also present: Katharine Nidd, Chris Flower, Shida Ashrafi, Samantha Harlow

In attendance virtually: Gary Cummins, Mark Adu-Brobbey

Apologies: Rowann Limond

1. Minutes

The Minutes of the last meeting were agreed.

2. Declarations of Interest

No interests are declared.

3. Action Log

3.1. The Service Group Manager for Pensions and Payroll gave a verbal progress update stating that in the last financial year, the pension administration did not have an internal audit- the process had taken place last year and a comprehensive audit was done. The low recommendation was that the auditors required a report to be run as of 31 March every year.

3.2. On the Administration strategy, the SGM stated that provisional timelines have been provided. The actions and needs to be communicated with employers and these actions will be on the agenda for the June meeting.

3.3. RESOLVED the provisional administration strategy with timeframes to be circulated to Board outside of cycle by Treasury and Investment Manager.

3.4. There will be a low carbon focus workshop for PIC members for which Pension Board members will be invited.

4. Breaches Log

4.1. RESOLVED that there were no breaches to report.

5. Training Log

5.1. The completion of toolkit assessment is outstanding for 2 of the Board members. The Chair urged Board members to complete this and stated it would be beneficial for their role on the Board. The new Board member will have 6 months to complete.

6. Terms of Reference

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- 6.1. The HFSPC highlighted that Board have duty to review annually. She highlighted changes: the date had been removed to be replaced with date of appointment and replaced with how appointments are made; it also highlights how the appointment notification works; the changes of Lewisham Homes referring back into the Council may require the Board to make changes to the Terms of Reference as well as the appointment of employer representatives.
- 6.2. Members had no further comments to add. The Chair stated that the Board should defer final consideration to next meeting with officers proposals, to give time to the context added in the meeting.

7. General Update

- 7.1. The HFSPC presented the report and discussed the following recommendations: to note changes to statement of accounts; note the draft report template for reporting breaches of late payment; note the retendering of advisory and actuarial service; note the net zero target setting and note the draft investor belief statements.
- 7.2. It was discussed that the audit of accounts had now been signed off. The were re-presented to PIC in February and it was agreed to delegate to section 151 officer to sign off.
- 7.3. The key changes were that the fund valuation had an increase by £2.5m. It was concluded that audit had been completed and ready to be signed off and that completion of the accounts would be by end of March.
- 7.4. The Board discussed the report of payment failures template. The template captured what the requirements are. It was said that a full report will be at Board in June after finalised. Consideration of materiality, what is due and received and defining a reasonable period will be detailed in the report.
- 7.5. The Board then discussed the use of framework and the officer stated that it was determined the LGPS national framework was the preferred framework. There was an option to seek own provider with a small fee attached. It was said that there are pros and cons to both options but the national framework comes with a no-fault break clause.
- 7.6. The officer then discussed that the PIC is clear on its intent for a net zero target which officers support. It is important for the Committee to set a target that is realistic- understand the complexities and risks. In March/April it was discussed that net zero considerations workshop led by Hymans will take place with Pension Board to be invited. This would help set a clear indication of where the Fund is and the appropriate net-zero target.
- 7.7. The officer then discussed the responsible investor belief statements. A questionnaire was distributed to PIC to understand their ideas and targets for the statement. A workshop also took place in January. The draft belief statement by Hymans has now been adopted.

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7.8. RESOLVED the report be noted.

8. Work Programme

8.1. RESOLVED the report be noted.

9. AOB and Future Meeting Date

9.1. The following meeting dates in June and September had been changed to 26 June and 25 September.

9.2. RESOLVED the report be noted.

10. Exclusion of Press and Public

10.1. It was 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:-

11- General Update Part 2

10.2. RESOLVED the Board agreed to exclude the press and public.

11. General Update Part 2

11.1. It was the officer recommendation to review and note the items of the report.

11.2. There was a detailed discussion on PIC's "Meet the Manager Session" with Schroders. The HFSPC summarised the presentation which was detailed in the report. She commented that there was very good engagement from PIC, who asked detailed questions around property markets and property funding.

11.3. RESOLVED that the report be noted.