

MINUTES OF THE PENSION BOARD

Monday, 11 March 2024 at 2.00 pm

MEMBER PRESENT IN PERSON: Stephen Warren (Chair).

MEMBERS PRESENT REMOTELY: Gary Cummins, Mark Booker, and Sherene Russell-Alexander.

OFFICERS PRESENT IN PERSON: Chris Flower (Treasury & Investment Manager), and Jasmine Kassim (Senior Committee Manager).

OFFICERS PRESENT REMOTELY: Katharine Nidd (Director of Finance), and Tony McGuinness (Head of Financial Strategy, Planning and Commercial).

There were no apologies for absence were received.

Minutes

RESOLVED that the Minutes of the meeting of the Pension Board held on 15 December 2023, be confirmed, agreed, and signed as an accurate record.

2. Declarations of Interest

No interest was declared at the meeting.

3. Breaches Log

3.1 The Treasury and Investment Manager presented an update report to the Board about the Breaches Log.

3.1.1 The Board received the report, and noted that no breach occurred since the last meeting.

RESOLVED that the report be noted.

4. Actions Log

4.1 The Treasury and Investment Manager presented an update report to the Board about the Action Log.

4.1.1 The Board received the report, and noted that an item on the log, the Risk Register, would be considered in June 2024 to ascertain whether there should be additional controls and that the report would also contain reasons for tolerating risks when reviewing existing controls.

RESOLVED that the report be noted.

5. Training log and forthcoming training and events

5.1 The Treasury and Investment Manager presented an update report to the Board about the Training log and forthcoming training events.

5.1.1 The Board received the report, and noted that following members had successfully completed the Pension Regulator Toolkit:

- Sherene Russell-Alexander; and
- Mark Booker

5.1.2 On behalf of the Board, the Chair, Stephen Warren, congratulated the members on their success, and he welcomed Mark Booker to his first Pension Board meeting in Lewisham.

RESOLVED that the report be noted.

6. General update - part one

6.1 The Board received an update report about activities/events since the last meeting. The report was presented by the Head of Financial Strategy regarding the following:

6.2 Reporting and Monitoring Policy for Payment of Contributions

6.2.1 The Board welcomed report that the draft Policy documents were related to procedures:

- on how the Admitted and Scheduled bodies pension schemes would be set up and how their payments and returns would be monitored;
- on how the payments would be received and reconciled to the Admitted and Scheduled Bodies returns to ensure that the correct employees and employer's contributions would be paid; and
- on how to report non-payments of contributions.

6.2.2 In response to an enquiry, the Director of Finance advised the Board that whilst the Council had not implemented such a policy in the past, it should be noted that existing practices were robust, indicated by the fact that there was nothing of significance that officers felt should be reported to the Pension Regulator in terms of lateness.

6.2.3 The Director of Finance also confirmed to the Board that the proposed Policy had outlined the definition of what a material payment should be for the Council in terms of lateness.

6.2.4 The Board noted that once that once the Policy was finalised and implemented, Officers would commence regular reporting to the Pension Regulator.

6.3 The Draft Administration Strategy

6.3.1 The Head of Financial Strategy, Planning and Commercial confirmed to the Board that the draft Administration Strategy was revised following comments at the last meeting, and that the updated version would be presented to the Pension Investment Committee (PIC) in June 2024 for approval.

6.3.2 The Board noted that once the draft was approved at a meeting of PIC, the final version would be brought back to the meeting for members to endorse for implementation.

Action:
To present the approved
Strategy to the Board

6.4 The Data Improvement Plan

6.4.1 The Head of Financial Strategy, Planning and Commercial advised the Board that there had been a delay in implementing the Data Improvement Plan due to an IT glitch and dealings with the supplier. It was stated that senior officers were informed because of the likelihood of slippages regarding the Council's pension funds readiness for the Pension dashboard.

6.4.2 In response to an enquiry, the Director of Finance clarified to the Board that while there was the likelihood for there to be some slippages because of the delay, the impact in terms of the readiness for the Pension's dashboard was unlikely because Council had built-in resilience for such mishaps. It was confirmed that a consultant had been appointed to manage the project implementation.

6.4.3 The Board also welcomed confirmation by the Director of Finance that because of the nature of the risk, the delay would be reflected in the Council's Risk Register as part of the regulatory compliance reporting process.

6.5 Other Pensions Business

6.5.1 The Board was advised by the Head of Financial Strategy, Planning and Commercial that the Pension Administrative team had sent out 1800 Life Certificates to all Pensioners from the age of 80 to 95, and that pension payments would be suspended for April's Pension to allow the return of 139 outstanding life certificates.

- Actions:**
- (1) Officers and report back on the frequency of life certificates.
 - (2) Officers to explain why pensioners between the ages 80 to 95 were selected in the circumstance.
 - (3) Officers to report back to the next meeting mechanisms for assessing pensioners for the return of life certificates.

6.6 **The Government's Consultation on Local Government Pension Scheme (LGPS Pension Funds)**

6.6.1 The Head of Financial Strategy, Planning and Commercial asked the Board to note the summary of the main points from the consultation exercise in the report.

6.6.2 The Board noted that officers attended an online meeting hosted by Local Government Pension Fund forum hosted with the LGPS Minister, and that they were benchmarking with other local authorities to share and learn best practice regarding the application of recent reforms to the LGPS pensions funds. The Director of Finance added that there would likely be additional reporting as of next year because of the reforms.

6.6.3 Commenting on paragraphs 7.4 and 7.5 in the report, the Board expressed a view that a shift in the budget statement relating to UK investment schemes could lead to a lot of occupational pension schemes having a very high UK exposure.

6.7 **The New General Code of Practice from the Pensions Regulator**

6.7.1 The Head of Financial Strategy, Planning and Commercial advised the Board that although the new General Code of Practice from the Pensions Regulator would come into force on 28 March 2024, organisations had greater flexibility on timing for implementation. It was confirmed that work was ongoing to identify and assess potential problems and how it would impact on the Council's practices in terms of its Pension Fund arrangements and processes, and the Risk Register.

6.7.2 Members expressed a view that implementation of the Code would be central to the work of the Board in terms of gap analysis of the existing practices against the requirements. Thus, as the first risk analysis should take place within 12 months of the first full scheme year, which would end on the 31st March 2025, it would be realistic to expect that the actions in that regard would be completed by the 31st March 2026.

Action:

Officers to report at each meeting about the proposed actions, with a focus on the functions of the Board, and from the Pension Regulator's point of view.

RESOLVED that the updates in the report be noted.

7. **Work Programme**

7.1 The Treasury and Investment Manager presented an update report relating the Work Programme of the Board.

7.1.1 The Board received the report, and noted activities for the next four quarters.

7.1.2 Commenting on the list of work activities, the Director of Finance advised the Board that officials from the auditors KPMG had informed that they would not be starting work with the Council on 1 June 2024 due to other commitments that they had. Thus, the audit work would start in September 2024. Notwithstanding that, on the closure of accounts, the Council would comply with the change in deadline for publishing its financial statements. It was stated that the Council also had clear deadlines for internal reporting, with plans for audit work to be substantively completed by the end of November, although potential final markups could be finalised in January 2025.

Action:
PIC and Board members to be kept apprised on progress.

RESOLVED that the report be noted.

8. Any Other Business

There was no other business for consideration by the Board.

9. Future Meeting Dates

It was confirmed that the next meeting of the Board would be held on 18 June 2024.

The meeting closed at 2.48pm