

## **Pension Board**

Meeting held on Thursday, 12 January 2023 at 2.00 pm in Room 1.03, Bernard Wetherill House, 8 Mint Walk, Croydon CR0 1EA

### **MINUTES**

**Present:** Michael Ellsmore (Chair);  
Co-optees: Richard Elliott, Teresa Fritz, Ava Payne and David Whickman  
Councillor Margaret Bird

### **PART A**

#### **37/20 Minutes of the Previous Meeting**

The minutes of the meeting held on 13 October 2022 were agreed as an accurate record.

A member of the board stated that he would like to have an action tracker which would allow members to track the progress of the action points from previous meetings.

#### **38/20 Disclosure of Interests**

The Chair explained that he believed that if an individual had been appointed by an employer and there was a conflict with a matter that related to the administering body then members should declare an interest.

#### **39/20 Urgent Business (if any)**

The Chair stated that members of the board were not covered by the Council's insurance policy as they had their own separate insurance policy. In order for Board members to renew their insurance policy they individually confirmed that they were not aware of any claims, circumstances, investigations, legal proceedings or any other matters that would give rise to a claim under the insurance policy.

#### **40/20 Update following Pension Committee December 2022**

The Acting Head of Pensions and Treasury introduced the report and explained to Members that the report summarised what was discussed at the

previous Pensions Committee meeting. There were no amendments to the risk register and the Committee agreed to amendments to the constitution, such as, Board member remuneration, the voting rights of Staff Representatives on the Committee, and maintaining one pensioner voting member.

In response to questions from members, officers informed the Board that the proposed allowances would have to be taken to the Monitoring Officer before they could be added to the constitution.

**RESOLVED:**

- To note the most significant matters arising from the meeting of the Pension Committee on 6 December 2022.

**41/20 Pensions Administration Team KPI Report September to November 2022**

The Pension Manager introduced the report and stated that there was a notable increase in the number of leavers that had been completed in their Key Performance Indicators (KPIs). The Board heard that it was hoped that this improvement would continue, as the Pensions Administration Team had worked through their backlog.

The Pension Administration Team had sent notifications to members of the pension scheme, who they had calculated benefits for, to encourage them to log onto the pensions scheme member self-service. Officers would also be notifying employers to encourage them to inform their active members to sign up to the pension scheme member self-service.

The Pension Administration Team had completed their annual allowance calculation processes ahead of the October 2022 deadline. The Pension Administration Team had also received their data quality assessment scores; they scored 97.4% on the common data, 96.4% on the scheme specific data and had made a start on clearing any errors.

The Pension Administration Team had appointed a new administrator who would be joining the team shortly and there was a senior administrator who had recently returned from maternity leave.

The Pension Manager explained that in regard to cyber security, the team had finished their mapping phase and had contacted AON for support on the next step in the process.

In response to questions from members, officers informed the Board that the graph in the report contained information from three different reports. The purple bars on the chart represented the outstanding tasks and the vast majority of these were related to the tracing tasks backlog work which officers were in the process of clearing. The light blue line on the chart represented the work that had been completed during the specified period and the dark blue line represented the new cases that had been added of the specified period. The Board heard that approximately 1/3 of the backlog involved cases that had been transferred from other local authorities.

The Pension Manager agreed to present a report which would provide an update on the cyber security project at a future meeting.

#### **RESOLVED:**

- To note the Key Performance Indicators and the performance against these indicators set out in Appendix A to this report.

#### **42/20 Review of Breaches Log**

The Acting Head of Pensions and Treasury introduced the report and explained that four amendments had been made to the breaches log since the last Pension Board meeting. The rating for the Hymans backlog project had been changed to green, as the project had been completed. The other three entries related to the annual reporting accounts; this included the 2019/20; 2020/21 and the 2021/22 accounts which were all outstanding. The grading of these entries had been changed to amber.

The issue with Councils accounts had been experienced across the Local Government Pension Scheme, as there was an ongoing accounting issue with valuation of infrastructure. The Acting Head of Pensions and Treasury stated that officers would aim to publish an unaudited form of the Annual Report and Accounts for 2021-22 soon.

In response to a question from a member, the Board were informed that in the public sector pension funds were not a separate legal entity and formed part of the Council's accounts. However, there was a separation in terms of assets

which was part of legislation. The Acting Head of Pensions and Treasury had not reported the unaudited accounts to the Pension Regulator as the actuary was still content to sign off on the valuation. The Acting Head of Pensions and Treasury did not feel as though having unaudited accounts would have a negative impact on member experience as they were still having their benefits paid, however, if members of the Board felt as though it should be reported to the Pension Regulator then he would be willing to do so.

**RESOLVED:**

- To note the contents of the Pension Fund Breaches Log, Appendix A.
- To support the notion to report the three years of unaudited accounts to The Pensions Regulator.

**43/20 Progress on Governance Review Action Plan**

The Acting Head of Pensions and Treasury introduced the report and explained that following a discussion in July, officers went through the recommendations from the AON governance review. Officers were then able to draft the governance action plan which contained completed items and items which were still to be completed.

In response to a question from members, it was explained that officers had contacted the legal pensions representative in regard to the conflict-of-interest policy, and the Council were currently focused on Council business rather than the business with the Pension Fund. The conflict-of-interest policy had been drafted but had been with the Council's legal team for several months. The Section 151 Officer was responsible for reviewing the structure of the Pensions department in the Council. The Acting Head of Pensions and Treasury did not believe that the review would be completed by March 2023.

The Board expressed its continued frustration at the delay in the agreement with the conflict-of-interest policy.

**RESOLVED:**

- To note the progress made in completing the actions agreed as detailed in the Governance Review Action Plan.

#### **44/20 Publishing Board Information**

The Acting Head of Pensions and Treasury introduced the report and explained that as part of the Pensions Regulator recommendations, the members of the board would have to determine the information that should be published about individual board members.

In response to a question from members, officers informed the Board that the Pension Committee members would be asked if they would have information published about them.

#### **RESOLVED:**

- To agree the information to be published on the Fund's website in respect of Pension Board members as set out in paragraph 3.5.
- The Board agreed to have information published but recommended that this should be mirrored by the Pensions Committee.

#### **45/20 Communications Policy**

The Acting Head of Pensions and Treasury introduced the report and explained that the communications policy was last considered by the Pension Board and Pension Committee in 2019. Officers had made small changes to the policy and brought the policy to the meeting to ensure that Board Members were happy with the policy that had been drafted.

In response to a question from a member, officers informed the Board that they would consider drafting an ancillary document which would make the information more palatable for members of the scheme to digest when they view their statement. A member of the Board stated that he did not feel as though the schemes contact with employers was proactive enough and this was reflected in the communications policy. Officers informed members of the board that the administration strategy, which was yet to be presented to the board, contained a plan on how the service could become more proactive rather than reactive.

#### **RESOLVED:**

- To comment on the draft Communication Policy Statement.

#### **46/20 Review of Pension Board Member Training**

The Acting Head of Pensions and Treasury introduced the item and explained that the report documented the training undertaken by the members of the Pension Board over recent months; officers were happy with the attendance for the sessions which had been on offer. The Pension Board had a 100% completion rate of the Hymans knowledge assessment, which would enable officers to identify future training needs across the Pension Board and Pension Committee.

In response to questions from members, officers informed the Board that any training that the Board Members went on would be documented and that members would need to inform officers of any sessions that they had attended. There would be a session with the Members of the Pension Committee to discuss the investment strategy review to formulate the views of the Committee around issues such as climate change.

#### **RESOLVED:**

- To note the contents of the Pension Board Training Log.

#### **47/20 SAB and TPR Update December 2022**

The Acting Head of Pensions and Treasury introduced the report and explained that attention had been drawn to the reporting of climate risk and task force on climate-related financial disclosures (TCFD) reporting and officers would rely on their investment advisors to assist with the reporting requirements. The Acting Head of Pensions and Treasury stated that the first reporting year would be 2023/24.

#### **RESOLVED:**

- To note the contents of this report.

The meeting ended at 2.49 pm

**Signed:**

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**Date:**

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