

MINUTES OF MEETING PENSIONS COMMITTEE AND BOARD HELD ON Monday, 21st January, 2019, 19:00 – 20:50

PRESENT: Cllr Matt White (Chair), Cllr John Bevan (Vice-Chair), Cllr Khaled Moyeed, Cllr Viv Ross, Cllr Liz Morris, Ishmael Owarish, Keith Brown, and Randy Plowright.

231. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein.

232. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Dennison; Cllr Morris substituted.

Apologies for lateness were received from Cllr Bevan.

233. URGENT BUSINESS

Quentin Given, on behalf of Wood Green Friends of the Earth, presented a petition to the Pensions Committee and Board (PCB). The Chair formally accepted the petition and informed that a response would be provided at the next PCB meeting on the 14th March 2019.

234. DECLARATIONS OF INTEREST AND CONFLICTS OF INTEREST

No declarations of interest were made.

235. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

Cllr White, Cllr Bevan, Cllr Moyeed, Cllr Morris, Cllr Ross, Randy Plowright, Keith Brown and Ishmael Owarish attended a training session delivered by the Fund's actuary. 21/01/2019.

Further notification of training received prior to the meeting had been submitted as follows:

Cllr White

- Attended Local Authority Pension Fund Forum, conference – 5/12/2018 – 7/12/2018

Cllr Bevan

- Attended Local Authority Pension Fund Forum, conference - 5/12/2018 – 7/12/2018

- Attended SPS Private Equity Investors Annual Seminar - 11/12/2018
- Attended SPS Annual Bond Investment Strategies for Pension Funds - 10/01/2019

236. MINUTES

A correction to the minutes of the previous meeting was made to include Cllr Ross in the pre-meeting training session at Item 218.

Resolved

That the minutes of the meeting held on the 20th of November 2018 be approved as a correct record of the meeting.

237. PENSIONS ADMINISTRATION REPORT

This report, introduced by Janet Richards, Pensions Manager, detailed a breakdown of the number of visits made to the Haringey Pension Fund website. The PCB was informed that, on average, the website received 396 users per month, who each viewed approximately four pages.

The Pensions Manager took the PCB through the document at Appendix 1, 'Pensions Administration Strategy', which had been revised to include new appendices 16 – '*Employer Admissions small TUPE transfers*' and 17, '*Communication*'. This draft updated strategy had been sent to employers for observations, but as yet no response had been received by the Pensions Team.

Following discussion, the following was noted:

- The 'named individual' referenced on page 20 should be amended for clarity to name the relevant officer position or member of the team acting as the employer liaison officer;
- Officers informed the newsletter referenced on page 21 would be sent electronically alongside the Annual Benefit Statement to recipients (unless recipients had opted to continue to receive their statements by post);
- The timescale by which all active and deferred members would be issued their Annual Benefit Statements was 31st August, in accordance with the relevant LGPS regulations. Officers confirmed this date would be included in the strategy;
- Officer informed that employers had an obligation to inform the Fund of material changes in employees' circumstances within 10 working days of receipt of notice;
- Reminders would be sent to members (including those who had left the authority) to create a members' self-service account this year. Through this, members would receive their Annual Benefit Statement electronically from next year, unless they opt to continue to receive this through the post.
- The use of an email address was highlighted as being more consistent than a home address with the former less likely to change. If members sought to change their email address, they would be able to do so on the members' self-service site.

Resolved

1. That the Committee and Board note that the report gives a breakdown of the number of visits made to the Haringey pension fund website.
2. That the Committee Board note and approve the Pension Administration Strategy Statement.

238. EQUITY PROTECTION CONSIDERATION

This report, introduced by Thomas Skeen, Head of Pensions, provided information to members of the Pensions Committee and Board regarding different equity protection strategies. The report sought for the PCB to consider commissioning a paper on the Fund pursuing equity protection options.

This item was further discussed in the exempt part of the session.

Resolved

That the Committee and Board note Confidential Appendix 1, presented by the Fund's Investment Consultant, Mercer.

239. LOCAL GOVERNMENT PENSION SCHEME POOLING CONSULTATION

This report, introduced by the Head of Pensions, provided information to members of the Pensions Committee and Board regarding a recent consultation released by the Ministry and Housing Communities and Local Government (MHCLG) regarding pooling of Local Government Pension Scheme (LGPS) assets. The PCB was informed that the consultation period would be held over a period of twelve weeks and would close on 28th March 2019. After consideration of responses to the Consultation the MHCLG would then proceed to issue formalised Statutory Guidance on Asset Pooling.

The Fund's Independent Advisor, John Raisin, introduced his report prepared for the PCB at Appendix 1. He explained the history and development of asset pooling since guidance was first issued in 2015. The MHCLG was now developing statutory guidance with helpful definitions included, such as of '*Pool*' and '*Pool Fund*'. The statutory guidance also introduced a clear governance structure which would impact on the Fund's pool, the London CIV. It was noted that the governance structure did not accommodate employee representatives and also that the proposed guidance was silent on the provision of "*proper advice*" that individual LGPS Funds must take in formulating their Investment Strategy Statement. Overall, the Independent Advisor claimed the introduction of the statutory guidance was welcomed as it created certainty and would help asset pooling without undermining Fund positions.

Following discussion, it was noted that it was not clear to the PCB how the eight members of the Shareholder Committee of the London CIV were selected. The PCB had concerns over the political balance of that Committee. Officers confirmed the CIV had explained to them that membership had been decided by London Councils putting forward candidates it deemed to have the most relevant knowledge in certain areas.

Consideration had also been given to location, gender and diversity, amongst other factors.

The Head of Pensions would draft a response on behalf of the London Borough of Haringey Pension Fund in consultation with the Chair of the PCB and then circulate that response to PCB members via email (**Action: Head of Pensions**).

Resolved

The Committee and Board note the contents of this report, and any other verbal updates provided by officers and the fund's Independent Advisor in the meeting.

240. LOCAL GOVERNMENT PENSION SCHEME UPDATE

This update on the Local Government Pension Scheme (LGPS), introduced by the Head of Pensions, provided information to members of the PCB regarding recent developments within the LGPS.

The Fund's Independent Advisor outlined his report at Appendix 1 (page 77). The main issues within the report related to the Scheme Advisory Board project, Investment Pooling, Investment Cost Transparency, the Section 13 Review of the 2016 LGPS Actuarial Valuation, and The Pensions Regulator and the LGPS.

Following discussion, the PCB were concerned at the drive to concentrate actuaries and investment consultants, and queried whether this was in the best interests of the Fund. The PCB saw merit in the existing structure as being competitive, such as in the discounts offered, which would become less common if an amalgamation of actuaries and investment consultants were to take place.

Resolved

That the Committee and Board note the contents of this report, and any other verbal updates provided by officers and the Fund's Independent Advisor in the meeting.

241. FORWARD PLAN

This report on the Forward Plan for noting, introduced by the Head of Pensions, detailed the topics that would be brought to the attention of the PCB through March 2020. The report also sought Members' input into future agenda items.

The PCB noted that the 14th March meeting would include a review/update of the Internal Disputes Resolution Policy.

The Head of Pensions requested members update him with regard to any changes in Appendix 3 (Public Sector Toolkit and Training Needs Analysis completion).

Resolved

That the Committee note the report and the Forward Plan.

242. RISK REGISTER REVIEW

The PCB considered this report for noting on the Risk Register, introduced by the Head of Pensions. It was advised this was a standard item on the agenda and that the PCB had a legal duty to review internal controls and the management of risks.

Regarding the red rated risk - '*Frequent and/or extensive turnover of committee members causing a loss of technical and operational knowledge about the Fund and an inexperienced Committee/Board*', the Chair reminded the PCB of the commitment made by the Labour and Liberal Democrat Whips to retain the maximum possible consistency in the membership of the PCB until the next Local Government elections. It was considered to be impractical to amend the terms of reference for the PCB's membership through the Council's Constitution, due to the extensive process this involved. The Head of Pensions informed that this risk would be reviewed in May 2019.

Councillor members raised concerns over PCB meetings clashing with meetings of other Committees (such as the Regulatory Committee) which had prevented their attendance on occasions. (**Action: Clerk to raise**).

Resolved

1. That the Committee note the risk register.
2. That the Committee note the area of focus for this review at the meeting is 'Funding' and 'Liability' risks.

243. EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the press and public be excluded from the meeting for consideration of item 8 as it contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); para 3; namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

244. EQUITY PROTECTION CONSIDERATION

As per the exempt minutes.

245. EXEMPT MINUTES

Resolved

That the exempt minutes of the meeting held on the 20th of November 2018 be approved as a correct record of the meeting.

246. NEW ITEMS OF URGENT BUSINESS

There were no new items of urgent business.

CHAIR: Councillor Matt White

Signed by Chair

Date