

AGENDA ITEM 5.

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
REVIEW OF THE WORK OF PENSIONS COMMITTEE APRIL 2021 - SEPTEMBER 2021 Pensions Board 11th October 2021	Classification PUBLIC	Enclosures One
	Ward(s) affected ALL	AGENDA ITEM NO.

1. INTRODUCTION

- 1.1 The purpose of this report is for the Pensions Board to consider the work undertaken by the Pensions Committee at its meetings in the period from April 2021 to September 2021 and to note items that are relevant to the work of the Pension Board.

2. RECOMMENDATIONS

- 2.1 The Pensions Board is recommended to note this report.

3. RELATED DECISIONS

- 3.1 Pensions Committee (16th June 2021)
- 3.2 Pensions Committee (30th September 2021)

4. COMMENTS OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES

- 4.1 Understanding the remit of and decisions taken by the Pensions Committee helps the Pensions Board to assist Hackney Council as the administering authority in ensuring the efficient and effective governance and administration of the Fund, in

line with its statutory duties. Good governance of the Fund helps to ensure its long term financial health and that of its stakeholders, including the Council.

4.2 There are no immediate financial implications arising from this report.

5. **COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES**

5.1 The role of the Pensions Board is prescribed by Section 106 of the Local Government Pension Scheme Regulations 2013 and includes the following:

- Securing compliance with the Local Government Pension Scheme Regulations 2013 and any other legislation relating to the governance and administration of the Scheme and any connected scheme
- Securing compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme and any connected scheme
- Ensuring the effective and efficient governance and administration of the Scheme and any connected scheme

5.2 Reviewing the work and decision-making processes of the Pensions Committee helps the Board to ensure that decisions are being taken in line with the Local Government Pension Scheme Regulations 2013 and other relevant legislation, and that the scheme's governance and administration processes are efficient and effective.

5.3 Taking into account the role of the Pensions Board as set out in the Regulations, the consideration of the work of the Pensions Committee would appear to properly fall within the Board's remit.

6. **BACKGROUND TO THE REPORT**

6.1 Whilst not a decision making body for the Pension Fund, the Board does have a broad remit to review the decision-making process of the Pensions Committee and in particular, matters relating to scheme administration and governance. The links to the Committee meetings covered in this report are as follows:

- June 2021:

<https://drive.google.com/drive/folders/14lcxLdnT2oi2egSVDXFM-MGlunQhiDkL?usp=sharing>

- September 2021:

https://drive.google.com/drive/folders/1Hu4_0bJ9cIC5hGT-1JmHB_gsE_03YnZN?usp=sharing

- 6.2 In addition to the above formal meetings, a workshop was held on 22nd September 2021 in order for members of the Committee to discuss in detail the development of the Committee's approach to responsible investment strategy and policy and to start considering a refresh of its climate change target.
- 6.3 At its June 2021 meeting, the Committee considered the following reports:
- Responsible Investment - Fund Manager Policies and Alignment
 - Funding Strategy Statement Update
 - Actuarial Funding Issues and Update
 - Quarterly Update
 - Regulatory Update Report
 - Fund Administration Policy Updates
- 6.4 At its September 2021 meeting, the Committee considered the following reports:
- Cashflow Monitoring
 - Funding and Investment Considerations
 - Quarterly Update Report
 - Employer Flexibilities
 - Responsible Investment Update
- 6.5 Where Pensions Committee work has specific relevance to the Pension Board and where the subject matter is such that it would be helpful for the Board to consider it in greater detail, these have become dedicated papers for the Board agenda. In other areas, it is worth highlighting either reports or elements of Committee reports that are of relevance to the Board.
- 6.6 As a standing item on the Pensions Committee agenda, the quarterly monitoring report provides both the Pensions Committee and the Board with an update on the key facts pertaining to the Pension Fund. Updates are usually provided on funding, investment performance, budget monitoring, responsible investment, pensions administration and reporting of breaches. Key to the role of the Board is ensuring that the Fund is being administered in accordance with the regulations and the quarterly report helps demonstrate that the Committee receives regular updates on a number of issues covered by statute. Of particular relevance to the Board are the sections on administration performance and reporting breaches
- 6.7 Key items particularly relevant to the Board from the June 2021 meeting were the Funding Strategy Statement Update, the Regulatory Update Report and the Fund Administration Policy Updates
- 6.8 At its September 2021 meeting, the Committee approved further additions to the Funding Strategy Statement in respect of employer flexibilities.

- 6.9 At both meetings, along with the workshop in September 2021, the work to revise and refresh the Committee's approach to responsible investment progressed further and the Committee is starting work to refresh its climate change policy and target.
- 6.10 Immediately prior to its September meeting, an induction training session was also held, specifically for new members of the Pensions Committee. A copy of the slides presented at the training session is attached at Appendix 1 for Board's information.

7. UPCOMING WORK

- 7.1 Over the coming months, the main focus of the Committee will be the final stages of the implementation of the investment strategy and further work on the development of its responsible investment policy, including environmental, social and corporate governance issues. Alongside this the Committee will be considering the Fund's 2020/21 Annual Report and Accounts and work relating to the forthcoming triennial valuation.
- 7.2 The Committee will continue to receive updates on major projects including the McCloud rectification, GMP rectification and the Pensions Data Service.

Group Director of Finance & Resources

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Appendix - Pension Committee Induction Training Slides