

Title of Report	Review of Pensions Committee Work
For Consideration By	Pensions Board
Meeting Date	22nd September 2022
Classification	Open
<u>Ward(s) Affected</u>	All
<u>Group Director</u>	Ian Williams, Group Director Finance & Corporate Resources

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 2022 to September 2022 and to note items that are relevant to the work of the Pension Board. It also includes a forward look at the upcoming work of the Committee during 2023.

1.2.

2. Recommendations

2.1. **The Pensions Board is recommended to:**

- Note the report

3. Related Decisions

3.1. None

4. Comments of the Group Director of Finance and Corporate Resources.

5. 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.

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

7. **Comments of the Director of Legal, Democratic and Electoral Services**

- 7.1. 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
- 7.2. 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.
- 7.3. 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.

8. **Background to the Report**

- 8.1. 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.
- 8.2. 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.
- 8.3. The links to the Committee meetings covered in this report are as follows:
- March 2022

<https://hackney.moderngov.co.uk/ieListDocuments.aspx?CId=499&MId=5271&Ver=4>

- June 2022

<https://hackney.moderngov.co.uk/ieListDocuments.aspx?CId=499&MId=5459&Ver=4>

8.4. At its March 2022 meeting, the Committee considered the following reports:

- Responsible Investment Policy
- Risk Policy
- Procurement & Contracts Update
- Administration Strategy
- Business Plan
- Quarterly Update Report
- Cyber Security Policy

Key items particularly relevant to the Board were the Risk Policy, the Procurement & Contracts Update, the Administration Strategy, Business Plan and the Cyber Security Policy.

8.5. At its June 2022 meeting, the Committee considered the following reports:

- Carbon Risk Audit
- Responsible Investment - Next Steps
- Quarterly Update Report
- Third Party Administration Performance Update
- Actuarial Valuation - Council Contribution Rate
- Investment Strategy Review - Introduction
- Reporting Breaches Procedure
- Procurement & Contracts Update

Key items particularly relevant to the Board were the Third Party Admin Performance Update, the Actuarial Valuation - Council Contribution Rate paper, the Reporting Breaches Procedure and the Procurement & Contracts Update.

8.6. 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.

8.7. Following the Council elections in May 2022, Cllr Michel Desmond, Cllr Polly Billington, Cllr Nick Sharman and Cllr Patrick Spence stood down from the Pensions Committee; the Fund's officers wish to thank them all for their time and effort as Committee members. Particular thanks go to Cllr Desmond, who served as the Committee's Vice-Chair for many years. Four new members have now joined the Committee; we wish to welcome Cllr Grace Adebayo, Cllr Lynne Troughton, Cllr M Can Ozsen and Cllr Ian Rathbone.

9. **Upcoming work**

9.1. Over the coming months, the actuarial valuation will remain a key focus of work for the Committee, as well as considering further changes to the investment strategy to pool more of the Fund's legacy assets and align with the 2022 funding strategy.. The Committee will also be considering its approach to Responsible Investment, including the introduction of a new set of metrics to be monitored under TCFD reporting (the Taskforce for Climate-related Financial Disclosures).

9.2. The Committee will be involved with the re-procurement of 2 key contracts for the Fund; the benefits and governance contract and the actuarial services contract. These are both up for review in early 2023. The Committee will also continue to receive updates on major projects including the McCloud rectification, GMP rectification and the Pensions Data Service.

Appendices

None

Background documents

None

Report Author	Name: Rachel Cowburn Title: Head of Pensions Email: rachel.cowburn@hackney.gov.uk Tel: 020 8356 2630
Comments for the Group Director of Finance and Corporate Resources prepared by	Name: Jackie Moylan Title: Director, Financial Management Email: jackie.moylan@hackney.gov.uk Tel: 020 8356 3032
Comments for the Director of Legal, Democratic and Electoral Services prepared by	Name: Georgia Lazari Title: Team Leader (Places) Email : georgia.lazari@hackney.gov.uk Tel: 0208 356 1369