

MINUTES OF A MEETING OF THE PENSIONS BOARD

THURSDAY 22 SEPTEMBER 2022

UNTIL FURTHER NOTICE ALL PENSION BOARD MEETINGS WILL BE HELD REMOTELY

THE LIVE STREAM CAN BE VIEWED HERE:

<https://youtu.be/3qkqIJYSRXY>

Members Present: Samantha Lloyd (Chair)
Michael Hartney

Officers in Attendance: Rachel Cowburn (Head of Pensions)
Jackie Moylan (Director of Financial Management)
Peter Gray (Governance Officer)

Also in Attendance: Catherine Pearce (Aon)

1 Apologies for Absence

1.1 There were no apologies for absence

2 Declarations of Interest - Members to declare as appropriate

2.1 There were no declarations of interest.

3 Minutes of the previous meeting

RESOLVED:

To agree the Minutes of the previous meeting were agreed as a correct record as amended as follows:

4 Training - Accounting, Procurement

4.1 Catherine Pearce presented to the Board, highlighting the following:

- Procurement rules;
- Chartered Institute of Public Finance and Accounting requirement;
- Chartered Institute of Public Finance and Accounting competencies for Board Members;
- Public Procurement Requirement

- Equalities of treatment for bidders;
- Local Government Pension Scheme Bidders.

4.2 The Chair asked for clarification on Norfolk Council were the Lead Council. It was noted that this Council had volunteered to be the Lead Council.

5 Actuarial Valuation - Whole Fund Results and Funding Strategy Statement

5.1 The Head of Pensions introduced the report providing the Pensions Board with an update on the Fund's 2022 triennial actuarial valuation. It set out the whole fund results of the valuation and the initial results of the valuation and presented a draft Funding Strategy Statement prior to consultation with employers.

5.2 The Head of Pensions told the Board that under the Local Government Pensions Scheme Regulations 2013, the Pension Fund is required to undertake a formal actuarial valuation every 3 years to establish its funding position and to set the contribution rate for the following three years. At the previous valuation the single funding level stood at 92%. With the changes in economic circumstances the single funding level stood at 106%. This was driven by good asset performance and the significant change to the guilds in the past months, reducing the valuation of liability. There had been a substantial change to the funding position which had wiped out the Fund's historic deficit. In the current economic environment it now appeared that the cost of future servicing was increasing. The current spike in inflationary pressure was expected to be short term.

RESOLVED:

- To note the whole fund reported funding position and the assumptions on which it is based;
- To note the draft Funding Strategy Statement;

6 Pensions Fund Statement of Accounts

6.1 The Head of Pensions introduced the report on the Pension Fund Statement of Accounts sets out the financial position of the Pension Fund as at 31st March 2022, acting as the basis for understanding the financial wellbeing of the Pension Fund. Hackney Council's draft 2021/22 accounts (including the Pension Fund Statement of Accounts) were published by the deadline of 31st July.

6.2 Audit of the accounts had not yet commenced and a timetable for the audit was not yet available. There had been substantial issues around the timing of audit for this set of accounts. The deadline for the 2021/22 accounts was the end of November. Last year's accounts were delayed because of the Cyber attack. There was a national issue around the valuation of infrastructure assets and the opinion for the 2021/22 accounts was not available.

6.3 The Head of Pensions reported that the Pensions Section had not been approached in regard to the audit of the Pensions Fund Account. The key issue was the publication of the Annual Report with a requirement to publish by 1

December 2022. It was unlikely that the deadline would be met this year. It was anticipated that it would be necessary to publish the Annuals Accounts without having the accounts audited, with a draft version of the report submitted to the Pensions Committee for in principle sign off. The Board agreed with this approach to the publication of the accounts.

- 6.4 The Head of Pensions told the Board that private market assets had been taken on. There had been delays to private market valuations. Updated, different information had been received. Advice would be sought from Audit whether they would wish this updated at the point of audit.

RESOLVED:

- To note the report

7 Review of Pensions Committee Papers

- 7.1 The Head of Pensions introduced the report on the 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 included a forward look at the upcoming work of the Committee during 2023.

RESOLVED:

- To note the report.

8 Data Improvement Update

- 8.1 The Head of Pensions introduced the report providing the Board with an update on the Fund's ongoing project to improve both the quality of membership data and its timescales for issuing annual benefit statements to members. The report covered actions taken to help improve, in the longer term, the quality of data provided by the Council as an employer and to cleanse the data currently held on the pension administration system in relation to Hackney Council and schools' staff. There had been significant improvement in the quality of the data and the Council's ability to produce this when required in a timely way. The main driver of the data has been automation of the data. Equiniti had been able to produce a strong set of evaluation data. The Fund Actuary was content with the quality of the data.
- 8.2 The Board considered that this improvement in data quality was a significant achievement and asked if all parties would reflect on a periodic basis to ensure that any issues are identified at an early stage and escalated. Clarification was requested on whether the required resources were available to solve any problems.
- 9.3 The Director of Financial Management told the Board that the improved interface had made a big impact on the quality of data. Regular meetings were held with relevant stakeholders to monitor the situation with a forward look at what could cause issues in the future. The Head of Pensions confirmed that the upload had been completed for a number of months. The Consultant on data improvement was expected to step back soon when a test of available

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resources will be carried out. It was considered that the team had built its skills set in this regard. There may be initial disruption from the gradual integration of the Hackney Payroll Team with the Hackney Education Payroll Team. A report back would be made to the Board on this matter.

Action: Head of Pensions

RESOLVED:

- To note the report.

9 Any Other Unrestricted Business

9.1 There was no other unrestricted business

10 Exclusion of Press and Public

That the press and public be excluded from the remainder of the meeting as the items below contain exempt information, as defined under schedule 12A of the Local Government Act 1972.

11. Exempt Minutes

12. Actuarial Report - Exempt Appendices

13. Third Party Administration

Duration of the meeting – 10-11:30am

Chair: Samantha Lloyd

Contact: Peter Gray Governance Officer
Peter.Gray@Hackney.gov.uk