

Local Pension Board

Minutes of the Local Pension Board meeting held on 16 April 2018 (09:45am training, 10:15am formal meeting). Held in meeting room 202 – 160 Tooley Street, London SE1 2QH

- Present: Mike Ellsmore (Independent Chair)
Sue Plain – Employee Representative
Dominic Cain –Employer representative
Norman Coombe – Employer Representative
- Substitutes: Diana Lupulesc – Substitute Employee Representative
Fiona Dean – Employer Representative
- Apologies: Neil Tasker – Employee representative
- Officers: Jo Anson – Head of Financial & Information Governance
Alex Moylan – Senior Finance Manager
Caroline Watson – Divisional Accountant

Item No	Item
1	<p>Apologies:</p> <p>Neil Tasker</p>
	<p>Training Session – General Data Protection Regulation</p> <p>Jennifer Chambers</p>
2	<p>Notice of Intention to Conduct Business in a Closed Meeting</p> <p>To note the item specified below will be conducted in a closed meeting</p> <ul style="list-style-type: none"> • Agenda Item 14 - Review of PAP meeting papers <p>Resolved: There were no representations relating to this item.</p>
3	<p>Disclosures of Interest & Dispensations:</p> <p>NC: became a pensioner in fund on 1 April 2018</p>

4	<p>Minutes of Last Meeting</p> <p>The following comments were made in response to a review of the minutes:</p> <ul style="list-style-type: none"> Item 4: reference to capacity to be amended to role. <p>Resolved: that the minutes of the meeting held on 24 January 2018 are agreed as correct by the board (subject to the amendment to paragraph 4 set out above)</p>
5	<p>Action Tracker</p> <ul style="list-style-type: none"> Procurement (item 01): AM – acting head of procurement in process of reviewing advice as part of revised gateway process. SP: brought to the LPB's attention the increase in outsourcing and associated impact on the future sustainability of the LGPS. Agreed: recommendation to PAP that actuarial impact of large scale in/out sourcing is monitored on an on going basis. Additional employer representative (item 02): SP – suggested that LPB wait for new schools representative to be appointed to achieve balance. Suggested invite third union representative to July 2018 meeting. Confirmed that deputy to Tony O'Brien will be Susan Murray. Pensions Regulator Code of Practice compliance assessment (item 05): suggested that this could be done in conjunction with review of governance review.
6	<p>Administration Update</p> <ul style="list-style-type: none"> Update provided by Jo Anson Structure and staffing biggest issue Reached end of recruitment campaign for Pensions Manager. Will interview in early May Intend to review team structure after appointment made Use of Aon from project management side. Ensuring changes are in line with best practice Making progress re schools using i-Connect. Achieving on going data improvements. Training sessions carried out in February and March. Communications with members: pensioners' newsletter and plans for active and deferred members. Website: section on forms has been reviewed FD: asked if mitigations will be put in place if cannot appoint a manager. Agreed that this will be considered at the July meeting in terms of action. SP: asked about apprentice levy. Confirmed looking at options with HR and that pensions is a possible area. ME referred to agreed July deadline for performance data to be provided. ME requested training on discretions. AM confirmed this will be provided in the training session at the October meeting.

7	<p>Scheme Advisory Board – Feedback from SAB pooling workshop</p> <ul style="list-style-type: none"> • Attended by ME. Organised by LGA on behalf of SAB. All pools gave a progress update. All taking different approaches: LCIV own company whereas others have rented a platform. • LCIV and LPFA/Lancashire ahead re assets under management • Staffing major issue in LCIV – re turnover. • SP raised concerns re establishment costs vs. savings. Recognised that it may be long term before benefits are achieved.
8	<p>LCIV Consultation</p> <ul style="list-style-type: none"> • LCIV proposed strategy for consultation was tabled. • Recognised that there are currently a number of different groups in governance structure and that these require to be streamlined. • SP referred to the proposal for one trade union observer under new structure. LCIV does not have a body that oversees it. Observed that there is no equivalent of a Local Pensions Board on the pool.
9	<p>Investment Strategy Review</p> <ul style="list-style-type: none"> • The Fund had taken the decision to invest a c£150m of existing LGIM passive developed market equity assets into a new specific low carbon index managed by LGIM, taking the total of low carbon equity investments to c£300m. • A new allocation of 5% of the fund was allocated to sustainable infrastructure, with 2% allocated to Glenmont Clean Energy Infrastructure Fund III • £15m of equities sold and reinvested with TH Real Estate in order to rebalance.
10	<p>Carbon Footprint Analysis</p> <ul style="list-style-type: none"> • An update for the whole fund carbon footprint assessment was presented to the Board. That the initial estimate as provided to the Board in January had overestimated the Fund's carbon footprint, with the active mandate managed by Newton being considerably under the benchmark. • Analysis of the whole portfolio would allow the Fund to set targets for reduction in exposure that would apply across the whole fund.
11	<p>Cost Transparency</p> <ul style="list-style-type: none"> • Update provided on the progress made by the Scheme Advisory Board and the Local Government Association in implementing a code of transparency and template for investment managers to disclosure fee and expense information to LGPS clients. • Local board to be provided with summary of expense information later in the year following receipt of fee disclosure returns from investment managers.
12	<p>Work Programme and Training</p> <ul style="list-style-type: none"> • Agreed that at the next meeting in July Aon would present training to LPB members on recent and forthcoming regulatory and other developments within the LGPS.

	<ul style="list-style-type: none"> • That the Board would receive an update report on a regular basis for issues relating to employers within the fund. • Information following an ongoing review of employer discretions was to be brought to the board meeting in October. • Mercer to provide a training session in October on the investment strategy review. • Self assessment: noted that some LPB member responses outstanding.
13	<p>LPB Forward Plan</p> <ul style="list-style-type: none"> • Add LCIV update to October meeting • SP: requested that pensions administration is a standing item
14	<p>Review of PAP Meeting Papers</p> <p>Papers were reviewed and noted</p>
15	<p>Any other Business</p> <ul style="list-style-type: none"> • 2017-18 LGPS investment performance league tables to be tabled at July meeting.