

## **LOCAL PENSION BOARD**

Minutes of the meeting held at 3.00 pm on 25 October 2023

### **Present:**

Lesley Rickards (Board Member, in the Chair)  
David Kellond and Gill Slater

### **Also Present:**

Carrie Adubufour, Martin Doyle, Dan Parsons and Kerry Nicholls

### **13 APPOINTMENT OF CHAIRPERSON**

The Board appointed Lesley Rickards as Chairperson for the meeting.

**RESOLVED: That the Local Pension Board appoint Lesley Rickards as Chairperson for the meeting.**

### **14 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Emma Downie.

### **15 DECLARATIONS OF INTEREST**

David Kellond declared that he was a deferred member of the Bromley Pension Scheme.

Gill Slater declared that she was a trade union representative for Unite.

### **16 MINUTES OF THE MEETING HELD ON 27 JUNE 2023**

**RESOLVED: That the minutes of the meeting held on 27 June 2023 be agreed.**

### **17 MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 11 SEPTEMBER 2023**

**RESOLVED: That the minutes of the meeting of the Pensions Committee held on 11 September 2023 be noted.**

### **18 REPORT FROM THE PENSIONS COMMITTEE Report CSD23131**

The Board considered a report presenting reports reviewed at the meeting of the Pensions Committee on 11 September 2023 including the LPGS consultation response, the report on Pension Fund Performance Q1 2023/24 and its appendices, Apex (formerly MJ Hudson) Q1 2023/24 report and key developments

in the Local Government Pension Scheme, and the Pension Fund Annual Report and Draft Accounts 2022/23.

The Head of the Pensions Shared Service advised that the Pensions Committee had discussed and agreed the Local Authority's response to the Government consultation on accelerating collective pooling of Pension Fund assets, Levelling Up and Private Equity Investments. Whilst regional pooling could be beneficial, as seen in the recent transfer of the Local Authority's existing investment with Baillie Gifford to the London Collective Investment Vehicle which had secured a reduction in fees, a number of concerns had been identified by the Pensions Committee. This included additional fees created by transferring funds as well as asset ownership of pools held within pools. The Pensions Committee had also raised concerns around the proposed timescales for collective pooling which it was proposed be introduced in 2025. This was a midway point in the triennial valuation period for the Bromley Pension Fund and was therefore likely to create logistical difficulties. In considering other actions at this meeting, the Pensions Committee had agreed the transfer of 5% or £65M from the Baillie Gifford Equity portfolio. These funds, previously managed through the London Collective Investment Vehicle, had been moved into a Short-Dated UK Corporate Bond fund managed by Fidelity with a view to benefitting from the increase in global interest rates and the Director of Finance had negotiated a reduction in fees for this transfer with Fidelity. The Pensions Committee had also considered and approved the Pension Fund Annual Report 2022/23 and draft accounts which had subsequently been signed off.

The Board went on to discuss the role of the Local Pension Board which was to scrutinise the governance of the Bromley Pension scheme, including ensuring that the Pensions Committee considered all relevant issues, risks and requirements in its decision making, with due regard to appropriate advice. In considering Environmental, Social and Governance, a Board Member highlighted the need for greater transparency in the area of climate and climate reporting. The Head of the Pensions Shared Service confirmed that the Pension Schemes Act 2021 required schemes to adopt and report against the Taskforce on Climate-related Financial Disclosures recommendations from December 2025. The Board Member queried whether there was a requirement for pensions fund investments to be made in line with the Paris Agreement on climate change and was advised that that the Local Authority was required to report around Carbon Dioxide emissions. The Board Member underlined the importance of environmentally responsible investments that were in the best long-term interests of Pension Scheme members and the Senior Accountant (Pensions) explained that the Local Authority used its position as a stakeholder in the companies it invested in to change behaviour, including around environmental practices. The Board Member requested that more focus be placed on climate risk within future reporting and the investment strategy, and further guidance on climate reporting would be sought from the Senior Advisor: Apex Group Ltd following the meeting.

**RESOLVED: That the Local Pension Board note the reports considered at the meeting of the Pensions Committee held on 11 September 2023.**

**19 PERFORMANCE MONITORING REPORT 2023/24 TO 25 OCTOBER 2023  
Report CSD21132**

The Board considered the Performance Monitoring Report for the 2023/24 financial year to 25 October 2023 which provided necessary information for the Local Pension Board to assess whether the Bromley Pension Fund was complying with the Pension Regulator's Code of Practice on Governance and Administration of public service pension schemes.

**RESOLVED: That the Local Pension Board note:**

- **The Pensions Regulator Code of Practice 'Governance and administration of public service pension schemes' as a guide to good governance;**
- **The procedures and policies in place to monitor Liberata's performance; and,**
- **Liberata's current performance levels.**

**20 BROMLEY COMMUNICATIONS POLICY  
Report CSD23133**

The Board considered the updated Bromley Communications Policy which set out the policy for communicating with members and employers within the Bromley Pension Scheme. The policy had been updated to reflect material changes in policy following the development of Member Self Service and the upcoming introduction of the Pensions Administration Self Service.

A Board Member underlined the importance of transparency including communicating the type and return of investments to members of the Bromley Pension Scheme and the Head of the Pensions Shared Service confirmed that this information was included in the Pension Fund Annual Report.

**RESOLVED: That the updated Bromley Communications Policy be noted.**

**21 LOCAL PENSION BOARD - VERBAL UPDATE ON LATEST LGPS MATTERS**

The Board received a presentation from the Head of the Pensions Shared Service on the latest matters related to the Local Government Pension Scheme.

Member Self Service had recently been launched and enabled members of the Bromley Pension Scheme to view and engage with their pension account. Work was ongoing to introduce the i-Connect secure platform that would automate the submission of pension data, and this would have a number of benefits including monthly updates and direct data transfer. Work was also underway to develop a Pensions Administration Strategy for the Bromley Pension Scheme and further

details would be reported to the next meeting of the Local Pension Board.

In response to a question from a Board Member, the Head of the Pensions Shared Service confirmed that the McCloud remedy which removed the age discrimination judged within public sector pension schemes as a result of allowing older members to remain in legacy schemes had now become law. The bulk updating of Bromley Pension Scheme member records was complete and work was ongoing to embed the new legal requirement in Bromley systems and processes, including Liberata staff training.

**RESOLVED: That the update be noted.**

**22 ANY OTHER BUSINESS**

A pensions training event was scheduled for Saturday 2 December 2023 and all Board Members were encouraged to attend.

**23 DATE OF NEXT MEETING**

The Committee agreed that a further Board meeting be scheduled for early 2024.

The Meeting ended at 4.05 pm

Chairman