

Decisions of the Local Pension Board

11 February 2019

Members Present:-

Geoffrey Alderman (Chairman)

Stephen Ross
David Woodcock

Councillor Thomas Smith
Salar Rida

1. MINUTES OF LAST MEETING

RESOLVED that the minutes of the meeting held on 21 November 2019 be approved as a correct record.

2. UPDATE ON PENSIONS REGULATOR INTERVENTION

The Chairman requested that Mr Gareth Hopkins, Pension's Consultant for Barnet provide an update on intervention from the Pensions Regulator. Mr Hopkins stated that both himself and Mr Kevin Bartle, the Chief Finance Officer had been invited to visit the Pensions Regulator. Mr Hopkins stated the invitation was recently received and at this stage he was not clear on the intentions of the meeting. He stated that he would keep Members updated.

Resolved:
That the update be noted.

3. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

None.

4. ABSENCE OF MEMBERS

An apology of absence was received from Hem Savla.

5. PUBLIC QUESTION AND COMMENTS (IF ANY)

None.

6. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

7. MEMBERS' ITEMS (IF ANY)

None.

8. PERFORMANCE REPORT

Mr Gareth Hopkins, Pension's Consultant for Barnet introduced the report and gave a summary and noted the administration performance report for the period November to December 2018. He informed Board Members that although there was some improvement he was concerned on a number of issues that were captured within the report. He therefore requested that Mr Chis Dixon from Capita provide a response on the content on the report.

The Chairman invited Mr Dixon to give a verbal outline of the report which he duly did.

Mr David Woodcock noted that there was an error in the data in table 1. Mr Dixon said that he will provide an update to Board Members on this. Mr Woodcock also stated that the third-party forums had taken place and the content had been good but he stated that attendance had been very poor and he requested that this point be considered. Mr Dixon responded and stated that he would communicate this point to employers. The Chairman said that on the subject of employers responding to requests in a timely fashion he had reported the Board's concern to the Chairman of the Pension Fund Committee, Councillor Mark Shooter. He noted that he would again inform him of this point.

Mr Ross requested to know if there were any trends on the data that could be learning points that lead to actions. Mr Dixon said that his team always analyse and capture data and review the information regularly.

Mr Sala Rida said that the data on outstanding cases may have reduced during the quarter however he noted that third party stats had gone up. He asked how this was monitored and what the rationale was for the increase. Mr Dixon said that he was keen to close down cases and added that a review would take place in order to close down calls.

Resolved

That the Local Pension Board noted the report and the current performance levels.

9. PENSIONS ADMINISTRATION STRATEGY

Mr Gareth Hopkins, Pension's Consultant for Barnet introduced the report and gave a summary. He gave an overview of the appendices and requested that Members give consideration to the report.

The Chairman requested that Mr Chis Dixon respond to a question from Councillor Thomas Smith in respect of the Pension Administration Strategy, whether the data would be formalised and held anywhere else. Mr Dixon stated that Capita would need to hold all data centrally.

The Chairman gave his concerns stated that during the last few meetings it was clear to him that some critical admin activities had been overlooked. Mr Hopkins said that was a fair point and as part of the processes within the report both the Council and Capita were working to underpin responsibility and therefore it was important to adopt a Pension Administration Strategy that contained clear processes. The Chairman said that it was a requirement to have a checklist in order to capture where responsibility falls.

Mr Rida requested more information in regard to the online tool and what the timeline was to deliver this. Mr Dixon said that it was to ensure there was clear information

available online for Members and employers. Mr Hopkins said it was important to have a clear timeline and therefore he committed to report this to Board Members.

Resolved

The Local Pension Board:

- noted the commentary provided in Appendix B
- agreed the recommendations
- provided feedback to Officers of the Council and Capita in respect to the Pensions Administration Strategy
- requested a timeline and further information be provided in order for commitment to be actioned.

10. RISK_REGISTER

Mr Gareth Hopkins, Pensions Consultant for Barnet introduced the report and gave a summary. He gave an overview of the appendices and requested that Members give consideration. He reminded Members that at the last meeting on 21 November 2018 it was agreed that the Risk Register be a standing agenda item. He added that there had been a lack of progress in relation to risk PB0010 relating to admission agreements and bond agreements. He said that there were a number of risks that concerned him.

Mr Stephen Ross said that he had some points which he wanted noted. He said that the business continuity comments were inconsistent. He stated that risk 3 was not rated high enough considering the volume of data. He outlined that a risk of a data breach should either be added or included in risk 3. He also noted that a risk on reputational risk should be contained. He also requested to receive more information in respect to item Risk 10.

Mr Hopkins said that there many admission arrangements that were not in place. He said that this risk was a concern and he noted that this issue is taking up a lot of resources in order to put right. He said there were many reasons for it to be flagged to Members and he added that it felt appropriate. Mr Hopkins said that he welcomed Mr Ross's comments and said he would consider how best to incorporate them within the risk register. Mr Hopkins said that he would like the opportunity to meet with Mr Ross and any other Members in order to accurately represent their views within the Risk Register.

Resolved:

The board are asked to note the most recent risk register – in particular, recently added risk PB0010.

11. DATA_QUALITY_REPORT_FINAL

Ms Gemma Sefton from Hymans Robertson introduced the report. She provided the Local Pension Board with an update on the quality of the membership data that is required for the upcoming 2019 formal valuation of the Fund. She stated that data cleansing extract was uploaded to the Data Portal by Capita Employee Benefits on 6 December 2018. She noted that she hoped to have a better experience of the valuation this year. Ms Sefton informed Members of the timelines for Board Members which was noted. She highlighted that deadlines were significantly missed last year which held up reporting to the Pension Board Committee. She noted that she was working closely with Officers of Barnet and Capita in order to cleanse the data. Ms Sefton stated that at this

stage there were a number of critical errors and she hoped that good communications will enable accurate and timely reporting.

Councillor Smith noted the number of critical errors and understood that the valuation requires accurate data. He stated that the number of critical errors was unacceptable and something needed to be done. Mr Hopkins said that work had been undertaken whilst agreeing that this issue need to be resolved.

The Chairman requested that Mr Chis Dixon respond. He said that Capita were evaluating the data set. He stated that there was a project plan in place that will deliver good outcomes including an action plan. He said this will be lead to a reduction of errors and therefore a better valuation process will take place.

The Chairman stated that having considered the report and the verbal comments made he was appalled by the state of affairs and requested that this be minuted. He noted that this had happened before and he noted a case where it appeared that a Member of staff could not retire as there was no admission agreement was in place. Mr Hopkins noted this and stated that this work should have been performed and taken place in 2017. The Chairman again stated that he was appalled by this and that he would personally report this point to the Chairman of the Pension Fund Committee.

Resolved:

The Local Pension Board noted the content of the Hymans Data Quality Report (Appendix A).

12. PENSION FUND COMMITTEE DECISIONS

The Chairman noted the report.

Having considered the report the Board:

Resolved:

- That the Local Pension Board noted the procedures applied by the Pension Fund Committee when reaching decisions at recent meetings and considered any issues associated with those procedures and decisions. The outcome of these discussions to be reported back to the Pension Fund Committee
- That the board noted that the Chairman will communicate the outcome of the item to the Chairman of the Pension Fund Committee

13. ANY OTHER ITEM(S) THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 19:58