

Decisions of the Local Pension Board

4 September 2019

Members Present:-

Geoffrey Alderman (Chairman)

Hem Savla (Vice-Chairman)

Stephen Ross

Salar Rida

Councillor Thomas Smith

Also in attendance

Alice Leach – (substitute Member)

1. MINUTES OF LAST MEETING

The Chairman welcomed Board Members and Officers to the meeting. He noted that a Board Member had suggested that the Local Pension Board meetings could start at an earlier time. The Board Members agreed this.

Resolved:

Following some minor typographical errors, the minutes of the last meeting held on 18 July 2019 were agreed.

Mr Salar Rida noted in relation to item 7 in the minutes Hem Savla made comments, he added that a response had been provided. Mr Rida requested to know why the errors had occurred and what was being done to ensure that such errors do not occur again. The Chairman therefore welcomed Capita's Solutions Manger Paul Faulkner to the meeting, and he provided assurance to Board Members on this point that the matters were being worked on.

2. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

None

3. ABSENCE OF MEMBERS

An apology of absence was received from Mr David Woodcock.

The Chairman noted that a vacancy was illustrated within its Membership and it was requested that Officers look to update the Board's Membership in order to fill the vacancy.

4. PUBLIC QUESTION AND COMMENTS (IF ANY)

None.

5. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

6. MEMBERS' ITEMS (IF ANY)

None.

7. REGULATORY INTERVENTION

The Interim Pensions Manager Mr Nigel Keogh introduced the item. He outlined the Improvement Notice issued by The Pensions Regulator (TPR) on 25 July 2019 to London Borough of Barnet to address weaknesses in the processes and controls within the administration of the Barnet Pension Fund. He added that the report discussed the areas of improvement and actions taken to respond to the Notice. Mr Keogh further noted that the appendix to the report had been circulated prior to the meeting.

Board Members had the opportunity to comment on the report.

Prior to the Board considering the report's recommendation, Mr George Bruce requested that Board Members directed any further questions to him or Mr Keogh

Having considered the report the Local Pension Board:

Resolved:

The Local Pension Board noted the content of the response and the actions taken to comply with the Notice.

8. DECISIONS MADE BY THE PENSION FUND COMMITTEE

The Head of Treasury and Pension, Mr George Bruce introduced the report and gave an overview of the reports received by the Pension Fund Committee that had been resolved.

Mr Savla requested to know what the time line of the triennial valuation work was that was required in order to achieve the outcomes. He requested that the Board receive an update at the next meeting; this was supported by the Board Members. He also requested to know if the annual benefit statements' target had been achieved. He was informed that it had.

Mr Ross asked if the matter raised during the public question had been considered and resolved. Mr Bruce said that options would be reported to the Pension Fund Committee. Mr Ross stated that the take-up of staff in relation to AVCs is very low. Mr Bruce said that it could be advertised better, and it was generally noted that this would be looked at.

Having considered the report the Local Pension Board:

Resolved:

- That the Local Pension Board noted the procedures applied by the Pension Fund Committee when reaching decisions at recent meetings and considers any issues associated with those procedures and decisions. That the outcome of these discussions be reported back to the Pension Fund Committee.
- That the Local Pension Board agreed that it receive reports at the next meeting in order that it might be briefed on the triennial valuation

9. INTERNAL AUDIT REPORT - PENSION FUND FINANCE AND INVESTMENT

The Head of Treasury and Pension, Mr George Bruce introduced the report. He informed Members that a further review had taken place of the Pension Fund focusing on finance and investments.

Having considered the report the Local Pension Board:

Resolved:

That the Local Pension Board note the Internal Audit report.

10. EXTERNAL AUDITOR'S REPORT

The Head of Treasury and Pension, Mr George Bruce introduced the report. He gave an overview of the external auditors' report (ISA260) on the pension fund accounts for the year to 31 March 2019 is attached.

Mr Bruce said that he had hoped that the external auditor would be in attendance however they were not able to attend the meeting. Mr Bruce further noted that appendix A had been circulated and published on the Council's website however some members had not had sight of Appendix A.

Having considered the report the Local Pension Board:

Resolved:

- The Board agreed to defer the substantive debate to this item as Members had not had the time to consider the external auditors report fully.
- The Board requested that at its next meeting the external auditor be in attendance so that Members can provide detailed scrutiny
- Board Members agreed that at that meeting the Board would reserve the right to suggested that Board Members have the opportunity to be meet with the external auditor privately

11. PERFORMANCE REPORT

The Interim Pensions Manager Mr Nigel Keogh introduced the item.

Mr Paul Faulkner from Capita was given the opportunity to highlight the performance of the operational pensions administration service that was delivered by Capita. He stated that performance had improved and he said that it was his ambition for performance to improve still further.

Mr Ross welcomed the level of detail within the report. He requested that the risk register be visible in a better format as he was not able to consider the information in its current format. This was noted.

Having considered the report the Local Pension Board:

Resolved:

- The Local Pension Board noted the current performance levels, plans for improvement and the plans for further development of monthly performance reporting.

12. LOCAL PENSIONS BOARD WORK PROGRAMME

- The Local Pensions Board noted the Work Programme.
- The Local Pensions Board agreed to start the next meeting at an earlier time.
- The Local Pensions Board agreed that as noted that earlier in the meeting it was requested that a triennial valuation be reported to a future meeting.
- The local Pension Board noted that its annual report be presented at a future meeting.

Mr Rida noted the McCloud court judgement. He said it was a landmark decision and outlined liabilities of Pension Funds. He requested that an update be provided which Mr Bruce responded to. In his response he said that the actuary had identified that the impact would be relatively small in relation to the size of the Barnet Pension Fund. However he said that there would certainly be an impact on employer contribution rates. Mr Nigel Keogh said that Barnet were working with the Local Government Association on this matter.

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

None

The meeting finished at 20:26