

Decisions of the Local Pension Board

10 February 2020

Members Present:-
Professor Geoffrey Alderman (Chairman)

Stephen Ross	Salar Rida
David Woodcock	Alice Leach
Councillor Thomas Smith	
Rebecca Doctors	

Apologies for Absence

Hem Savla

1. MINUTES OF LAST MEETING

The minutes of the last meeting held on the 19th November 2019 were approved.

2. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

None.

3. ABSENCE OF MEMBERS

Apologies were received from Mr Hem Savla.

4. PUBLIC QUESTION AND COMMENTS (IF ANY)

None.

5. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

6. MEMBERS' ITEMS (IF ANY)

None.

7. DECISIONS MADE BY PENSION FUND COMMITTEE

The Head of Finance – Pensions introduced the report. He provided a summary of the decisions that were made by the Pensions Fund Committee at the meeting on the 21st November 2019. He highlighted the key points which included;

- The 2019 Triennial Valuation
- The Pensions Regulator update
- Admitted body and bond status update
- Quarterly investment performance update
- Investment strategy
- Responsible investing
- Review of the performance of advisors

- Pension fund costs and expenses

Mr Bruce informed the Board that following the Responsible Investment training session that was held, a survey was circulated for all board members to complete. The responses would be collated and the opinions shared as well as a note detailing how these would shape the strategy.

Mr Bruce explained that a six-monthly report would be taken to the Pension Fund Committee to inform members of the expenditure on advisors and fund managers to ensure a good level of transparency.

Members of the Board were given the opportunity to provide comments and ask questions.

The Chairman was asked whether he attends the Pension Fund Committee meetings. He informed the Board that he does not attend on a regular basis but does have regular dialogue with the Chairman of the Pension Fund Committee. He also said he attends when requested by the Chairman.

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 is to be reported back to the Pension Fund Committee

8. CONSULTATION ON FUNDING STRATEGY STATEMENT

The Head of Finance – Pensions introduced the report. He explained that the Pension Fund is required to prepare and maintain a Funding Strategy Statement (FSS) and that the Council is required by legislation to consult on any changes to the FSS to those it deems appropriate to do so. He informed the Board that Appendix 1 of the report summarised the main changes that had been made.

The Head of Finance – Pensions also notified the Board that the Council had expressed an interest in pension contributions being paid early as this would result in approximately 4 ½% discount being applied.

Members of the Board were given the opportunity to provide comments and ask questions.

Members enquired how financial assessment of academies was carried out, as some currently held good reserves and others required financial measures. Officers advised the Board that the government provided a partial guarantee for academies which helped offset some of the risk.

Having considered the report, the Board:

RESOLVED:

That the Local Pension Board reviewed the draft Funding Strategy Statement and identified any issues that it wished the Pension Fund Committee to consider.

9. ADMINISTRATION PERFORMANCE REPORT

The Pensions Manager introduced the report. He notified the Board that the SLA's had improved since the last report. He explained that there are still issues with data and outstanding debtors but processes had been put in place to resolve these.

The Pensions Manager explained that the number of errors and complaints had reduced since the last report and that procedures had now been implemented to ensure Members are contacted about any delays on obtaining information.

Communication about outstanding contributions and overpayments was improving to ensure repayments were received in a timely manner. Also, fines would be issued for non-payment's that have been chased multiple times.

The Board were informed that the action backlog had now been completed. Officers from Capita explained that the 900 outstanding cases had all been cleared within 6 weeks, which was ahead of the set schedule. He said that escalation routes had previously not been robust enough and so Capita was working with Barnet to strengthen these.

Having considered the report, the Board:

RESOLVED:

That the Local Pension Board noted the current performance levels, plans for reducing non-actionable caseload backlogs and the plans for further development of monthly performance reporting.

10. REMEDIATION PLAN AND REGULATORY INTERVENTION

The Pension Manager introduced the report. The report provided the Board with an update on progress against the remediation plan and the breaches report that had been sent to the Pensions Regulator, in relation to the failure to send out some pensions statements. Many of the actions agreed had now been completed and this had reassured the Pensions Regulator of compliance. The Pensions Regulator had noted the progress made so far and no further action was being taken now. A comprehensive update report would be going back to the Regulator at the end of February.

The Board said they were disappointed to hear the Council was still on the Regulator's radar and hoped this would cease to be the case sooner rather than later.

Having considered the report, the Board:

RESOLVED that:

The Pension Fund Committee noted progress against the plan and the most recent correspondence with the Regulator.

11. COMMUNICATION POLICY

The Pension Manager introduced the report. He explained that the policy set out the proposed updates that were to be delivered during 2020. The main updates included:

- Annual Benefit statements will be reviewed and updated to ensure relevant content is included and written in a 'user-friendly' style.
- Production of a newsletter.
- Review of customer satisfaction survey.

- Development of a new Council Pension Scheme website.
- Commence employer forums to ensure that proper processes are followed and provide proper updates on current pensions issues and policy changes.

The Board asked if it would be possible for them to have sight of the newsletter and for the expression of wish forms to be included in them. The Board also asked that part of the communications strategy should include the reporting of any serious incidences. The Pension Manager agreed that a draft version could be circulated to the Board before being issued.

The Board asked how the pension scheme website would be tested before launch to ensure it is user friendly. The Pension Manager said the website would be tested on a small selection of members and finance colleagues for input. He also stated that work would be done in collaboration with IT to ensure adequate levels of security.

Having considered the report, the Board:

RESOLVED that:

The Local Pension Board noted the updated Communications Policy for 2020 and the plans for developing and improving the communication for both employers and scheme members.

12. SCHEME RISK REGISTER

The Pension Manager introduced the report. In relation to Appendix A of the report the officer informed the board that the risk scores were subjective in terms of being reviewed by officers. It was noted that the risks had increased, which were mainly a consequence of issues being identified during the actuary valuation, whereby the records of members had been incorrect. He explained that discussions were ongoing to correct on Capita records and there was still work to be done to get the data up to the correct level expected.

The Pension Manager also explained that the updated risk register for 2020 had highlighted risks that had potentially increased, however mitigations had been put in place to manage these.

The Board asked for reassurances that going forward much higher numbers of benefit statements would be going out on time. Officers confirmed that this was the aim and that it was critical that they received timely and accurate information from employers. Capita confirmed they had notified all employers that the year-end information will shortly be coming and this reminder should mitigate some of the previous issues.

The Chairman asked that it be minuted that the Board advised the Pension Fund Committee to pay close attention to the chain of events that had led to employers not providing accurate information, when required and that financial penalties could be incurred.

Having considered the report, the Board:

RESOLVED that:

The Board noted the most recent risk register.

13. LOCAL PENSION BOARD WORK PROGRAMME

The Board asked the governance officer to confirm the definition of key/non-key items in the table.

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

None.

The meeting finished at 19.46pm