

Decisions of the Local Pension Board

19 November 2019

Members Present:-

Geoffrey Alderman (Chairman)

Hem Savla (Vice-Chairman)

Stephen Ross
David Woodcock

Salar Rida

Also in attendance

Alice Leach

1. MINUTES OF LAST MEETING

Subject to correction of a minor typographical error, the minutes of the last meeting held on 04 September 2019 were agreed.

2. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

None.

3. ABSENCE OF MEMBERS

An apology of absence was received from Councillor Thomas Smith.

4. PUBLIC QUESTION

None.

5. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

6. MEMBERS' ITEMS (IF ANY)

None.

7. TRIENNIAL VALUATION UPDATE

Ms Gemma Sefton from Hymans Roberts introduced the report. She provided the funding position of the pension scheme and that the rate of contributions paid by employers is assessed every three years by the Scheme Actuary. She informed Board Members that the triennial valuation as at 31 March 2019 was progressing.

Members were able to provide comments and ask questions of Ms Safton that included:

- Monthly monitoring
- Checks of accounting reports
- Request training on the valuation

- Overall financial position for liabilities
- Triennial Valuation, training

Ms Sefton gave a response to these points. She noted that in advance of any training, online material would be circulated to Board Members.

The Chairman thanked Ms Sefton for her attendance and presentation.

Having considered the report the Board the Local Pension Board:

RESOLVED

That the Local Pension Board note the Actuary's overview of the triennial valuation process and timetable.

8. LOCAL PENSION BOARD UPDATE

Mr Paul Frost from the Governance Service provided an overview of the report.

Mr Stephen Ross confirmed that the terms of reference in appendix A were current. He further noted that he had recently attended a training event along with other Board Members in respect to responsible investment and therefore he suggested that this be added to the Work Programme. The Chairman supported this and requested this be added to the Work Programme.

RESOLVED

1. That the Local Pension Board noted the report and the detail outlined at 1.4, 1.5, 1.7
2. That the Local Pension Board noted Terms of Reference as highlighted within Appendix A
3. That the Local Pension Board noted the annual work plan attached at Appendix B. In doing so the Local Pension Board requested that training be added to the work programme.
4. That the Local Pension Board noted its proposed budget for 2019-20 as document in 1.14.
5. That the Local Pension Board noted that this report be submitted to the next possible meeting of the Pension Fund Committee for information.

9. COMMITTEE DECISIONS CLEARED

Mr George Bruce introduced the item. He outlined that the Local Pension Board's role was to assist with the effective governance of the Pension Fund. He requested that Members reviewed the decisions made by the Pension Fund Committee and stated that the role of the Local Pension Board was to consider if such decision were reasonable or appropriate i.e. soundly based, consider relevant information, are consistent with the objectives and policies of the Fund and are taken after considering appropriate advice. He stated that the report outlined recent decisions by the Pension Fund Committee and summarised the rationale, the processes followed and the link with policy documents and regulations.

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 Board noted that the outcome of these discussions is to be reported back to the Pension Fund Committee.

10. EXTERNAL AUDIT 18 JULY 2019

The Council's external auditor, Mr Leigh Lloyd-Thomas introduced the report.

The Members of the Board had the opportunity to ask questions and make comments. In doing so it was noted that there were a number of serious data issues, and that further improvements were required.

Having considered the report the Board:

Resolved:

1. That the matters raised by the external auditor in respect of the audit of the 2018/19 Accounts and Annual Report be noted

11. COMPLIANCE WITH CODE OF PRACTICE 14

Mr George Bruce introduced the report. Board Members had at an earlier meeting requested that the agenda include a commentary on compliance with the Pensions Regulator's (TPR) Code of Practice 14 on the governance and administration of public service pension schemes (TPR Code 14). Mr Bruce therefore noted the appendix to the report that outlined a high level compliance checklist and Barnet's position on the requirement of the code and that a more detailed review would be submitted early in 2020.

Members of the board had the opportunity to consider the report and ask questions.

Resolved:

- That the Local Pension Board noted the Review of Compliance with TPR Code of practice 14.
- The Local Pensions Board requested that a review of any breaches of data in line with the code of practice be included within its Work Programme

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

The Chairman noted that he had accepted two urgent reports. He noted that both reports had been provided after the publication deadline and therefore he authorised these reports to be circulated and reported to the Local Pensions Board.

Performance Report

The Interim Pensions Manager Mr Nigel Keogh introduced the Capita Performance report for September 2019. The Chairman invited Mr Stewart James from Capita solutions to present appendix D which he duly did. Members were given the opportunity to ask questions of Mr James who was able to clarify points in relation to data breaches, cyber security and the procedures that are in place. Mr Hem Salva stated that Members had issues accessing their information online and via the telephone. The Chairman,

noting that this matter had been raised at the last meeting, therefore requested that this be reviewed.

Mr Rida requested to know how the data was backed up on the servers in order for data to be recovered. It was noted that data could be restored with 24 hours however there had never been a need to implement the disaster recovery plan.

Mr Hem Salva raised a number of points in respect to the performance data. Mr Paul Faulkner from Capita Employee Solutions was given the opportunity to respond, he highlighted the performance of the operational pensions administration service that was delivered by Capita. In doing so he addressed the points raised by Board members.

The Local Pensions Board Members scrutinised the report in detail and noted a number of points:

- How data is presented
- Third party data and fees for late and non-payments
- Outstanding costs for Middlesex that appear to be incorrect and duplication of data
- How the processing of payments works and how that is communicated
- Outstanding Invoices
- Information relating to late or non-received Annual Benefit statements
- Errors in relation to strain costs and duplications within the report
- How fines can be levied to employers for late payments and the clarity of how fines are administered in a robust way. It was noted that this had been raised a number of times.
- An error on page 25 of the report in relations to dates of complaints
- Quality of data regarding invoices

Mr David Woodcock referring to strain cost invoices said that the supporting information was insufficient, and he stated that that Middlesex University had not received the correct documentation in order to make accurate payment(s).

Officers responded to these points, which responses were duly noted.

Having considered the report the Board:

Resolved:

The Local Pension Board noted the current performance levels, plans for reducing caseload backlogs and the plans for further development of monthly performance reporting. The Board noted Capita's Cyber Security measures.

The Pensions Regulator Update

The Interim Pensions Manager Mr Nigel Keogh introduced the Update. He noted that further to the Improvement Notice issued by The Pensions Regulator (TPR) on 25 July 2019 to the London Borough of Barnet to address weaknesses in the processes and controls within the administration of the Barnet Pension Fund, this paper updates the Board on on-going communications with TPR.

Mr Keogh drew members' attention to a recent breach that he had reported to the Pensions Regulator.

Members were given the opportunity to ask questions. In doing so Mr Ross outlined that there had been a catalogue of errors and made comments in respect to this. He outlined that an improvements notice had been provided but stated that Barnet was not off the hook yet. He stated that it was important that this be listed as a priority on the Risk Register. Mr Savla agreed with these points and said that there had been a number of breaches, he further requested to know if this could have an impact to the Triennial Valuation.

Having considered the report the Board:

Resolved:

The Board is asked to note the most recent correspondence with the Regulator and the further actions being taken to address the new issues arising.

The meeting finished at 21:05