

Decisions of the Pension Fund Committee

7 October 2020

Cllr Mark Shooter (Chairman)
Cllr Elliot Simberg (Vice-Chairman)

Anthony Finn
Kathy Levine

Anne Hutton
Alison Moore

Peter Zinkin

1. **MINUTES (Agenda Item 1):**

Before the minutes were approved Members moved the following amendments:

That a 'h' be inserted to Councillor Finn's first name – 'Anthony'
That Councillor Peter Zinkin's attendance be added to page 1.
For item 11 an amendment be made to highlight 'have noted' in place of 'are noted'

Resolved:

That the Minutes of the meeting held on 27 July be approved

2. **ABSENCE OF MEMBERS (Agenda Item 2):**

None

3. **DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS (Agenda Item 3):**

Councillor Peter Zinkin declared a Non-Pecuniary interest in regard to item 12. He stated that Rimon Jewish Primary School was a tenant of a Synagogue of which he was part of the management. Councillor Zinkin therefore took part in the consideration and voting process.

Councillor Antony Finn and Councillor Mark Shooter made a Non-Pecuniary and stated that they was a Member of the Barnet Pension Fund. Councillor Finn and Councillor Shooter therefore took part in the consideration and voting process in all listed agenda items.

4. **PUBLIC QUESTION AND COMMENTS (IF ANY) (Agenda Item 4):**

None.

5. **REPORT OF THE MONITORING OFFICER (IF ANY) (Agenda Item 5):**

None.

6. **MEMBERS' ITEMS (IF ANY) (Agenda Item 6):**

None.

7. ADMINISTRATION REPORT (Agenda Item 7):

The Committee considered the report that provided the Pension Fund Committee with an update on the current administration performance, Annual Benefit Statement (ABS), Remediation Plan and GMP reconciliation. Members' further noted that the transfer of the administration service from Capita to West Yorkshire Pension Fund from November 2020.

Mr Mark Fox noted that there had been errors in the annual benefit statements that had been sent to scheme members of the fund due to incorrect payroll information. Members of the Committee noted that 1,600 annual benefits statements would be re-issued.

Members of the Committee raised a number of concerns in respect to the performance levels of Capita. Councillor Alison Moore was given the opportunity to make a representation, in doing so she outlined a number of points relating to the underperformance of the administering authority, Capita. She said that there had been multiple areas where mistakes had been made and therefore, she noted that alarm bells should be ringing in regards to the management of the contract with Capita. She further noted that there had been costs to LB Barnet and she sought clarification on the management of payroll. Mr George Bruce said that the Council were discussing the payroll issues with Capita and seeking assurances on the necessary control improvements. He added that due to the LB Barnet Officer's and their experience they had identified a resolutions to a number of issues that would aid the hand over of the administration of the pension's fund to West Yorkshire Pension Fund. Mr Bruce said that the authority were in a better position than it was 12 months ago and was confident that the performance would improve following the transition. Mr Bruce said that undue reliance had been placed on outsourced providers to monitor the pension administration contract due to low levels of staff in comparison to other authorities. The Committee noted that part of the data remediation costs were being met by the LB Barnet Pension Fund. Councillor Peter Zinkin said that he supported the views of Councillor Moore and said that the errors in regard to the Annual Benefit Statements was unforgivable. He noted that Members across a number of Committees had noted that there had been inadequate pension resources to manage pensions. He concluded that a lot of work had been performed to remedy this matter of the last year. Mr Bruce said that West Yorkshire will be invited to the next meeting to provide an update and assurance to the Committee. The Chairman requested a written update before end of the year.

Councillor Kathy Levine requested that a report be submitted to Members that outlined what compensation the Council was to receive. Councillor Moore summed up her views on the item and supported Councillor Lavine's request for a report. He said that there are a repeated number of errors and underlining issues and challenges and requested a formal request from the Pension Fund Committee to outline the underperformance and costs incurred to the Pension Fund/Council. Councillor Kathy Levine moved for a report to be received that outlines the cost incurred and what compensation the Council would receive following the underperformance from Capita. Councillor Finn said that this was heavy handed. The attending Governance Officer outline the process of the proceedings. Therefore, Councillor Zinkin outlined that he agreed with the proposal and suggested the following:

That the Pension Fund Committee request that a report be submitted in regard to the arrangements that have been made in respect to the financial arrangements relating to

the termination of the Capita contract and the transfer to West Yorkshire. That the report includes all matters relating to the performance and in particular any costs associated to the pension fund.

The Chairman requested that this be voted on and therefore it was unanimously agreed

It was further noted that the Members gave instructions that this report be submitted to the Pension Fund Committee however it was noted that this report be of interest to the Finance, Contracts and performance Committee.

Having considered the report, the Pension Fund Committee:

Resolved:

- The Pension Fund Committee noted the current performance levels and the update on Annual Benefit Statements.
- That the Pension Fund Committee request that a report be submitted in regard to the financial arrangements relating to the termination of the Capita contract for pension administration. That the report includes reference to costs incurred by the pension fund due to poor performance by the administrator.

8. INVESTMENT STRATEGY, RESPONSIBLE INVESTMENT AND POOLING REPORT (Agenda Item 8):

The Committee received the report

Members of the Committee had the opportunity to consider the report, question Officers and make comments.

Having considered the report the Pension Fund Committee:

Resolved:

- That the decision be deferred to the next meeting due to enable additional training from Legal and General and London CIV
- That the exempt information be noted

9. PENSION FUND ANNUAL REPORT AND ACCOUNTS AND EXTERNAL AUDITOR'S REPORT UNDER INTERNATIONAL STANDARD ON AUDITING (ISA) 260 FOR THE YEAR 2019/20 (Agenda Item 9):

Mr George Bruce gave an overview of the report before the Committee. The Chairman invited external auditor, Mr Leigh Lloyd who presented the appendices to the Officers report.

Members of the Committee had the opportunity to consider the report, question Officers and make comments. Mr Bruce requested that Members approved the report's recommendations and also delegate the approval of any minor drafting changes to the Chairman and Section 151 officer

Having considered the report, the Pension Fund Committee:

Resolved:

- That the Pension Fund Committee approve the 2019/20 Annual Report and Pension Fund Accounts
- That the Pension Fund Committee note the matters raised by the external auditor in respect of the audit of the Accounts and Annual Report
- That the Pension Fund Committee consider whether there are any matters arising from the Annual Report & Accounts or Auditor's Report on which they require additional information or action.
- Delegated the signing of the accounts, letter of representation, and minor drafting changes to the Chairman and Section 151 officer

10. PENSIONS ADMINISTRATION TRANSITION (PAT) PROJECT UPDATE (Agenda Item 11):

The Council's Pensions Manager Mr Nigel Keogh provided an update on the transfer of the administration of the Barnet Pension Fund from Capita to the West Yorkshire Pension Fund (WYPF).

The Chairman requested that the Committee be kept informed with any developments.

Having considered the report, the Committee:

Resolved:

That the Pension Fund Committee noted progress against the plan

11. ADMITTED BODY AND BOND STATUS UPDATE (Agenda Item 12):

The Committee received a status update on the outstanding admitted body and bond agreements, as well as bond renewals and cessation calculations, that needed arranging.

Having considered the report, the Committee:

Resolved:

That the Pension Fund Committee noted the progress on outstanding admitted body and bond agreements, including bond renewals and cessation valuations.

12. BARNET COUNCIL PENSION FUND - PERFORMANCE FOR THE QUARTER TO 30 JUNE 2020 (Agenda Item 10):

The Committee considered the report which summarised the Pension Fund investment managers for the quarter to 30 June 2020 and the subsequent two months to end August. The Council's Investment Consultants from Hyman Roberts were in attendance to introduce their analysis of the performance period.

Mr Bruce outlined the transactions that had taken place in the quarter.

The Chairman moved a motion to exclude press and public and in order for an exempt session to commence. This was agreed by the Committee.

Resolved:

- That the Pension Fund Committee noted the performance of the Pension Fund for the quarter to 30 June 2020.
- That the exempt information be noted.

13. RE-PROCUREMENT OF ACTUARIAL SERVICES TO THE BARNET PENSION FUND (Agenda Item 15):

The Pension Fund Committee received the report that outlined the Re-procurement of Actuarial Services to the Barnet Pension Fund.

Resolved:

The Pension Fund Committee noted the intention to re-appointment of Hymans Robertson as the actuary to the Barnet Pension Fund.

14. ANY ITEM(S) THAT THE CHAIRMAN DECIDES IS URGENT (Agenda Item 16):

None.

The meeting finished at 9.00 pm