

LOCAL GOVERNMENT PENSIONS BOARD

Friday, 7 July 2017

Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 1.45 pm

Present

Members:

Alderman Ian Luder
James Tumbridge
Jon Averbs

Yvette Dunne
Christina McLellan
Martin Newnham

Officers:

Caroline Al-Beyerty	-	Chamberlain's Department
Kate Limna	-	Chamberlain's Department
Jeff Henegan	-	Chamberlain's Department

1. APOLOGIES

There were no apologies for absence.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations of interests.

3. COURT ORDER

The order of the Court, appointing the Board and setting its terms of reference, was received.

4. ELECTION OF CHAIRMAN

In accordance with Standing Order 29, the Board proceeded to elect a Chairman for the year ensuing. The Town Clerk read a list of Members eligible to stand and Ian Luder, being the only Member expressing his willingness to serve was duly elected as Chairman.

5. ELECTION OF DEPUTY CHAIRMAN

In accordance with Standing Order No 30, the Board proceeded to elect a Deputy Chairman for the ensuing year. The Town Clerk read a list of Members eligible to stand and James Tumbridge, being the only Member expressing his willingness to serve, was duly elected as Deputy Chairman.

6. MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes of the meeting on 26th April 2017 are approved as an accurate record.

Matters Arising

Pension Opt Out Figures

Members noted the pension opt-out figures totalled 380 out of a workforce of 3800. It was suggested a staff survey might prove beneficial in understanding how the scheme is seen amongst staff.

It was agreed that a comparison to other Local Authorities will be carried out initially to establish if the City Corporation's opt out figures are out of kilter with others.

Training

Members noted that the training needs assessment is being reviewed. It will be costly to run two training sessions so the intention is to conduct training in conjunction with the Police Pensions Board, some of whom have not been assiduous in returning their forms. Training plans will be formulated once information has been received.

Date of next meeting

Friday 6th October 2017, 1.45pm was agreed for the next meeting. Town Clerk agreed to circulate suggested options and timeframes for meetings in 2018.

7. WORK PROGRAMME

The Board considered a report of the Town Clerk which set out a proposed Work Programme for the Board's next three meetings.

RESOLVED – That the Board notes the report.

8. NEW STARTER INDUCTION

The Board received a report of the Director of HR outlining information provided to new starters on the Local Government Pension Scheme.

The Director of HR advised Members that the jobs page is about to be refreshed and this will include information relating to the LGPS. It has also been agreed that as part of the induction process for new starters the Pensions Manager will attend the Town Clerk's new starter welcome lunches going forward to be available to answer any questions. FAQs circulated to new starters will also now include information relating to the LGPS.

In response to a comment from the Chairman, the Director of HR agreed that the '10 good reasons to join the LGPS' could include information relating to the 50:50 offer. The Director of HR suggested the leaflet could become 11 good reasons or this information could be incorporated in to one of the other 10 reasons. It was confirmed that information relating to the Local Government Pension Scheme is available to all employees on the intranet.

In response to a question from a Member, the Chamberlain advised that new starters are advised of the option to transfer funds in to the Local Government Pension Scheme. It was highlighted that a good number of new employees are aware of this option as is evidenced by the number that do it. Staff are

reminded that they have up to one year to transfer in to the LGPS nine months after they join the City Corporation.

The Chairman commented that it would be useful to know how many of those opting out are longstanding employees or how many are new starters.

Resolved:- That the report is noted.

9. **PENSION SCHEME UPDATE**

The Board received a report of the Chamberlain that provided information on a range of topics relating to the Local Government Pension Scheme.

The Chamberlain advised that annual pension statements are in the process of being prepared for issue on 31st August. It was confirmed that the 31st August deadline is a statutory deadline and it is always a time of year that presents workload challenges for the team.

In response to a question from a Member, it was acknowledged that additional resources will not be needed and that the deadline will be met.

Risk Register

The Chamberlain updated Members in relation to the risk register highlighting changes to the risk level for item 1 and 5 as agreed at the last meeting and advising of the decision to add insolvency at item 6. It was confirmed the LGPS risk register will now be logged on the City Corporation's central risk management system.

A Member referred to Data Protection and changes to legislation that will come in to force in March 2018 regarding storage of personal information. Changes will be introduced that will require a seven step process to be complied with for audit purposes. It was agreed this information will be circulated to the Board.

The Deputy Chamberlain advised that Data Protection is on the Strategic Risk Register, but that reference could be made to this on the LGPS Risk Register.

The Chairman acknowledged that Data Protection is a strategic risk, but that this Board should see it at a local level. It was agreed that that the Board will receive a report on data protection to map against comments regarding changes to legislation

In response to a question from a Member, the Chamberlain confirmed that it is the Board that determines the level of risk attached to each item on the risk register and that it had previously been determined that inappropriate investment was considered unlikely. It is for the Board to decide if this has now changed.

It was agreed that risk 3 inappropriate investment will remain as unlikely.

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
Annual Workshop for Local Government Pension Boards.

A Member updated the group on his recent attendance at a workshop remarking that it had proved to be a very interesting day to see how other schemes operated and also provided a good chance to network.

The day provided for a lively and interesting debate with a key presentation by the scheme advisory board. The following areas were covered during the day:-

- Data Protection 2018.
- A need for sharing and transparency of information between schemes and a central depository.
- Establishment of a national network and creating a standard email address to share data.
- Streamlining the appeals process to the ombudsman.
- Pension fund deficits, with the City Corporation sitting somewhere in the middle.
- Training – with people not understanding their legal requirements.
- Continuity of Members; having a staggered process of election to the Board so there is succession planning. There is a flaw in this Board as all were elected at the same time and on the same terms.
- Pooling and standardising of payroll software for all the different schemes.

The Member advised that it was a day that was well worth attending and provided useful discussion and networking opportunities. It was suggested Board Members take the opportunity to attend in future if they are able to do so.

It was agreed that the slide pack from the day will be circulated to the board.

Pensions Manager

The Chamberlain advised that a new Pensions Manager is still to be recruited. Three applications were received in response to the recent advert, but the individuals were not considered suitable. A further advert will go out again in the autumn and if this is not successful then a re-think will be needed.

In response to a question from a Member, the Chamberlain explained that they are looking for someone with experience in pension funds covering police, judges and LGPS and this presents difficulties within Local Government as the pool of people with this experience is becoming smaller and smaller.

The Chairman commented that someone is needed in this role with a persona and that is able to engage with Members and not just someone with technical ability

Committee Terms

The Chairman indicated his intention to step down in 2019 to allow another Member to join the board that will then allow a smooth transition in employer representative on the Board.

A Member commented that all have been appointed to the Board on four year terms and it would sensible to stagger terms. The Chairman advised that Audit & Risk Management Committee re-appoint Members on unequal terms so these are staggered.

Sharing of Information

In response to a question from a Member regarding a voluntary code to abide by, the Chamberlain confirmed that information relating to the City Corporation's Pension Scheme expenses and operating costs are already shared. When sharing there is a need to be careful in how data is used. When slides from the conference are circulated this will be looked at to see how the City Corporation is impacted.

Date Protection and Succession Planning

A member asked if data protection and succession planning could be added to the agenda at the next meeting.

12. EXCLUSION OF THE PUBLIC

RESOLVED – That under 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Item No.

Paragraph No.

13

3

13. PENSION FUND - DRAFT STATEMENT OF ACCOUNTS

The Board considered a report of the Chamberlain providing information relating to the draft Pension Statement of Account.

The Chamberlain highlighted the good position the pension fund is in this year as a result of very good performance in the stock market. The fund remains on target to meet its 17 year deficit reduction plan. It was commented that this position can change again next year and is dependent on stock market performance.

It was highlighted that people coming in to the scheme are critical in receiving contributions to draw down otherwise it can become critical to payment of pensions.

In response to a question from a Member, it was confirmed that employee contribution levels are set by government with the employer contribution set by Finance Committee. Employee contribution levels are tiered dependent on salary. If Government considers there is a gap in the fund then levels can be changed.

The Chairman referred to Finance Committee's decision to keep to the original 17 year reduction target, which is to be welcomed by this Committee.

The Chamberlain advised that this report is advance sight of what has gone to the auditors. Regular meetings take place with the auditors so the figures are not expected to change, but some of the wording might before it is presented to Audit & Risk Management Committee and Finance Committee in July. It was confirmed an annual report will come to the next meeting of this Board.

The Chairman asked that a report is presented at the next meeting on omitted bodies and liability, with some having entered in to bonds to secure liabilities and some not.

14. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no non-public questions.

15. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There was no other business.

The meeting closed at time not specified

Chairman

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