

## MINUTES OF A MEETING OF THE PENSIONS BOARD

WEDNESDAY 21 MARCH 2018

**Present:** Samantha Lloyd, Kay Brown, Henry Colthurst, Michael Hartney

**Officers in Attendance:** Michael Honeysett (Director of Financial Management), Rachel Cowburn (Head of Pension Fund Investments), Peter Gray (Governance)

**Also in Attendance:** Katherine Pearce (Aon), Jonathan Malins-Smith (Observer)

### 1. Apologies for absence

1.1 There were no apologies for absence`

### 2. Declarations of Interest - Members to declare as appropriate

2.1 There were no declarations of interests.

### 3. Minutes of the previous meeting

3.1 The minutes of the meeting held on 25<sup>th</sup> October were agreed as a correct record with the following amendments:

- To amend, in line 2 of paragraph 4, GDRR to GDPR
- To insert 2017 after April in line 3 of paragraph 8.1

### 4. Training

4.1 The Board received a training presentation from Rachel Cowburn and Catherine Pearce (Aon) on the requirements of the Pensions Regulator, including on having clear roles and responsibilities, purpose and strategy together with proper record keeping and data improvement/ measurement.

### 5. Data Quality Progress Update

5.1 Rachel Cowburn introduced the report on progress made on issuing the 2016/17 Annual Benefits Statements to active members of the fund. The Board also noted actions taken to help improve the quality of data provided by the Council as an employer and the processes being followed to help the timely provision of data for the 2017/18 ABS exercise.

5.2 Rachel Cowburn reported that the category of 'Missing Data – statement outstanding', had not yet been completed. It had not been possible to issue a statement as no meaningful data was available for the individual. Ongoing concerns over the level of provision for LGPS employer functions by the Council had escalated.

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The Head of HR was to attend the Pensions Committee on 21<sup>st</sup> March to discuss these concerns and provide further detail on the Council's approach to ensuring that the Fund was provided with timely and accurate member data. Members asked to be circulated the minutes of the Committee in regard to this issue.

**Action: Rachel Cowburn**

5.3 The Board emphasised the need to ensure that any costs are borne by the relevant employer.

5.4 Rachel Cowburn reported that there was now more certainty around who active members of the scheme are. A new interface existed providing for increased accuracy. The Board noted that the Funds active membership was lower than was expected. It noted, in response to Board questions in relations to data collection, that processes and a timetable were in place and that efforts would be made to ensure that employers know what data they are required to provide.

**RESOLVED:**

To note the actions taken to issue the remaining 2016/17 statements and help ensure improvements for 2018/19.

**6. Communications Policy Update**

6.1 Rachel Cowburn introduced the updated Communications Policy Statement for the Pensions Fund. The Board noted the regulatory requirement for the Fund to have a Communications Policy Statement and for the Statement to be kept updated as required. The Policy had been amended for 2018/19 to reflect the introduction of the General Data protection regulation from 25<sup>th</sup> May 2018 and approved by the Pensions Committee on 4<sup>th</sup> December 2017, for publication on the Pension Fund Website. The policy had been further updated since that time to incorporate the future use of customer satisfaction surveys. In response to the Board's concerns it was confirmed that the reference to 'strategy' could be considered across the Communications Policy statement. The Board asked for information on how the feedback from surveys was used.

**RESOLVED:**

To note the update to the Communications Policy Statement 2018/19.

**7. Pensions Administration Strategy**

7.1 Rachel Cowburn presented the report introducing the draft Pension Administration Strategy. The report outlined the draft strategy for 2018/19, which had been updated to reflect changes to the Fund's third party administration contract. Rachel Cowburn stressed the need to provide employers with the support that they needed in this regard. The strategy would be kept under review and revised as appropriate following any material changes to policies.

**RESOLVED:**

To note the updated Pension Administration Strategy for publication.

## **8. Risk Register Review**

8.1 Rachel Cowburn introduced the updated Pension Fund Risk Register, which detailed potential significant risks to which the Fund is exposed and which the Board as an oversight body for the Pension Fund required to be aware of. The Register also detailed the controls in place to manage these risks. Rachel Cowburn told the Board that the risk policy had been updated in November and was now in line with the Council's overall policy on risk reporting. She emphasised the need to report risk in a meaningful way.

8.2 The Board considered the risk register to be over detailed and emphasised the need for a more balanced approach to risk reporting.

### **RESOLVED:**

To note the report.

## **9. GMP Reconciliation**

9.1 Rachel Cowburn introduced the report providing the Pensions Board with an update on the Fund's GMP reconciliation (Guaranteed Minimum Pensions) exercise, which was being undertaken to ensure that scheme member records for periods spent contracted out of and second state pension were properly accounted for. The biggest challenge was to bring active members into the scope of the exercise. The Board noted that total spend so far was in the region of £200,000.

9.2 The Board asked whether there were mechanisms in place to ascertain the likely cost of delivering GMP. It was noted that Equiniti was separating out active members. There would be significant additional cost. In regard to liabilities to the fund the risk involved was expected to be small but there was insufficient available information to know risk past 1997. It was noted that HMRC would hold contracted out data.

9.3 The Board considered the exempt appendices to the report in the confidential section of the meeting.

### **RESOLVED:**

To note the report.

## **10. End of Administration Report**

10.1 Rachel Cowburn introduced the report detailing the role of the Pensions Committee and summarising its key activities over the 2014-2018 administration.

### **RESOLVED:**

To note the report.

## **11. Any other business**

11.1 Jonathan Malins-Smith (Observer) raised the question of appointing a

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employer representative to the Board and it was noted that work was underway to find such a representative.

## **12. Exclusion of Press and Public**

### **RESOLVED:**

That the press and public be excluded from the proceedings of the Pensions Board meeting during consideration of exempt items on the agenda on the grounds that it would likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in Schedule 12A to the Local Government Act 1972, as amended.

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