Hackney

MINUTES OF A MEETING OF THE PENSIONS BOARD

MONDAY 9 MARCH 2020

Present: **Kay Brown (Employer Representative)**
Hugo Sparks (Employer Representative)
Michael Hartney (Scheme Member)the Chair

Officers in Attendance: **Rachel Cowburn (Head of Pensions)**
Michael Honeysett (Director of Financial Management)
Peter Gray (Governance Officer)

In attendance: Laura Mcinroy (Hymans Robertson LLP

1 Apologies for absence

1.1 Apologies for absence were submitted on behalf of Samantha Lloyd (Chair). In the absence of the chair, Michael Hartney was duly elected as chair.

2 Declarations of Interest - Members to declare as appropriate

2.1 There were no declarations of interest. Rachel Cowburn would circulate the new declarations of interest form to members of the Board.

3 Minutes of the previous meeting

3. 1 The minutes of the previous meeting were agreed as a correct record.

Matters Arising

London CIV Update

Michael Hartney asked for an update on developments at the London CIV.   Rachel Cowburn told the Board that a Chief Executive had been appointed at the CIV on an interim basis. One London Local Authority continued to 'hold out' on agreeing to the proposed changes at the CIV. Other local authorities were considering other options. A report back to on developments at the CIV would be made to the November meeting of the Board.

Action: Rachel Cowburn

4 Actuarial Valuation and Funding Strategy Statement - review and training

4.1 Laura Mcinroy (Hymans Robertson LLP) introduced the report providing the Board with an update on the Fund's 2019 triennial actuarial valuation. The report set out the whole fund results of the valuation and summarised the contribution modelling process used to determine an appropriate contribution rate for the London Borough of Hackney. The report also set out proposed employer contribution rates and presented

the Fund's draft funding strategy statement, both of which are due to be sent for employer consultations.

4.2   Laura McInroy highlighted a number of areas in the laid round report as follows:

- Why and how a valuation is carried out
- Valuation 'health check'
- Approach to setting contributions
- 2019 valuation results and funding strategy review
- Whole Fund funding position
- 209 Valuation; funding strategy
- Key changes to the FSS
- 2019 valuation timeline

4.3   Michael Hartney asked about the quality of data. Laura McInroy told the Board that she believed that the data was fit for purpose. Rachel Cowburn told the Board that an error had been raised with the administrator. She went to say that there was a need to be satisfied that Equity had proper verification systems in place.

4.4   Kay Brown emphasised the need for general monitoring of data on a regular basis. Rachel Cowburn confirmed that there had been much improvement in the quality of membership data. She said that there were, however, concerns about how this data was taken of the system and referred to problems with extracts. She told the Board that Hackney Council was Equiti's only client and may not have the depth of knowledge in to local government.

RESOLVED:

1. To note the whole fund position and the assumptions on which it was based.

2. To note the draft Funding Strategy Statement

5   Risk Register Review

5.1   Rachel Cowburn introduced the report providing the Board with a copy of the Fund's approach to the monitoring of risk, providing an overview of the risk register indicates key changes to the Fund's risks since the last update. The report also outlined changes made to the risk register and risk reporting of recommendations from the Pensions Regulator. Rachel Cowburn set out the Funds key risks as follows:tney

- Asset risk – failure to meet objectives through poor asset performance
- Funding risk – the growth rate of liabilities outstrips that of assets
- Poor membership data – poor administration or employer data provisions resulting in inaccurate records
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She reported that the funding investment risk had deteriorated. She referred to the Community admission body and a decrease in 2 active members. This was not seen as a large risk. It was confirmed that key risks were stable.

5.2   Rachel Cowburn reported that there had been an improvement in the quality of member data. Work was still ongoing to improve the data further. The was to have robust process that was well integrated.

5.3   Michael Hartney stressed the need for early reporting from employer organisations. He referred to the fact that recruitment and retention was a risk for Equiti. This was confirmed by Rachel Cowburn who told the Board that the LGPS was very resource intensive. Rachel Cowburn confirmed to the Board that a recovery plan was in place.

6   TPR Code of Practice Compliance Checklist

6.1   Rachel Cowburn introduced the report covering an updated compliance checklist for the London Borough of Hackney Pensions Fund. She told the Board that this was used to benchmark the service in relation to compliance. She told the Board that issues existed around the adequacy of training with the need to keep training records and provide opportunities to external training. Kay Brown asked that a pack of all essential training information be circulated to the Board by the end of March. In response to a question from Michael Hartney regarding F8 'Annual data review', Rachel Cowburn confirmed that Equiti had provided information but not in the required form and had been requested to use the LGA template.

RESOLVED:

To note the code of compliance checklist and where further work is required.

7   Review of Pensions Committee Work

7.1   Rachel Cowburn introduced the report outlining the work undertaken by the Pensions Committee at its meetings in the period November 2019 to March 2020. The Board was asked to note items that are relevant to the work of the Pensions Board. The report included a forward look at the upcoming work of the Committee during 2020.

RESOLVED:

To note the report.

8   Data Improvement Update

8.1   Rachel Cowburn introduced the report providing the Board with an update on the Fund's ongoing project to improve both the quality of membership data and its time scale for issuing annual benefit statements to members. The report covered actions taken to help improve in the longer term the quality of data provided by the Council as an employer and to cleanse the data currently held on the pension administration system in relation to Hackney Council and schools' staff.

RESOLVED:

To note the actions taken to improve data provision for the Council and maintained schools and to improve the quality of data held on the administration system.

9   Training needs self-assessment and analysis

9.1   Rachel Cowburn introduced the report asking Board members to complete an online questionnaire to indicate their training needs,

RESOLVED:

1. To note the report
2. To individually complete and return the training needs self-assessment questionnaire by 30th April 2020

10   Pensions Administration Scheme

10.1   Rachel Cowburn introduced the final version of the Pension administration strategy for 2020/23, which had been out for consultation and updated to reflect changes to the way employers exchange data with the third part administrator, Equiniti.

RESOLVED:

To note the updated Pension Administration Strategy for publication.

11   Communication Strategy

11.1   Rachel Cowburn introduced the final version of the Pensions Administration for 2020/23, which had been out for consultation and updated to reflect changes to the way employers exchange data with the third party administrator, Equiniti.

12   Any other non-confidential business

12.1   There was no other non-confidential business.

13   Exclusion of Press and Public

RESOLVED:

The Press and Public be excluded from the meeting during the consideration of agenda item 6 due to the disclosure of exempt information as defined under paragraph 7, Part 1, Schedule 12A of the Local Government Act 1972.

Duration of the meeting: 10 – 11:30am