

## MINUTES OF A MEETING OF THE PENSIONS BOARD

FRIDAY, 2ND DECEMBER, 2016

**Present:**

**Samantha Lloyd (Chair)**

**Kay Brown**

**Officers in Attendance: Rachel Cowburn and Julie Stacey**

**Also in Attendance: Cllr Robert Chapman**

**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 interest.

**Agreed:**

That Rachel Cowburn circulate the relevant forms relating to conflicts of interest.

**3. MEMBERSHIP**

3.1 The Board welcomed Kay Brown as the new member of the Pensions Board. Henry Coldhurst had been appointed to the Board but was not present. A further representative was required. Councillor Chapman agreed to consult on securing further representation. The Board noted that it would be necessary to conduct interviews for scheme membership and that 13 applications had been received.

**4. MINUTES OF THE PREVIOUS MEETING**

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

**5. TERMS OF REFERENCE**

5.1 Rachel Cowburn introduced the report on the Pensions Board terms of reference and outlined the need to amend these to include a sitting member of the Board and agreed to consult with the Council's Legal Department on any amendments to the Board's terms of reference.

**RESOLVED:**

To note the terms of reference of the Pensions Board as set out at appendix 1 to the report.

**6. ANNUAL PENSION FUND REPORT - 2015-16**

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6.1 Rachel Cowburn introduced the report outlining the work undertaken by the London Borough of Hackney and the performance of the pension fund administrators in regard to the administration of the LGPS Hackney Pension Scheme for the financial year 2015/16. The contract for pension administration and pension payroll was managed externally by the Fund's pension administrators, Equiniti Pensions solutions with the contract being overseen by the Financial Services Section based at London Borough of Hackney. The contract with Equiniti commenced on 1 April 2009 for an initial period of 5 years and approval was given on 1 April 2014 to extend for a further 3 years until 31 March 2017. The Board noted that there had been a dip in performance against SLAs.

6.2 Rachel Cowburn reported a dip in the performance against the SLA of the administrator. In response to a question from Cllr Rob Chapman Rachel Cowburn confirmed that Council had agreed that when the contract with Equiniti ended on 31<sup>st</sup> March the Payroll Provider should change. However, in order to ensure some continuity a nine month extension to the contract was being sought during which time there was to be parallel working.

6.3 The Board expressed concern that in a number of instances contributions had been received late from various employers during the year, including Hackney Council. Julie Stacey told the Board that this incurred additional administration costs and was being monitored. The Board noted from the report that in most instances late submission was by one day only and employers had been reminded of the regulatory requirements to meet payments due to the fund by the 19<sup>th</sup> of the month.

**RESOLVED:**

To note the report.

**7. ANNUAL REPORT OF THE PENSIONS COMMITTEE - 2015-16**

7.1 Rachel Cowburn introduced the report outlining the role of the Pensions Committee and summarising the key activities and achievements in 2015/16 that demonstrated how the Committee had fulfilled its role acting in its quasi-trustees of the Council's Pension Fund.

7.2 The Board noted that the Committee would continue to work on climate change issues begun in 2015/16. Further, progress had been made on the low carbon objectives and there would no longer be investment in oil and gas. The Board noted Divest Hackney attendance at Pensions Committee meetings.

7.3 Councillor Chapman (Council representative on CVO) told the Board that progress was being made towards the development of the Council Collective Investment Vehicle (CIV). In response to comments of the Chair in regard to training Rachel Cowburn told the Board that a training day would be arranged for the Board and Committee members on the CIV Scheme.

**RESOLVED:**

To note the report.

**8. REVIEW OF THE PENSIONS COMMITTEE**

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8.1 Rachel Cowburn introduced the report asking members to consider the work undertaken by the Pensions Committee at its meetings in the period from March to September 2016 and to note items that were relevant to the work of the Pensions Board. Rachel Cowburn emphasised that members of the Board should receive the agenda and papers for the Pensions Committee.

8.2 Kay Brown asked if the Council was on target to meet its statutory duty in providing all active members of the Fund with an annual benefit statement by 31st August 2017 and Rachel Cowburn confirmed that this was on track.

**RESOLVED:**

To note the report.

**9. REPORTING BREACHES**

9.1 Rachel Cowburn introduced the report outlining the 'Reporting Breaches Procedure' for the Fund, to help to ensure compliance with section 70 of the Pensions Act 2004 and with reporting breaches section of the TPD's Code of Practice. It was noted that those involved in running or advising Pension Schemes have a statutory obligation to report 'materially significant' breaches of the law to the Pensions Regulator.

**RESOLVED:**

To note the Reporting Breaches Policy at appendix 2 to the report as it relates to the Pensions Board.

**10. CONFLICTS OF INTEREST POLICY**

10.1 Rachel introduced the report outlining policy on conflicts of interest.

**RESOLVED:**

To note the policy on conflicts of interest and to complete declarations of interest in respect of the position as members of the Pensions Board.

**11. TPR CODE OF COMPLIANCE CHECKLIST**

11.1 Rachel Cowburn introduced the report providing an updated compliance checklist and areas where further work was required and being undertaken. The Service Pension Schemes came into force from 1<sup>st</sup> April and all schemes must now consider whether they comply with the Code. Members noted the Pensions Regulator Code of Practice Compliance Checklist and the need to pragmatic in its application. A report would be made to TPR to state the breach in the number of representatives currently on the Board. It was noted that a number of areas of the code were partly complied with. The Board expressed concerns about the recent frequency of Board meetings. Rachel Cowburn told the Board that this had resulted from a number of resignations from the Board and operational changes at officer level. It was agreed that the Board meet twice a year in March and October.

11.2 Rachel Cowburn reported the delay in issuing the annual benefits statement was due to Hackney Council payroll information not being accurate. The Breach had been reported to the Pensions Regulator. Work was ongoing with the Council to improve data and the matter had been escalated for resolution. Further, the issue had been raised at the Programme Board and was under discussion. In response to a question

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from Kay Brown, Rachel Cowburn confirmed that the 31<sup>st</sup> December deadline was on target. The specification for 2015/16 had been run and tested. The Board strongly reiterated the need to take proactive action on this matter to escalate.

**RESOLVED**

To note the Code of Compliance Checklist and where further work is required to be undertaken.

**12. PENSION BOARD WORK SCHEDULE 2016-17**

12.1 Rachel Cowburn introduced the report providing and indicative work plan for the Pensions Board meetings for the period 2016/17.

**RESOLVED:**

To agree the indicative work plan for the Board 2016/17.

**13. ANY OTHER BUSINESS**

13.1 There was no other business at the meeting.

**Duration of the meeting:** 10-12:30