

MINUTES OF THE PENSIONS BOARD

14TH NOVEMBER 2020

Meeting held remotely

Members Present:	Samantha Lloyd (Chair) Michael Hartney Hugo Sparks
Officers:	Jackie Moylan (Director - Financial Management) Michael Honeysett (Interim Head of Pensions) Peter Gray (Governance Officer)
In Attendance:	Catherine Pearce - Aon

1. APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence.

2. DECLARATIONS OF INTEREST

2.2 There were no declarations of interest.

3. TRAINING - 95K EXIT CAP REGULATIONS

3.1 Catherine Pearce reported to the Board on the 95K Exit Cap regulations 2020 intended to impose a 95K cap on exit payments to employees in the public sector. Under the regulations, pension strain costs must be counted within the cap. Councils could be faced with an obligation under LGPS rules to make a pension strain payment which exceeds 95k to an LGPS Fund members to cover the cost of early retirement on redundancy, but at the same time prevented by the Exit Pay Cap Regulations from making the payment. It was considered that the matter would be open to legal challenge. The LGA and various organisations were raising concerns with MHCLG. The regulations had been approved by Parliament but it was not clear when they were to come into force.

3.2 Michael Hartney asked for an update on Hackney's position in regard to the regulations. Michael Honeysett reported to the Board that the Council currently had one member affected by the regulations due to be made redundant in June 2021. Restructures were in the pipeline.

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The Board referred to the complexity of the regulations and the uncertainty caused to public sector employers and employees, stressing the need for early resolution. It was concerned that the regulations also negatively affected lower paid, long term staff.

4. PENSIONS TEAM STAFF CHANGES

4.1 Michael Honeysett introduced the report providing an update to the Pensions Board regarding staffing issues specifically related to the in-house Pensions Team given a relatively high level of turnover in recent years. A consistent team going forward was present to undertake the necessary work.

4.2 The Chair asked for clarification charging arrangements for the head of pensions. MH told the Board that those for the employer role will be charged to the general fund. The Pensions Admin team is largely charged to the Pensions Fund as is the head of pensions 75/25 Pension Fund/ Non Pension Fund. We are looking to ensure that the recharges reflect the new structure.

4.3 Michael Hartney asked about inhouse ability to deal with GMP... MH told the Board that GMP was nearing its end, led by Equiniti and the inhouse administration team. The aim was for a February implementation. Jackie told the Board that it had been possible to maintain a lot of continuity throughout the process, in particular with the appointment of Michael Honeysett as interim Head of Pensions.

RESOLVED:

To note the revised structure of the Pensions Team and interim staffing arrangements and the assurance regarding ongoing cover on the team.

5. REVIEW OF THE WORK OF THE PENSIONS COMMITTEE - APRIL - SEPTEMBER 2020

5. Michael Honeysett introduced the report on the work undertaken by the Pensions Committee at its meetings in the period April 2020 to September 2020 and to note items that are relevant to the work of the Pension Board. The report also included a forward look at the upcoming work of the Committee during 2020/ 21.

5.1 The Chair asked for clarification in relation to the revised governance consultancy framework Catherine Pearce told the Board that when the Council last let the governance contract it used a framework that was set up by the Norfolk Pension Fund, run on behalf of all the LGPS funds. The framework exists to ensure that provider competitions are run in the most effective and efficient way. The updated framework referred to the original actuarial benefits framework set up in 2012 and was refreshed into a new framework in 2016 and was due to be refreshed into a new framework in 2020. This has been slightly delayed because of the COVID-19. The intention was that a new framework would be up and running next year.

RESOLVED:

1. To note the report.

2.

6. Pensions Fund Business Plan 2020-2034

6.1 Michael Honeysett introduced the Pensions Fund Business Plan for 2020-2034 as approved by the Pensions Committee in September 2020. The Plan set out the key tasks the Fund needed to undertake to fulfil its strategic objectives for the next three years together with a draft plan for the Pensions Committee and communications plan for the current financial year 2020-21.

RESOLVED:

To note the Fund's Approved Business Plan for 2020/2023

7. Data Improvement Update

7.1 Michael Honeysett introduced the report providing an update on the Fund's ongoing project to improve both the quality of membership data and its timescales for issuing annual benefits 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 in the pension administration system in relation to Hackney Council and Schools.

RESOLVED:

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

8. Pensions Board Work Plan 2021

8.1 Michael Honeysett introduced the report providing an indicative work plan for the Pensions Board for 2020-21

RESOLVED:

To agree the indicative work plan for the Board for 2020-23

9. ANY OTHER BUSINESS THAT IN THE OPTION OF OF THE CHAIR IS URGENT

9.1 There was no urgent business

Duration of the meeting: 10:00 - 11:30

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Chair at the meeting on
Wednesday, 14 October 2020

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