

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 21 October 2016 commencing at 10.30 am and finishing at 12.26 pm

Present:

Voting Members: Graham Burrow – in the Chair

Alistair Bastin
District Councillor Roger Cox
Stephen Davis
Councillor Bob Johnston
David Locke FCA

Officers:

Whole of meeting Sean Collins (Service Manager (Pensions, Insurance & Money Management)); Sue Whitehead (Corporate Services)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

30/16 WELCOME BY CHAIRMAN

(Agenda No. 1)

The Chairman welcomed everyone to the meeting.

31/16 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE OPPOSITE

(Agenda No. 3)

There were no declarations of interest

32/16 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were no requests to submit a petition or to make an address.

33/16 MINUTES

(Agenda No. 5)

The minutes of the meeting held on 15 July 2016 were approved and signed as a correct record, subject to the correction to the Chairman's name in minute 21/16.

34/16 EXEMPT ITEMS

(Agenda No. 6)

RESOLVED: that the public be excluded for the duration of items 7 and 8 in the Agenda since it is likely that if they were present during those items there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PUBLIC SUMMARY OF PROCEEDINGS FOLLOWING THE WITHDRAWAL OF THE PRESS AND PUBLIC**35/16 EXEMPT MINUTES - 15 JULY 2016**

(Agenda No. 7)

The public was excluded during this item because its discussion in public was likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that disclosure could distort the proper process of each of the 10 Committees negotiating the final proposal. It is intended that once all Committees have agreed the final proposal for submission to Government, the final proposal will become a public document. Disclosure would also prejudice the commercial position of the individual pension funds, and future negotiations with Fund Managers.*

The exempt part of the Local Pension Board Minutes of the meeting held on 15 July 2016 were approved and signed as a correct record subject to a grammatical correction to minute 26/16.

36/16 ADDITIONAL VOLUNTARY CONTRIBUTION (AVC) SCHEME

(Agenda No. 8)

The public was excluded during this item because its discussion in public would have been likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

At the request of a member of the Board, the Board had before them a report (**LPB8**) on the current arrangements for the Funds AVC scheme.

The Board considered the arrangements and made recommendations to the Committee in relation to future reviews.

ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC

37/16 EMPLOYER MANAGEMENT

(Agenda No. 9)

The Board considered a report that followed a request made by the Board at its last meeting for further information on the approach to employer management, including the approach to employer engagement, the identification of employer related risks, and the support and training provided to employers.

Sean Collins presented the report highlighting that it was an issue fully recognised by the Committee and the report explained the actions being taken to address concerns. He referred to employer reports and statistics on delayed returns. He recognised that due to various issues the target for sending out annual benefit statements had been missed. Currently they were not able to say how many of those who had not received benefit statements this year had not received them in previous years. Processes were being reviewed and improved.

During discussion the Local Pension Board:

1. Expressed concern that members were not receiving their annual benefits statement and that the extent of the problem was not known.
2. Discussed the reasons and context for the problem and highlighted the importance of alerting affected members at the earliest opportunity. It was suggested that if possible members who had not received statements due to a query with their information should receive a statement with an alert that the information needs to be checked.
3. It was also suggested that as an alternative a letter be sent to all those affected.
4. In discussion of the problems faced by employers it was suggested that a common data set across Pension Funds would be helpful.
5. Going forward it was suggested that the key quarterly performance report should come to the Local Pension Board.

Sean Collins undertook to take forward the suggestions made to see which were most practicable.

The Local Pension Board AGREED to receive an update to the January Meeting.

38/16 ANNUAL REVIEW OF PENSION ADMINISTRATION PERFORMANCE

(Agenda No. 10)

The Local Pension Board had before them a report initially presented to the Pension Fund Committee at its meeting on 2 September 2016. It covered the key performance issues associated with the Pensions Administration Service.

The Board reviewed the details provided of the formal complaints received during the year and noted the report.

39/16 RISK REGISTER

(Agenda No. 11)

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The Local Pension Board considered the latest risk register as presented to the Pension Fund Committee on 2 September 2016. Sean Collins updated Board Members on the latest position in relation to the planned move from Unipart House (Risk 10). He also provided an update on the risk relating to processing pension payments. The software providers had been able to provide a patch.

A Member raised the risk posed by the reported expected increase in the national deficit which was expected to double in one year. It would focus attention on the sustainability of the LGPS.

The report and risk register was noted.

40/16 ANNUAL REPORT

(Agenda No. 12)

The Local Pension Board noted a short report on the work of the Board during its first year. The Board approved the report for publication.

Responding to a query relating to the appointment process for the scheme member representative vacancy on the Local Pension Board Sean Collins invited Stephen Davis and Alistair Bastin as current scheme member representatives to be the trade unions representatives on any interview process.

41/16 ISSUES/ITEMS TO BE REPORTED BACK TO SCHEME MEMBERS

(Agenda No. 13)

It was **AGREED** that the following items be reported back to Scheme Members and included in the Members report back to the Pension Fund Committee:

- The issues around the annual benefits statements
- The recommendations arising from the Additional Voluntary Contributions (AVC) Scheme report

..... in the Chair

Date of signing 2016