

**MINUTES OF THE MEETING OF THE
LOCAL PENSION BOARD
Town Hall, Main Road, Romford
2 October 2018 (4.00 - 5.25 pm)**

Present:

Mark Holder, Scheme Member Representative
David Holmes, Scheme Member Representative

Officer Attendance:

Caroline Berry, Pensions Projects and Contracts Manager, OneSource, LBH
Debbie Ford, Pensions Manager, Pensions and Treasury
Lillian Thomas, Pensions Accountant, Pensions and Treasury
James Curtis, LPP (part of the meeting)

1 CHAIR'S ANNOUNCEMENTS

The Chair reminded Members of the action to be taken in an emergency.

2 APOLOGIES FOR ABSENCE

An apology for absence was received from Anne Giles, Scheme Member Representative.

3 DISCLOSURE OF INTEREST

There were no disclosures of interest.

4 MINUTES OF THE MEETING

The meeting of the Local Pension Board held on the 21 August 2018 could not be approved, as the meeting was not quorate.

The following matters arose from the minutes of the previous meeting, which were not covered elsewhere on the agenda:

- i) Minute No. 52(i): There was a written process in place to identify late payments, however the process would require amendment to bring in line with the Charging Policy.
- ii) Minute No. 52(ii): Members had suggested that when the Charging Policy was next reviewed, that reference be included to charging a fee for administration for processing late payments and interest charges.
Action to be carried forward – Caroline Berry

- iii) Minute No. 52(iii): The Work Plan to be included on the agenda as a standing item – Victoria Freeman.
- iv) Minute No. 54: Note No. 5 below refers.
- v) Minute No. 55(i): To discuss the process of recording those overpayments that were written off with Sarah Bryant and would report back to members. Action to be carried forward – Caroline Berry.
- vi) Minute No. 55(ii): It was reported that all active members would receive email notifications if their email addresses were held by LPP. Furthermore, details were made available on the website.
- vii) Minute No. 55(iii): Members were advised that the legal requirements did not apply to deferred statements. The regulations applied only to annual benefit statements.
- viii) Minute No. 55(iv): It was confirmed that Standard Life had sent an annual benefit statement to all members within the required timescales.
- ix) Minute No. 55(v): Note No. 6 below refers.
- x) Minute No. 57: Note No. 7 below refers.
- xi) Minute No. 58: Note No. 8 below refers.

Actions:

- i) **Note No. 4(i): Members had suggested that when the Charging Policy was next reviewed, that reference be included to charging a fee for administration for processing late payments and interest charges. Action to be carried forward – Caroline Berry.**
- ii) **Note No. 4(ii): The Work Plan to be included on the agenda as a standing item – Victoria Freeman.**
- iii) **Note No. 4(v): To discuss the process of recording those overpayments that were written off with Sarah Bryant and would report back to members. Action to be carried forward – Caroline Berry.**

5 KEY PERFORMANCE INDICATOR REPORT

The monthly report for September 2018 was circulated to members. The majority of cases had been completed on time, and this was largely due to the section being fully staffed and an improvement in management. It was requested that it be highlighted on the Pension Board monthly report the main indicators that are reported in the Annual report to the Pensions Committee. Furthermore, it was requested that accumulative data for the year be presented to the next meeting. Members questioned the validity of data for cases completed on time and were provided assurance that the data was not misleading. Members requested that the following data be provided in future reports:

- Additional work
- 'Top' cases not on time
- Complaints and IDRP cases
- Life Certificates
- Axis online take up numbers

Concern was raised that the issues with the event report from HMRC had not been resolved, as this was a breach and needed to be urgently addressed.

Actions:

- i) **That it be highlighted on the Pension Board monthly report the main indicators that are reported in the Annual report to the Pensions Committee – James Curtis / Caroline Berry.**
- ii) **To discuss the format to present accumulative data for the year - James Curtis / Caroline Berry.**
- iii) **To check who was responsible for running previous reports for HMRC as a priority to ensure that statutory obligations are met – James Curtis / Debbie Ford.**

6 COMPLIANCE CHECKLIST

The following sections were discussed and points noted:

Section D – Publishing Information about schemes

D1 – Does the Administering Authority publish information about the Pension Board? Members considered the requirement to be fully compliant.

D2 – Does the Administering Authority publish other useful related information about the Pension Board? Members agreed that the website be updated to include a profile of the Local Pension Board members.

D3 – Is the information about the Pension Board kept up to date? Members considered the requirement to be fully compliant.

D4 – Does the Administering Authority publish information about Pension Board business? Members considered the requirement to be fully compliant.

Section I – Internal Dispute Resolution

I1 – Has the Administering Authority put in place an internal dispute resolution procedure? Members considered the requirement to be fully compliant. The IDRP was being reviewed with LPP to ensure that it was up to date and included all required and additional helpful information as the current version was based on an old DCLG sample.

I2 – Does the Administering Authority's process highlight or consider whether a dispute is exempt? The process would be included in the IDRP factsheet when the document was reviewed.

I3 – Does the information made available to applicants about the procedure clearly state the procedure and process to apply for a dispute to be resolved including: who it applies to; who the specific person (stage 1) is; the timescales for making applications; who to contact with a dispute; the information that an applicant must include; the process by which decisions are reached? Members considered the requirement to be fully compliant.

I4 – Has the Administering Authority ensured that employers who make first stage decisions also have IDRP in place? Some of the scheme employers had published their stage 1 IDRP adjudicator details along with their scheme discretions, however all employers needed to be encouraged to do so although it was optional for employers to nominate stage 1.

I5 – Are the timescales in the procedure adhered to including sending an acknowledgement on receipt of an application? As yet, the London Borough of Havering had not had a formal IDRP complaint to process, however there was a policy and process in place and this would be reviewed.

I6 – Does the Administering Authority notify and advertise the procedure appropriately? Members considered the requirement to be fully compliant.

I7 – Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to? Members considered the requirement to be fully compliant.

I8 – Does the Administering Authority regularly assess the effectiveness of its arrangements? Members considered the requirement to be fully compliant.

I9 – Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process? Members considered the requirement to be fully compliant.

Actions:

- i) **D2 - To provide a short profile for inclusion on the website - All members.**
- ii) **I1 – To review the IDRP with LPP to ensure that it was up to date and included all required and additional helpful information as the current version was based on an old DCLG sample – Caroline Berry.**
- iii) **I2 – Details of the process highlighting or considering whether a dispute is exempt to be included in the IDRP factsheet when it is reviewed – Caroline Berry.**
- iv) **I5 – The policy and process for IDRP complaints to be reviewed – Caroline Berry.**

7 RISK REGISTER REVIEW

Members received the Pension Fund Risk Register, which incorporated risks relating to Havering, Newham and Bexley.

The following points were discussed:

- Risk No. 1, Risk of Inaccurate three yearly actuarial valuation: It was proposed that the wording be amended to 'inappropriate' rather than 'inaccurate'.
- Risk No. 4, Risk of failure to comply with legislative requirements: It was felt that the consequence of not adding on legislation in a timely manner and contributions being delayed was a risk.

Members were requested to provide their views on the format of the Pension Fund Risk Register document to officers before the document was presented to the Pensions Committee on the 13 November 2018.

Action:

To provide views on the format of the Pension Fund Risk Register document to officers by the 12 October 2018 – All members.

8 LPP INTERNAL AUDIT

LPP had an internal audit around benefits administration in January 2018. Unfortunately, due to risk, LPP were unable to share the internal audit report externally.

The scope of the internal audit included:

- Benefit processing – Controls were in place surrounding the accurate calculation and payment of pension benefits, payment authorisations, documentation and record keeping procedures;
- Accuracy of benefit calculations;
- Workflow management process from receipt of task to delivery; and
- Management of the administration system in respect of calculations and factor changes, to enable the administration system to process calculations in line with the Rules of each scheme.

LPP had received an 'effective' rating which could be defined as:

'Compliant (adequate in the circumstances) – low risk of failure in risk mitigation and control and some scope or justification to improve risk mitigation and control activities for audited functions, processes and activities'.

Concern was raised that the key performance data may not provide an accurate picture as the data did not account for time received and when the case was logged onto the system. It was suggested that any questions that officers and members may have, be presented to Lancashire Council who procure LPP, in order for LPP to be challenged.

Action: Statistics and questions to be presented to Lancashire Council – Caroline Berry.

9 BOARD MEMBERSHIP AND RECRUITMENT

The advertisement and application form for an employee representative for the Local Pension Board and Pensions Committee had been sent to all employers and trusts. The closing date for applications was the 31 October 2018.

10 TO RECEIVE FEEDBACK FROM RECENT MEETINGS OF THE PENSIONS COMMITTEE

Members received the minutes of the Pensions Committee held on the 18 September 2018.

Chairman