

**MINUTES OF THE MEETING OF THE  
LOCAL PENSION BOARD  
Committee Room 2 - Town Hall  
21 August 2018 (4.00 - 5.46 pm)**

**Present:**

Mark Holder, Scheme Member Representative (Chairman)

David Holmes, Scheme Member Representative

Virpi Raivio, Employer 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)

**49 CHAIR'S ANNOUNCEMENTS**

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

**50 APOLOGIES FOR ABSENCE**

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

**51 DISCLOSURE OF INTEREST**

There were no disclosures of interest.

**52 MINUTES OF THE MEETING**

The minutes of the ordinary meeting held on the 24 April 2018 were agreed as a correct record and signed by the Chairman. The following matters arose from the minutes of the previous meeting, which were not covered elsewhere on the agenda:

- Minute No. 34(i): It was confirmed that all board members had reviewed the CIPFA knowledge and skills self assessment and sent confirmation of completion to Debbie Ford.
- Minute No. 34(ii): Various training event invitations had been circulated to members.
- Minute No. 34(iii): Minute No.58 refers.
- Minute No. 35: It was confirmed that Local Pension Board members were covered for liabilities within the scope of the council's own

indemnity provisions. A confirmation letter was awaited from the insurance company.

- Minute No. 36 (C5): Members were advised that Democratic Services were responsible for holding details of members declarations.
- Minute No. 36 (C6): It was requested that Local Pension Board members declarations not be published on website.
- Minute No. 36 (G1): An explanation to be provided of the process in place to identify late payments. Action to be carried forward.
- Minute No. 36 (G5): 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.
- Minute No. 37: Minute No.60 refers.
- Minute No. 40: It was confirmed that the Annual Report had been agreed by members at the Annual General Meeting on the 18 June 2018 and presented to the Pensions Committee on the 24 July 2018.

The minutes of the Annual General meeting held on the 18 June 2018 were agreed as a correct record and signed by the Chairman. There were no matters arising from the minutes of the previous meeting, which were not covered elsewhere on the agenda.

Members received, and noted, the feedback from the meeting of the Pensions Committee held on the 24 July 2018 and the Special Pensions Committee meeting held on the 20 August 2018.

Members requested that the work plan be included as a standing item on future agendas.

**Actions:**

- Minute No. 36 (G1): An explanation to be provided of the process in place to identify late payments. Action to be carried forward – Caroline Berry.**
- Minute No. 36 (G5): 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.**
- Work plan be included as a standing item on future agendas – Victoria Freeman**

53 **LATEST KEY PERFORMANCE INDICATOR REPORT**

The latest KPI report was circulated and presented by James Curtis (LPP).

In addition to the PRoWS Statistical document for April 2018, members received the three month statistics at the meeting.

The focus for LPP was on processing Deaths, Retirements and Estimates (employer), with improvements having been seen in all areas. There had been 681 overdue cases as of the 1 June 2018, and this had reduced to 94 as of the 21 August 2018. There were currently no overdue Retirement or Death cases. The focus was on ensuring that all cases were processed by their due date in addition to reducing the backlog of cases. Benefit statements would be made available to members on the 31 August 2018, generating additional work for officers.

There were a number of questions around improvements and clarifications on the report and these are covered in the section below.

54 **NEW KEY PERFORMANCE INDICATOR REPORT**

The London Borough of Newham monthly report for February 2018 was circulated at the meeting for members to view the format of report produced by the Local Pensions Partnership (LPP).

Members liked the style of the new report which made it a lot clearer on the position of each of the categories measured.

Members requested that all cases be allocated on the report to provide a complete picture of performance. That descriptions be made clearer and if necessary an appendix giving more detailed information on all heading descriptions. Members requested a separate report on cases on hold and the reasons why they were on hold.

Members requested that the SLA target be shown on the report to make it clear whether we were achieving agreed targets.

Members requested a cumulative position to be included on the report calculating the cumulative position from the 1<sup>st</sup> April 2018, as an annual cumulative performance report was the agreed method of reporting performance to the Pensions committee.

Members requested that the performance report to be completed with the Septembers data in the new format and this added as a standing item on future agendas.

**Action: To produce new report for next board meeting to review - LPP**

55 **COMPLIANCE CHECKLIST**

The following sections were discussed and points noted:

Section F – Administration and Scheme Record Keeping

F1 – Do member records hold the information required as defined in the Record Keeping Regulations and is it accurate? Members agreed that the requirement was fully compliant.

F2 – Does the Fund have the appropriate processes in place so employers can provide timely and accurate information? Officers were working on training provision for 'Your Fund', with LPP to initially provide training to Havering, as the largest employer in the scheme. When available, the Pension Administration Policy would be presented to the Pension Committee, for approval, although this was not currently a high priority.

F3 – Does the Fund keep records or and reconcile transactions as required by the Record Keeping Regulations? Caroline Berry would discuss the process of recording those overpayments that were written off with Sarah Bryant and would report back to members.

F4 – Are records kept of pension board meetings as required by the Record Keeping Regulations? Members agreed that the requirement was fully compliant.

F5 – Are records kept of decisions made by the pension board, outside of meetings as required by the Record Keeping Regulations? Members agreed that the requirement was fully compliant.

F6 – Are records retained for as long as they are needed? It was confirmed that legally records could be retained indefinitely and would not breach the General Data Protection Regulations.

F7 – Does the Administrating Authority have policies and processes to monitor data on an ongoing basis? The formal monitoring of data and checks would be carried out as part of the audit process. Furthermore, performance indicators highlighted any issues.

F8 – Does the Administrating Authority carry out a data review at least annually? Members agreed that the requirement was fully compliant.

F9 – Is a data improvement plan in place which is being monitored with a defined end date? There was currently no improvement plan in place, and this was a priority for Caroline Berry.

F10 – Are processes and policies in place to reconcile scheme data with employer data? Addresses were not currently checked. Work on LPP data processes would be undertaken next year and address reconciliation would be done.

F11 – Do the Administrating Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection

principles? Members agreed that the requirement was fully compliant. LPP use Mimecast as their secure email facility.

Section H – Providing information to members and others

H1 – Has an annual benefit statement been provided to all active members within the required timescales? Caroline Berry was requested to investigate the process followed for providing the annual benefit statement to active members.

H2 – Do these meet the legal requirements in relation to format? Members agreed that the requirement was fully compliant.

H3 – Has a benefit statement been provided to all active, deferred and pension credit members who have required one within the required timescales? Members agreed that the requirement was fully compliant.

H4 – Does this meet the legal requirements in relation to format? Caroline Berry advised that she would check to ascertain whether the legal requirements applied to deferred statements.

H5 – Has an annual benefit statement been provided to all members with AVCs within the required timescales? Officers did not have authority to check with AVC providers as to whether AVC members receive an annual benefit statement. However, written confirmation was sought from the AVC providers that they sent an annual benefits statement to all members with AVCs within the required timescale. Prudential had confirmed that they adhere to the requirements and no response had been received from Standard Life. Caroline Berry advised that she would chase Standard Life for a response.

H6 – Do these meet the legal requirements in relation to format? Minute H5 above refers.

H7 – Is basic scheme information provided to all new and prospective members within the required timescales? The target had been set and contained in the service level agreement with LPP.

H8 – Does this meet the legal requirements in relation to format? Members agreed that the requirement was fully compliant.

H9 – Is all other information provided in accordance with the legal timescales? Members agreed that the requirement was partially compliant.

H10 – Where any information is only provided electronically (i.e. instead of any hard copy) does it comply with the legal requirements? Members agreed that the requirement was fully compliant.

H11 – Does the Administering Authority aim to design and deliver communications in a way that ensures scheme members are able to

engage with their pension provision? Members were advised that the standard letters had been reviewed when the operating system had been migrated to LPP.

H12 – Does the Administering Authority use a tracing service? Members agreed that the requirement was fully compliant.

**Actions:**

- i) **F3 - To discuss the process of recording those overpayments that were written off with Sarah Bryant and would report back to members - Caroline Berry**
- ii) **H1 – To investigate the process followed for providing the annual benefit statement to active members - Caroline Berry.**
- iii) **H4 – To check to ascertain whether the legal requirements applied to deferred statements - Caroline Berry**
- iv) **H5 – To chase Standard Life for confirmation that they send an annual benefit statement to all members within the required timescales - Caroline Berry**
- v) **Sections ‘D’ and ‘I’ to be considered at the next meeting – Victoria Freeman**

**56 LOCAL PENSION BOARD - END OF YEAR FINANCE REPORT 2017-18**

Members received a report which notified of the budget set for the 2018-19 financial year.

In 2017/18 costs totalled 14.5% of the budget allocated and for 2016/17 costs totalled 22% of the budget allocated, averaging out at 18.25% over the 2 year period. The costs for 2017/18 did not incur recruitment costs, however there may be a need to recruit two new employer representatives to the Board.

**57 REVIEW OF SCHEME RISKS**

Member's views were sought on the updated draft Pension Fund Risk Register document which was circulated at the meeting. The final document would be presented to the Pension Committee at their meeting on the 13 November 2018.

**Action: To provide views on the format of the Pension Fund Risk Register document to officers by the 11 September 2018 – All members**

58 **INTERNAL AUDIT**

A review to ensure that procedures were sufficiently robust was on the Internal Audit work plan for September 2018. LPP had recently been audited by Deloitte and a client version of their report would be circulated to members.

**Action: To circulate a client version of Deloitte audit of LPP to members – Caroline Berry**

59 **BOARD RECRUITMENT**

Members discussed future changes to the membership of the Board and the potential vacancy for one employer representative from September 2018 and another from April 2019. It was agreed that an advertisement be placed for the recruitment of an employer representative as soon as possible.

**Action: To place an advertisement for the recruitment of an employer representative - Caroline Berry / Debbie Ford**

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**Chairman**