

**MINUTES OF THE MEETING OF THE  
LOCAL PENSION BOARD  
Town Hall, Main Road, Romford  
4 October 2016 (2.00 - 3.09 pm)**

**Present:**

Justin Barrett (Employer Representative) and David Holmes (Employer Representative)

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

**18 CHAIR'S ANNOUNCEMENTS**

Due to an administrative error over timings the meeting was inquorate; it was agreed that the meeting should proceed and where appropriate recommendations submitted to the next meeting.

**19 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mark Holder and Marshajane Thompson.

**20 DISCLOSURE OF INTEREST**

There were no disclosures of interest.

**21 MINUTES OF THE MEETING**

Further to minute no. 16 'The Way Forward', from the meeting held on 12 July 2016, DF advised that the cost of the Pensions Administration to each employer was 0.7% of their employer contribution rate. The cost of the Pensions Team charged to the Pension Fund was £429,000 for 2015/16.

In response for the Board request for benchmarking data DF explained that the Centre for Policy Study had commissioned a report to review the performance of the Local Government Pension Schemes which also provided some benchmarking information. The report was issued in December 2015 and included comparisons of 2014/15 and 2013/14 so it did not include up to date data. DF to distribute the report to the Board.

SB advised that benchmarking across onesource had stopped as the aim was to drive down costs but provide a good service.

The DCLG SF3 2015/16 data would be circulated to the Board when available.

With regard to KPI's these were included in the Annual Report and officers would look in to the feasibility of reporting these to the Board on a quarterly basis.

The 2016 triennial Valuation was expected around November and officers would be arranging for the actuaries to deliver a joint training session to both the Pensions Committee and Local Pensions Board. In addition to the valuation the actuaries were required to produce a like for like comparison with other funds.

**22 LOCAL PENSION BOARD ANNUAL REPORT 2015/16.**

JB and DH thanked JG for producing a draft Annual report. So far only Mark and Justin had made any comments/input.

JB asked that any comments be sent to him by Friday, 14 October so the Local Pension Board annual report could be finalised.

**23 FAIR DEAL AND TUPE.**

SB introduced JA who had been appointed as the Interim Pension Manager. He worked for the LPFA and has great experience. Before she left MJ had produced a draft TUPE manual and JA would be finalising this.

JA would be producing a priority list to agree with SB and report back to the Board.

The TUPE manual would be circulated to the Board in advance of the next meeting.

**24 SUPPORT FOR THE LOCAL PENSIONS BOARD**

SB informed the meeting that she had arranged a meeting with Havering's Monitoring Officer to discuss legal issues and support for the Board.

SB then spoke about the transformation of Transactional Services.

She gave an assurance that JA would be attending all future meetings of the Board.

Staffing in general had been a problem. SB wanted a good Pensions Manager but she had been unable to recruit anyone suitable. She had looked at the pool of interim's that were available and none fitted the profile. The solution was to reach an agreement for JA's services from LPFA.

SB had launched a restructure for Pensions Administration across Havering and Newham, but this had been abandoned following the loss of 4 members of the Havering team.

Work which needed to be undertaken by the Pensions Administration Team included the preparation of a Pension Administration Strategy and a review of the Additional Voluntary Contributions providers.

By taking on JA, SB had given herself 6 months breathing space to look at a shared service approach.

JB asked SB whether or not the customers (the employers) had been advised of the changes. SB confirmed that there had been no consultation with Employers or any communication regarding the changes.

There was a single point of contact for employers and employees and this needed to be re-identified to everyone.

SB explained that previously she had attended the Head Teachers and Bursars Forums and was happy to do so again, but had not received notice of any recent meetings.

DH advised of the possible changes in the FE sector with either a Hard Federation or merger in 2017. There would be a need for some tailored communications to this sector.

JB referred to the termly payroll meetings with Bursars. The employers had found this very useful but since KB had left these had not happened.

SB stated she may look to reinstate these as a shared service meeting involving payroll, pensions and HR.

JA referred to Code of Practice 14 which could serve as a template for Board to review.

As indicated he would be preparing a list of priorities to discuss with SB.

The good news was the members self service was to be launched soon.

Actives and deferred was also to be launched on line and there would be an option for members to opt out of electronic communication.

Valuation data submitted to the actuaries, by Pensions Administration, had been praised by the actuaries for its accuracy.

25 **FEEDBACK FROM THE MEETING OF THE PENSIONS COMMITTEE HELD ON 20 SEPTEMBER 2016.**

DF provided feedback from the meeting of the Pensions Committee on 20 September 2016.

The Pension Fund accounts had been submitted for approval. These showed that the value of the fund had decreased by £2m compared with the previous year.

There were 35 employers in the fund; details of the administration cost were as advised earlier in the meeting.

- Havering Council had increased the level of deficit funding by £8.8m over the year;
- A key element had been the group transfer of staff employed by CEME over to the Barking and Dagenham Fund;
- Investment Management costs had increased by £1m over the year;
- The Fund had commenced the transfer of Funds to the London CIV during the year and this had led to an initial increase in costs;
- Interest from the Pooled Investments would be reinvested in the Fund.

The Annual Report had also been reported to the Pensions Committee prior to publication. From 2017/18 there was a proposal that this would become a primary reporting document.

The Annual report showed that many of the KPI's had not been met but this reflected an increase in the volume of work facing the Pensions Administration Team.

JA informed the meeting that he would be looking to introduce the monitoring tools used by the LPFA to assist in getting data collected for the KPI's.

The final item was the GAD Section 13 review. DF reported that Havering had one amber flag, because of low funding levels. Following the triennial valuation it would be important for the Council to demonstrate how it would reduce the deficit.

DH and JB commended DF and her team on the outcome of the audit on the accounts.

26 **ANY OTHER URGENT BUSINESS**

There was no urgent business.

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**Chairman**