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**MINUTES OF THE MEETING OF THE
LOCAL PENSION BOARD
Committee Room 1-Town Hall - Town Hall
27 June 2017 (4.00 - 5.20 pm)**

Present:

Justin Barrett (Employer Representative) and Anne Giles (Scheme Member representative) and Mark Holder (Scheme Member Representative).

Officer attendance: Debbie Ford, Tara Philpott, Lillian Thomas and Anthony Clements.

All decisions were taken with no votes against.

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

1 APPOINTMENT OF CHAIR

The Board noted with regret that Justin Barrett had resigned as Chairman of the Board due to other commitments. A new Chair would therefore be advertised for. It was noted that David Holmes may also have to resign due to the forthcoming college transfer although the precise timescale for this was uncertain. Officers would check the position with David Holmes.

It was confirmed that Justin Barrett would stay on as a member of the Board until a replacement was found.

It was **AGREED** unanimously that Mark Holder would be the new Chair of the Board with immediate effect.

2 APOLOGIES FOR ABSENCE

Apologies were received from James Ahlberg, Interim Pensions Manager and from James Goodwin, Democratic Services (Anthony Clements substituting).

3 DISCLOSURE OF INTEREST

There were no disclosures of interests.

4 MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING

The minutes of the meeting held on 30 March 2017 were agreed as a correct record and signed by the Chairman.

Minute 32 (previous meeting) – Board indemnity - A quotation on this had been requested from Lockton's and James Ahlberg (JA) was dealing with this.

TUPE Manual – This had been returned to Hyman's. The quote had been reduced to £6,500 but it was hoped to reduce this further. It was hoped the manual could be taken to the September meeting of the Pensions Committee. It was clarified that officers visited schools converting to Academies to go through their employer responsibilities. Officers would check progress with the manual.

Backlog of work – The additional resource to clear the backlog of pensions work was now in place and the backlog was being worked through.

Minute 33 (Pensions Administration Strategy) - It was clarified that this was not a mandatory document but JA was looking at introducing this. Existing key performance indicators were also included in the annual report.

Minute 34 (on-line information) – There was no update on showing on the site the amount of additional contributions paid. Officers would seek an update on this from JA This information was shown on the annual benefits statement.

The numbers of people accessing information on line was expected to increase when the annual benefits statements were released in August/September. Communications could be put on payslips although this would not of course cover those members no longer working for the Council. The uptake of the on-line service remained slow and it was felt that people often did not understand the annual benefits statement.

Minute 36 (compliance documents) – It was suggested that the template used by Tower Hamlets could adapted for Havering as this showed the statutory requirements of the Board. This would be discussed by officers with JA. It was agreed that a similar document should be produced for Havering with a completed template brought to the next meeting of the Board. Priorities needed to be shown on the template which the Board would decide, based on officer advice.

5 WORK PLAN

It was agreed that the Chair would speak to each Board member individually about the work plan with a final version to be brought to the next meeting of the Board.

6 PENSIONS ADMINISTRATIONS SERVICE

A report of the Pensions Committee of 15 June 2017 was before the Board.

Officers explained that outsourcing of the service was favoured due to the high turnover of staff. It was therefore proposed to delegate authority to Lancashire County Council to deliver the pensions administration service for Havering. It was felt this would allow a greater degree of resilience and more pooling of resources. Greater knowledge of changes to relevant legislation etc would also be available.

It would be aimed, under the new arrangements, to keep the existing pensions team based in Havering. Cost comparison work had been undertaken and was available in the exempt part of the report. The report would be considered by full Council following its agreement by the Pensions Committee.

There would be one-off costs in the first year of the arrangements such as the recruitment of a pensions manager but these would not be ongoing. Pensions was a very specialised area and people tended not to stay in this field, leaving due to retirement, promotion or, in some cases, for a higher salary elsewhere. The new provider – LPP would be better able to invest in training and succession planning etc.

Performance indicators for the service would be included within the Service Level Agreement and the report showed the core administration processes that LPP would deliver. It was confirmed that the report had been discussed in detail at the Pensions Committee.

Reporting would take place on a monthly and quarterly basis and quarterly reports would be brought to the Board. The contract could be terminated if the service was not delivered. Officers would provide details of the risk assessment work that had been carried out.

Two new managers of projects and contracts would be recruited – one each for Havering and Newham who would be expected to cover for each other during periods of leave, sickness etc. The grades of the two posts differed slightly due to the respective terms and conditions in the two boroughs. Officers added that the new employer was not known for changing the terms and conditions of staff subject to TUPE.

7 TO RECEIVE FEEDBACK FROM THE MEETING OF THE PENSIONS COMMITTEE HELD ON 15 JUNE 2017.

It was noted that the latest quarterly return was 3.77% and the one-year return was 17.1%. It had been agreed that only one fund manager would now be seen at each meeting of the Committee. The London CIV had now taken over monitoring of CIV fund managers in any case. The Committee had also approved its business plan.

The Hymans investment strategy had been approved by external review and the Committee had agreed to implement changes in the investment strategy with bond and debt strategies to be reviewed. The London CIV could be asked to approve a fund manager to do this or Hymans could be used to obtain fund managers. The final decision on this would be made by the Committee.

There would also be training on debt strategy that the Board could also attend.

8 EXCLUSION OF THE PUBLIC

It was AGREED that the public should now be excluded from the remainder of the meeting on that grounds that it was likely that, in view of the nature of business to be conducted or the nature of the proceedings, if members of the public were present during those items, there would be disclosure to them of exempt information within the meaning of paragraph 3 of schedule 12A to the Local Government Act 1972.

9 PENSIONS ADMINISTRATION SERVICE

Officers would bring a copy of the risk assessment work undertaken on this issue to the next meeting of the Board. The date of the next meeting would also be circulated to the Board by officers.

Chairman