

**NOTES OF THE INQUORATE MEETING OF THE
LOCAL PENSION BOARD
Town Hall, Main Road, Romford
18 December 2018 (4.00 - 6.00 pm)**

Present:

Anne Giles, Scheme Member Representative
Mark Holder, Scheme Member Representative

Officer Attendance:

Caroline Berry, Pensions Projects and Contracts Manager
Debbie Ford, Pensions Manager, Pensions and Treasury

11 CHAIR'S ANNOUNCEMENTS

The Chair reminded Members of the action to be taken in an emergency. The meeting was inquorate, and those in attendance agreed that the meeting should proceed informally.

12 APOLOGIES FOR ABSENCE

Apologies for absence were received from Denise Broom, Employer Representative, and David Holmes, Employer Representative.

13 DISCLOSURE OF INTEREST

There were no disclosures of interest.

14 MINUTES OF THE MEETING

The minutes of the Local Pension Board meeting held on the 21 August 2018 and the notes of the inquorate meeting held on the 20 October 2018 were received.

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

- i) Minute No. 4 (i): Reference to charging a fee for administration for processing late payments and interest charges had been included in the Charging Policy.
- ii) Minute No. 4 (iii): Discussion of the process of recording those overpayments that were written off were ongoing and the process would be reviewed to bring Havering and Newham Council's in line.

- iii) Minute No. 6(i): Short member profiles had been provided for inclusion on the website. Profiles of any new members would need to be provided in due course.

15 **COMPLIANCE CHECKLIST**

The following sections were discussed and points noted:

Section B – Knowledge and Understanding

B8 – Are all pension board members investing sufficient time in their learning and development? Members agreed that the requirement was fully compliant. Members of the Pensions Committee needed to complete a skills audit prior to a training plan being drawn up, however training was undertaken prior to consideration of specialist decisions.

B12 – Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14? It was requested that all members should complete the Pensions Regulator toolkit within 6 months. Members were requested to forward any certificates of training completed to the Pensions Manager to ensure completeness of the training register.

Section C – Conflicts of Interest

C7 – Is appropriate information included in the register? New members to complete the conflicts register.

Section D – Publishing Information about Schemes

D2 – Does the Administrating Authority publish other useful related information about the Pension Board? The website required updating to include job titles and any other relevant roles held by members. Once completed, the requirement would be compliant.

Section E – Managing Risk and Internal Controls

E1 – Is there an agreed process for identifying and recording scheme risks? The pending audit would ensure that all checks were in place. Once the audit had been completed, the requirement would be compliant.

E2 – Does the Fund have an adequate process to evaluate risks and establish internal controls? The pending audit would ensure that all checks were in place. Once the audit had been completed, the requirement would be compliant.

E4 – Does the Administrating Authority review the effectiveness of the risk management and internal control systems of the Fund? The pending audit would ensure that all checks were in place. Once the audit had been completed, the requirement would be compliant.

E6 – Is there a standing item on the Pension Board agenda to review scheme risks? Although the review of scheme risks was not a standing item on agendas, the risk register would be reviewed on an annual basis.

E7 – Does the Administrating Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented? The pending audit would ensure that all checks were in place. Once the audit had been completed, the requirement would be compliant.

E8 – Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls? The pending audit would ensure that all checks were in place. Once the audit has been completed, the requirement would be compliant.

Section F – Administration and Scheme Record Keeping

F2 – Does the Fund have the appropriate processes in place so employers can provide timely and accurate information? Members agreed that the requirement was compliant and further agreed that the requirement would be monitored as a KPI. 'Your Fund' was in place and appropriate training had been offered to all scheme employers; and the Pensions Committee had delegated the approval of the Charging Policy to the Section 151 Officer.

F3 – Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations? Reconciliation was done on a quarterly basis. Due to there being no interface between Altair and Oracle, there may be discrepancies. Confirmation was sought on whether there was a requirement in the Record Keeping Regulations.

F7 – Does the Administrating Authority have policies and processes to monitor data on an ongoing basis? The pending audit would ensure that all checks were in place. Once the audit had been completed, the requirement would be compliant.

F9 – Is a data improvement plan in place which is being monitored with a defined end date? There was currently no formal data improvement plan. Members requested that a date be inserted for the provisional plan to be submitted. Members further requested that a report on the data score be presented to the next meeting.

Section H – Providing Information to Members and Others

H9 – Is all other information provided in accordance with the legal timescales? Checks to be undertaken to ensure compliance with Disclosure Regulations; and to be written into monitoring checklists. Action outstanding.

Section I – Internal Dispute Resolution

I4 – Has the Administering Authority ensured that employers who make first stage decisions also have IDR in place? A discretion review was being undertaken and a report would be submitted to the Committee in March.

Members requested that timescales be included on all actions highlighted either red or amber.

Actions:

- i) C7 - New members to complete the conflicts register – Denise Broom.**
- ii) D2 - The website required updating to include job titles and any other relevant roles held by members – Caroline Berry.**
- iii) E1, E2, E4, E7, E8 and F7 to be reviewed as part of Internal Audit process.**
- iv) E6 - The board agreed to include the risk register as a standing item going forward.**
- v) F3 – Confirmation to be sought on the reconciliation requirements in the Record Keeping Regulations – Caroline Berry.**
- vi) F9 – Pension Board Regulator draft plan and a report on the data score to be presented to the next meeting – Caroline Berry / Victoria Freeman.**
- vii) H9 – Is all other information provided in accordance with the legal timescales? Checks to be undertaken to ensure compliance with Disclosure Regulations; and to be written into monitoring checklists. Action outstanding – Caroline Berry.**
- viii) Timescales to be included on all actions highlighted either red or amber.**

16 KEY PERFORMANCE INDICATORS

Members received the Performance Indicators – October Monthly Report and the LPP Monthly report for October 2018. Members expressed continued concern regarding the format LPP reported their performance as they considered the statistics to be misleading. Members requested that some case journeys be presented at the next meeting; that reasons be provided for those cases on hold; and that the Assistant Director of LPP be invited to attend the next meeting to explain the statistical data presented.

Actions:

i) Case journeys to be presented at the next meeting – Caroline Berry.

ii) Reasons for those cases on hold be provided – James Curtis.

iii) The Assistant Director of LPP to be invited to attend the next meeting to explain the statistical data presented – Caroline Berry / Victoria Freeman.

17 INTERNAL DISPUTE RESOLUTION PROCESS UPDATE

Members received the draft Internal Dispute Resolution Procedure – Employer’s Guide, which would be published on the Pension website once approved by LPP.

Members were informed that Internal Audit would be allocating 10 days, during which they would focus on contract management, monitoring, issues and resolution. The compliance checklist would be forwarded to LPP for confirmation that they were adhering to the legislation.

Action: Compliance checklist to be forwarded to LPP for confirmation that they were adhering to the legislation – Caroline Berry.

18 LPP INTERNAL AUDIT

Members requested that reassurance be sought from Lancashire Council regarding the recent LPP internal audit by Deloitte.

Action: Reassurance to be sought from Lancashire Council regarding the recent LPP internal audit by Deloitte – Caroline Berry.

19 PENSION REGULATOR SCHEME SURVEY

The Pensions Regulator surveyed public service pension schemes in autumn 2018 to assess how they were being run. This built on previous surveys in 2015, 2016 and 2017. In the latest survey, the Pensions Regulator further examined certain risks and areas of underperformance that schemes identified in previous years.

Sections of the survey covered:

- Makeup of the Board
- Administration and recording keeping
- Service security
- Data Review
- Annual benefit statements
- Resourcing issues

The Council's response to the survey had been submitted on the 27 November, in order to meet the 30 November 2018 deadline.

20 **TO RECEIVE FEEDBACK FROM RECENT MEETINGS OF THE PENSIONS COMMITTEE**

Members received feedback of the Pensions Committee meeting held on the 13 November 2018 and the 11 December 2018. The minutes would be circulated for information at the next meeting.

Action: Minutes of the Pension Committee meetings held on the 13 November 2018 and the 11 December 2018 to be circulated for information at the next meeting.

21 **BOARD MEMBERSHIP AND RECRUITMENT**

Members noted the appointment of Denise Broom as an employer representative on the Local Pension Board.

Members discussed the succession of the Chair and the need to appoint an employer representative pending the resignation of David Holmes.

Action: Advice would be sought on the options available if a Chair were not forthcoming, in accordance with the terms of reference of the Board.

22 **WORK PLAN**

The Chair of the Local Pension Board and the Chair of the Pensions Committee would meet to discuss potential items for the work plan.

Chairman