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## **MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD Council Chamber - Town Hall 20 August 2019 (9.00 - 10.40 am)**

### **Present:**

Anne Giles (Scheme Member Representative)

Mark Holder (Scheme Member Representative)

Denise Broom (Employer Representative)

There were no apologies for absence.

All decisions were taken with no votes against.

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

### **7 DISCLOSURE OF INTEREST**

There were no declarations of interest.

### **8 CHAIRMAN SELECTION AND TERMS OF REFERENCE**

It was agreed that, for the coming year, the Chairmanship would rotate immediately after each meeting in the order Mark Holder – Denise Broom – Anne Giles – currently vacant second employer representative. Mark Holder therefore took the Chair for the remainder of the meeting. The Chairman would write to David Holmes thanking him for his previous work on the Board.

It was agreed that the first sentence of paragraph 6.1 of the Terms of Reference should be amended to read "the Board" shall have a formal quorum of 2, to consist of one Scheme Member and one Employer representative.

It was also agreed that the date the Terms of Reference were last revised should be included in paragraph 19.2.

**Action: Victoria Freeman to amend Terms of Reference**

### **9 MINUTES OF THE MEETING**

The minutes of the meetings held on the 2 April 2019 and 5 June 2019 were agreed as a correct record and signed by the Chairman.

## 10 MONTHLY LPP PERFORMANCE REPORT

The Board noted that the Performance statistics had improved since the last LPP Performance report. Some case types dropped below 100% for being completed on time, however the Board agreed this was not significant. Members were advised that a case may be completed late but if each stage is completed on time, then the percentage will be higher and the case will be recorded as on time. The members agreed that although a case may not be late due to the late receipt of information requested from the service, the Board need to be informed of the reason for any delays. The members also noted that the salary recorded for each member is only an estimate of their salary as at the 31<sup>st</sup> March each year for use in producing annual benefit statements. The reason being that actual final salaries cannot be held on Oracle, limiting the resources to just an estimated figure.

The Board noted that there are no major concerns of underpayment. The Pensions team would be rolling out a new communication campaign to highlight payment protection and other pensions matters. The board agreed that line managers and scheme members need advice regarding the retirement process to be included as part of the communications campaign. . The Board discussed that there were approximately 800 cases 'on hold' at the point of the last report and this had been reduced to 531. These numbers needed to be kept as low as possible, including the 276 'on hold' cases classified as being relating to waiting on Council action in some way. The Board were advised that Havering do not currently benchmark their performance in these areas directly against other local authorities. Overall figures could be obtained from LPP.

The Board agreed that the next meeting would concentrate on scrutiny of the latest position with the 'on hold' cases and in particular those classified as being the responsibility of the Council in some way.

**Action: Caroline Berry to produce detail of position with 'on hold' cases for discussion by the Board at next meeting.**

## 11 COMPLIANCE CHECKLIST

The Board was advised that the timescales for the checklist have been added. It was agreed that the deadline for Board members to complete the Pension Regulator's training on the Code of Practice number 14 be extended to 31 October 2019.

Any outstanding Board member biographies could be sent to officers for inclusion for publishing on the website.

## 12 PENSION REGULATOR REVIEW

A formal report on the Havering pension fund would be brought to the Pensions Committee and to the Board in due course. There had been very

positive feedback back from the Regulator on Havering's scheme governance.

**13 RISK REGISTER (STANDING ITEM)**

The Board members were notified that for Risk 3 "Risk Failure of Investments to perform in-line with growth expectations", they would continue to monitor the LCIV. For Risk 6 "Risk of failure to on board or exit employers/members effectively", they had not yet received the internal audit report form LPP. For Risk 5 "Risk of inability to manage/govern the Pension Fund and associated services", it was stated that there is a cyber risk through ransomware and this was being managed by constant security updates. The Board also noted that One Oracle was being replaced by Oracle Cloud. This would be beneficial as it would remove the manual processes within oracle that relate to the pension fund and would make the process more automated. The cloud would be implemented by September 2020. The Board agreed that the summary layout of the report was better and easier to understand. It was noted that the register had been amended in order to include the ownership of risk at a lower level in the organisation.

**14 WORKPLAN**

Following a request from the Chairman of the Pensions Committee, it was agreed that an item be added to the agenda for the next meeting of the Board covering the monitoring of investments and in particular how many of the Council's funds were signed up to the code of transparency.

**Action: Debbie Ford to arrange item on monitoring of investments for next meeting of Board.**

The dates of future meetings would be circulated to Members by the clerk.

**Action: Victoria Freeman to circulate dates of future meetings.**

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

The response from the Council to the recent pension scheme consultation had been submitted but no feedback had been received as yet from the Government. It was noted that Havering had been selected for an in-depth review by the Pensions Regulator. It had been agreed that fund holders would be asked for a statement of their investment beliefs but little change in the Council's current investments was expected.

Delays with the external auditors had meant the Council's accounts were still unaudited and other Councils had also been affected by this issue, It was hoped that the accounts would be finalised by next meeting of the Audit Committee

Overpayments of less than £250 following the deaths of Members had been agreed could be automatically written off. The annual report of the Pension Fund had previously been agreed, and some discussion ensued as to if this report should be reported elsewhere.

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**Chairman**