

Pensions Board Minutes



Tuesday 7 February 2017

PRESENT

Committee members: Councillors Ali Hashem and Rory Vaughan

Co-opted members: Eric Kersey, Orin Miller, Neil Newton, and Richard Gregg

Officers: Peter Carpenter, David Coates David Abbott, and Amrita Gill.

External Guests: Graeme Muir (Barnett Waddingham LLP)

13. MINUTES OF THE PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 14 September 2016 were agreed as a correct record and were signed by the Chair.

14. APOLOGIES FOR ABSENCE

None.

15. DECLARATIONS OF INTEREST

There were no declarations of interest.

16. MINUTES OF PENSIONS SUB COMMITTEE

Peter Carpenter highlighted that the minutes of the Pensions Sub Committee held on 20 November 2016 were still in draft.

RESOLVED

The minutes of the Pensions Sub-Committee were noted.

17. ACTUARIAL VALUATION

Graeme Muir of Barnett Waddingham gave a presentation on the 2016 valuation and highlighted the following points:

- The core purpose of the valuation was to determine how much employers needed to pay in future to have enough assets to pay benefits.
- Section 13 of the Pensions Act provided for an independent review by the Government Actuary Department – they would be looking at compliance, consistency, solvency, and long term cost efficiency. Section 13 was introduced to improve governance and give people a better understanding of how funds were performing in relation to each other.
- The funding level as at March 2016 was 88% (compared to 83% in 2013) putting it in the middle of the 85 funds that had reported at the time of writing.

The Board asked who decided on the final figure for the discount rate. Graeme Muir responded that ultimately the actuary decided but there were a number of discussions with officers and the Pensions Sub-Committee.

The Board asked why the funding level presented by the actuary differed from the standardised funding level from the Government. Graeme Muir responded that the Government actuary used different assumptions in their calculations – national mortality tables rather than local tables etc.

18. PENSION ADMINISTRATION UPDATE

David Coates presented the report that updated the board on the performance of Surrey Pensions Services in the provision of pension administration services to the Council under the Delegation Agreement.

Members of the Board were updated on the inherited backlog from Capita. 4000 member records were deferred for data cleansing – 520 of the cases had been cleansed so far. Surrey City Council were on track to cleanse the remainder within the next 11 months.

249 H&F pensions had not been put into payment – 67 of the cases were matched to a known LBHF employee record. Monthly meetings with Surrey were planned to update on this matter.

The Board enquired how the 249 deferred members were determined and asked about the Council's legal position on the payments due. David Coates said paper records were scanned and sent to Surrey and Capita to identify payments due. The Council had to demonstrate that reasonable efforts were made to trace members however, it was a legal obligation of the individual to update the Council of any changes to their personal circumstances.

The Board was informed that there were 450 instances of historical unresolved casework and 40 cases were resolved. The remaining cases were each categorised into high, medium, and low priority - with a view to tackling the high priority cases first.

David Coates said all missing employer year-end files from 2014-2105 had been received by Surrey and had been processed. 550 H&F cases had been identified as having queries outstanding from employers. The plan was to resolve these cases by August 2017.

David Coates informed the Board that there was some disagreement on the pensions-related administrative duties between BT and Surrey. A meeting would take place to resolve these issue and agree standard operating procedures. He also highlighted that the My Pensions Helpdesk had resolved 81% of incoming calls from scheme members at the first contact. Positive feedback was received from pensions surgeries held on 6 December 2016 – with 28 members attending for advice and guidance.

The Board acknowledged the good work and efforts made by Surrey in relation to response rates and asked for positive feedback to be passed on to them.

RESOLVED

That the Pension Board noted the report, and agreed that further progress be reviewed at the next meeting.

19. PENSION ADMINISTRATION STRATEGY

David Coates presented the administration strategy report and noted that the strategy, as shown in Appendix 1 of the report, was implemented on 1 January 2017. It was noted that failure to comply with the standards shown in the report could result in charges being levied by the Administering Authority to employers in accordance with the terms set out in the schedule of charging in Section 6. There was also provision to generate a charge when the Administering Authority has procured third party advice on behalf of a Scheme Employer.

The Board asked at what level the strategy was approved. David Coates said it was approved at the Pensions Sub-Committee on 21 September 2016.

A Board member said that he welcomed the strategy and felt the penalties would be a useful lever for employers who relied on third-party payroll suppliers.

RESOLVED

That the Pensions Board noted the Pensions Administration Strategy as defined in Appendix 1 of the report.

20. RISK REGISTER

David Coates informed the Board that two minor amendments were made to the risk register at the September meeting of the Pension Sub Committee. These two amendments were presented in the appendix together with the updated risk registers. No further amendments were made at the 30 November Sub Committee meeting.

RESOLVED

The Pensions Board noted the risk register.

21. ANY OTHER BUSINESS

Richard Gregg announced that he would be moving on in April 2017 and the Board would need to find an alternative representative. The Chair thanked him for his hard work and wished him luck in his future endeavours

Meeting started: 7:00 pm
Meeting ended: 8:45pm

Chair

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