

Pension Fund Sub-Committee

Minutes

Wednesday 3 February 2021

NOTE: This meeting was held remotely. A recording of the meeting can be found at: <https://youtu.be/xPJ03mkWdoM>

PRESENT

Committee members: Councillors Iain Cassidy (Chair), Matt Thorley, Jonathan Cale Landy and Rowan Ree

Co-opted members: Michael Adam

Officers: Rhian Davies (Director of Resources), Dawn Auger (Assistant Director People and Talent), David Hughes (Director of Audit, Fraud, Risk and Insurance), Eleanor Dennis (Pensions Manager), Gareth Hopkins (Pensions Consultant), Phil Triggs (Director of Treasury and Pensions), Matthew Hopson (Strategic Investment Manager)

1. **APOLOGIES FOR ABSENCE**

Apologies for lateness were received from Councillor Jonathan Caleb-Landy

Councillor Jonathan Caleb-Landy joined the meeting at 18:35pm

2. **ROLL CALL AND DECLARATIONS OF INTEREST**

The Chair carried out a roll call to confirm attendance. There were no declarations of interest

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED

That the minutes of the meeting held on 24th November 2020 were approved.

4. **NEW MEMBERSHIP OF THE PENSION FUND SUB-COMMITTEE**

RESOLVED

That the new membership for the Pension Fund Sub-Committee was noted.

5. PENSIONS ADMINISTRATION UPDATE

David Hughes (Director of Audit, Fraud, Risk and Insurance) introduced the report and provided a summary of the reasons why an independent review on Surrey County Council (SCC) was commissioned. Having considered the findings of the independent review undertaken by an independent pension's advisor, the Council served a 12 months' notice of termination on SCC for the provision of the pension's administration service. A shared service arrangement with the Royal Borough of Kensington and Chelsea (RBKC) would also come to an end at 31st December 2020 and that a in house retained pensions team would be established to take on the functions previously undertaken by RBKC.

It was noted that the report sets out the work done to assess the private and public provider markets, and having completed that assessment, the steps taken to assess and evaluate three public-public providers to make recommendations to Committee for the appointment of a future partner to provide the pensions administration service.

The Chair asked for further clarification to be provided on the current market position for pensions administration services across other Local Authorities. In response David Hughes, explained that there was a small number of private sector providers who had LGPS clients. It was noted that 9 other Local Authorities had already joined with the Local Pensions Partnership Administration (LPPA) to provide their pensions administration service. In addition, many other Local Authorities had implemented their own in-house service or collaborated with their neighbouring boroughs.

The Chair asked for a summary of the services that were provided by SCC. Eleanor Dennis (Pensions Manager), outlined all the services provided by SCC. These included maintaining pensions records for all membership types, advising on regulatory changes within the LGPS, switching pensions into payments and dealing with applications for retirement and transfers.

Michael Adam (Co-opted Member) felt that poor data quality had been the cause of majority of the issues faced with SCC and asked whether the recommended provider would offer improved engagement with scheme members. David Hughes explained that the recommended provider, offered a high-quality service with regards to data quality improvement and maintenance.

RESOLVED:

That the Sub-Committee:

- Approved for LBHF to join a public to public arrangement with Local Pensions Partnership Administration for the provision of the pension's administration service, by delegating this council function pursuant to Section 101 of the Local Government Act 1972, subject to there being an agreed Delegation Agreement.

- Noted that regular updates on progress moving to the Partnership, including costs, are made to Pension Fund Sub-Committee and Pensions Board.

6. ANY OTHER BUSINESS

The sub-committee agreed, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

Meeting started: 6:30pm
Meeting ended: 7:40pm

Chair

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