MINUTES OF
PENSION BOARD

Wednesday, 19 September 2018
(4:02 - 5:08 pm)

Members Present: Paul Feild (Chair), Hugo Wuyts (Deputy Chair), Dean Curtis and Wijay Pitumpe

Observers Present: Susan Parkin

Apologies: Steve Ridley

1. Apologies for absence

Apologies for absence were received from Steve Ridley.

2. Minutes of the meeting held on 14 March 2018

The minutes of the meeting held on 14 March 2018 were confirmed as a correct record.

3. AVC Prudential Presentation

The Board heard a presentation from on 2018 Prudential AVC’s by Robert Stormonth.

The following areas were covered in the presentation:
- AVC membership at LBBD
- Salary Sacrifice Shared Cost AVC’s (examples and plan set up timetable)
- Employee engagement-on line and telephone
- Next steps

He also noted that the Local Government Association were producing an AVC booklet which would be beneficial to LGPS Scheme Members.

Board Members welcomed the presentation and supported a greater effort in demonstrating to LGPS Members the positive benefits of the AVC Scheme and the Salary Sacrifice Shared Cost AVC’s. The Investment Fund Manager stated that in terms of the shared sacrifice scheme, a definite plan would be drawn up by the end of 2018 in liaison with the Chief Operating Officer and more detail would be provided to the next meeting of the Board in March 2019.

4. Governance Review on the Direction of the Pension Fund

The Pension Board’s key role was in having oversight of whether the aims and objectives outlined within the London Borough of Barking and Dagenham Pension Fund’s Governance and Administration strategies were being achieved; and having regard to any overriding requirements included DCLG and the Scheme Advisory Board guidance.
The Pension Board’s Terms of Reference required the Board to follow the Aon Hewitt method for governance review. The first meeting of the Financial Year involves reviewed the Fund’s Direction (i.e. what is the fund trying to achieve?) which included a review of the legislation, strategy and policy documents. Most of these documents are included in the Fund’s annual report, which was included as an appendix to this report.

The Investment Fund Manager introduced the report and included several key points. In particular, the change from Pensions Panel to Committee and change in membership and additionally Pension Fund value and fund Membership value. The number of pensioners were increasing. The two biggest members of the scheme were the Council and UEL and these were reducing in size.

There were no major changes in the investment strategy statement but there would be an ethical dimension included in future which would be reported to the Board and Pensions Committee.

The Risk Register has been updated and will be reviewed by the end of the financial year.

Members were asked to complete the Board training needs self-assessment questionnaire 2018/19 and this would be e-mailed to them by the Democratic Services Officer with a ten working day deadline.

The UEL and Barking & Dagenham College representatives raised about an inconsistency in primary and secondary rates pp 55 and 108-26, 6 and 28.1. The Investment Fund Manager would check out this matter.

The UEL Management representative queried about the annual accounting UEL and said that there was a variation in 2016/17 and 2017/18 - a 20 per cent variation in grant contribution. The Investment Fund Manager would raise this matter with the Actuary.

The Board:

i. Discussed the Pension Fund Annual Report 2017-18 and its accompanying appendices;

ii. Noted that the Chief Operating Officer has agreed to extend the terms of office for Members from three to four years”; and

iii. Agreed to complete appendix 4,

5. Administration and Governance Report

It is best practice for Pension Board members to receive regular administration updates. This report covers three main areas including:

i. Pension Fund Budget 1 April 2018 to 31 March 2021;
ii. Cash flow to 31 May 2018; and
iii. Timescales for the investment advisor, actuary and custodian.

It was noted that there would be changes to the Pension Fund in the next few years owing to the change in size of the Council and UEL.
The Investment Fund Manager referred specifically to the timescale for the actuarial and investment advisor tenders, which will require interviews following shortlisting. A national framework would be used to reduce the time and cost. Pension Board Members and Advisors were welcomed to be part of the interviews to be finalised in October 2018.

The Board noted:

i. That the Fund is cash flow positive;

ii. The Fund’s three-year budget for the period 1 April 2018 to 31 March 2021’ and

iii. Timescales for the investment advisor, actuary and custodian.

6. **Any other Business with the permission of the Chair**

There was no other business.