

MINUTES OF PENSION BOARD

Wednesday, 13 March 2019
(4:10 - 5:05 pm)

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

7. Apologies for absence

Apologies for absence were received from Susan Parkin.

8. Appointment of Chair and Deputy Chair

The Board re-appointed Paul Feild as Chair and Hugo Wuyts as Deputy Chair.

9. Minutes of the meeting held on 19 September 2018

The minutes of the meeting held on 19 September 2018 were confirmed as an accurate record.

10. Membership of the Pension Board

The Pension Board was set up in 2015. The Pensions Board was established in accordance with Section 5 of the Public Service Pensions Act 2013, effective from 1 April 2015. Its membership consists of up to six Members with three employee representatives (from Unison, GMB and Unite) and three Scheme Member representatives (from internal Barking and Dagenham Management, Barking and Dagenham College and the University of East London).

The Pensions Board's Terms of Reference states that the Chief Finance Officer (the Chief Operating Officer) manages the appointments process for members of the Pension Board.

The term of office for the Employer and Scheme representatives appointed at the first meeting of the Pension Board (27 July 2015) was for a period of three years, however in 2018, the Chief Finance Officer (Chief Operating Officer) in agreed to extend the period of office to four years, until 26 July 2019 and this was agreed by the Board at its meeting on 19 September 2018.

The Board **noted** that the following have been re-appointed for a further period of three years with effect from 26 July 2019:

- i. Paul Feild (Management representative)
- ii. Hugo Wuyts (Unison representative)
- iii. Gavin Palmer (GMB representative)
- iv. Wijay Pitumpe (Barking and Dagenham College Management representative)

11. Deliver and Decision Making in the Pension Fund

The Pension Board's main role is having oversight of whether the aims and objectives outlined within the London Borough of Barking and Dagenham Pension Fund's Governance and Administration strategies are being achieved; and having regard to any overriding requirements included within guidance from DCLG, and the Scheme Advisory Board.

The Pension Board's Terms of Reference required the Board to follow the Aon Hewitt method for governance review. The second meeting of the financial year involved reviewing the Fund's delivery (i.e. how the fund meets its aims) and its decision-making process (governance structure, behaviour and Pension Skills and Knowledge and training).

The investment Fund Manager referred to the Business Plan, Risk Register, the triennial (three year) evaluation and future meetings with employers. The Business Plan would in future be updated on a monthly basis by the new Pension Fund Accountant who would in future be the lead officer for the Board.

The Investment Fund Manager advised Board Members that the Pension Regulator is responsible for monitoring the LGPS funds, especially around data quality. A review of the fund's data quality, which will include a data cleansing exercise, will be carried out over the next few months and the outcome and improvements made will be reported to the Board at its meeting in September 2019.

The Board **noted** the way the Pension Fund carries out its:

- i. **Delivery:** How the Fund meets its aims (planning, performance monitoring & risk management); and
- ii. **Decision Making:** Does the Fund have effective decision making processes (governance structure, behaviour and Pension Skills and Knowledge and training).

The Board **noted** the Business Plan 2019/20 and the Fund's Risk Register

12. Administration and Governance Report

The Board received its regular administration data and governance updates which covered five main areas, including:

- i. Pension Fund Budget 1 April 2018 to 31 March 2021;
- ii. Cash flow to 31 January 2019;
- iii. Update on the investment consultant, actuary and custodian tender;
- iv. An LGPS update by the Independent Advisor (appendix 1); and
- v. The Independent Advisor's observations on the draft Statutory Guidance on Asset Pooling (appendix 2).

The Investment Fund Manager referred to the cash flow in that the Pension Fund income was decreasing.

The Board **noted**:

- v. that the Fund is cash flow positive;
- vi. the Fund's three-year budget for the period 1 April 2018 to 31 March 2021;
- vii. the appointment of Northern Trust as the Fund's Custody and Performance monitoring provider;
- viii. the extension of the actuarial and investment consultant contract to 30 June 2020;
- ix. the Independent Advisor's LGPS Update in appendix 1;
- x. the Independent Advisor's observations on the draft Statutory Guidance on Asset Pooling in Appendix 2; and
- xi. that it is proposed that a response to the MHCLG on the informal consultation on Asset Pooling is submitted by the Fund.

13. Application for Admitted Body Status - Town and Country Cleaners

At present, the Pension Fund has a number of Admitted Bodies, some of which have been members of the London Borough of Barking and Dagenham Pension Fund ("the Fund") for a number of years.

As the Administering Authority, the Council cannot decline to admit a contractor if the contractor and the letting authority agree to meet the relevant requirements of the Local Government Pension Scheme (LGPS) regulations. In cases where the requirement of the LGPS regulations have been met, the Pensions Committee can agree to retrospectively agree an admission agreement.

The Board **noted** the application for Admitted Body Status by Town and Country Cleaners, as a 'closed' agreement.

14. Salary Sacrifice Scheme - update

The Investment Fund Manager updated the Board on the progress of the Salary Sacrifice Scheme for members of the Pension Fund. He advised that there was a scoping exercise currently on-going with the Council's Payroll section in liaison with Oracle (hosted by the London Borough of Brent) and with a third-party provider. He advised that there were issues with cost and Oracle that needed to be clarified.

The Board noted the update, however expressed concern that the Salary Sacrifice Scheme was not sufficiently progressed. They felt that it was a benefit to members of the LGPS and the council, in that more money could be invested into the fund with less cost for LGPS members.

The Investment Manager would raise the Board's concerns with the Chief Operating Officer and request that this matter be progressed as soon as practicable.

15. Future meeting dates

It was noted that there would be meetings of the Board on 18 September 2019 and 11 March 2020, on the same nights as the Pensions Committee.

16. Any other Business with the permission of the Chair

The following issues were raised:

Training for Board members

The Investment Fund Manager asked if Members wished to receive any additional training. The Board welcomed the idea of any future training sessions taking place one hour prior to the Board meeting at 3 pm. They also requested that the detail of their training needs as part of a questionnaire be e-mailed to them. The Board also asked that future training handouts should contain key points and information in relation to the relevant pensions legislation, etc.

LGPS Barking and Dagenham website

The Democratic Services Officer would e-mail the Board with the link to the council's LGPS page.