

## MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD HELD ON THURSDAY, 28TH MARCH, 2019

**MEMBERS:** Councillor Orhan (Chair), Paul Bishop (Vice-Chair), Pauline Kettless (LPB Member), Tracey Adnan (LPB Member), Victor Ktorakis (LPB Member)

**Officers:** Paul Reddaway (Head of Finance Pension Investments), Matt Bowmer (Interim Director of Finance), Krzysztof Szymczak (Finance Officer), Julie Barker (Head of Exchequer Services), Tim O'Connor (Pension Manager) and Tariq Soomauroo (Governance & Scrutiny Officer)

**Also Attending:** Councillor Taylor (Chair PP&IC)

### 32. WELCOME & INTRODUCTIONS

Councillor Ayfer Orhan (Chair) welcomed and introduced the members of the Local Pension Board.

The Chair apologised regarding the delayed start of the meeting, this was due to an interview process taking place which had overrun.

Paul Bishop (Vice-Chair) advised the board that the trades unions have nominated two new members, Tracey Adnan and Victor Ktorakis to replace Robert Ayling and Martin Keenan who have both left the local authority.

The Pension Board welcomed both new members.

### 33. APOLOGIES

Apologies for absence received from Councillors Vicki Pite and Andy Milne. Apologies for also noted from Androulla Nicou.

### 34. STANDING ITEMS - CHAIR

The Chair and Vice-Chair reminded the board that any new agenda reports/items that are tabled after the publish date will be disallowed as this is not in line with the Council's constitution and does not allow members to read new reports submitted prior to the meeting.

Paul Reddaway (Head of Finance Pension Investments) and Julie Barker (Head of Exchequer Services) apologised advising there was a miscommunication between themselves regarding the agenda items.

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Matt Bowmer (Interim Director of Finance) also reassured the board that all appropriate officers will arrange a pre-meet with the Governance team prior to the agenda being published for all future meetings.

- a. Pension Board minutes 20<sup>th</sup> December 2018 – Agreed as a correct record. Cllr Orhan advised that she would like her name to be noted as an observer when attending future PP&I meetings.
- b. Register of breaches of the law – None
- c. Conflicts of interest register (Declaration of interests) – None
- d. Risk Register (Attached) – No changes to risk register (reviewed every Committee meeting)

### **35. LGPS GOVERNANCE UPDATES**

Paul Reddaway (Head of Finance Pensions Investments) introduced the report advising the Board on the LGPS Governance Update.

Noted:

1. The report draws attention to the current issues being considered by the various LGPS bodies. It covers the latest annual statistics, consideration of the SAB current work streams and revised guidance by CIPFA on Pension Fund Annual Reports.

The board noted the contents of the report and thanked Paul for his report..

### **36. MHCLG CONSULTATION ON POOLING**

Paul Reddaway (Head of Finance Pensions Investments) introduced the Local Government Pension Scheme: Draft Statutory Guidance on Asset Pooling Consultation.

Noted:

1. This report summarises the Ministry of Housing, Communities & Local Government (MHCLG) consultation on the Draft Statutory Guidance on Asset Pooling and suggests several issues to be addressed in the Council's response.
2. There are no direct financial consequences to this report. However, issues around the investment of the assets of the Pension Fund will have direct financial implications for the Council.

Agreed:

1. The Pension Board noted the summary of the consultation set out in the report and that the board's views are included in the response.

### **37. TRAINING REQUIREMENTS**

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Paul Reddaway (Head of Finance Pensions Investments) introduced the Enfield Pension Board Training requirements.

Noted:

1. To build on the training programme provided during 2018/19 to meet ongoing professional developments required
2. To acknowledge the new members sitting on the Local Pension Board and PP&I Committee
3. Requirements of the CIPFA Skills & Knowledge Framework state all members of the LPB must have a working knowledge and understanding of the law relating to pensions, and any other matters which are prescribed in Scheme Regulations
4. A further programme was put in place for the new Pension board following the local elections in May 2018. It recognised that following the resignation of three Board members over the year there is a need to refresh the initial training undertaken at the first two Board meetings in July and October.

Agreed:

1. The Board noted the training programme delivered to the Pension board over the year
2. Members to put forward any suggestions for areas of future training to Paul Reddaway
3. Members are to update their personal training logs for audit purposes.

### **38. REVIEW THE WORK OF PENSION POLICY & INVESTMENT COMMITTEE**

Councillor Doug Taylor (Chair of PP&I Committee) updated the Board regarding the approved minutes of the last PP&I Committee (attached).

The Pension Board noted the minutes and thanked Cllr Taylor for his update.

### **39. FUND GOVERNANCE IMPROVEMENT PLAN - JULIE BARKER**

Julie Barker (Head of Exchequer Services) introduced the report of the Fund Governance - Improvement Plan.

Noted:

1. The Code of Practice is issued by The Pensions Regulator, the body that regulates occupational and personal pension schemes provided through employers
2. The Councils actuaries, Aon undertook a review in 2015, then again in October 2018. Aon's overall findings showed a significant improvement in compliance with the TPR Code. There were however areas that were judged to be non-complaint or partially compliant

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3. The purpose of the Improvement Plan is to address those areas of non or partial compliance. The Local Pension Board is required to review the Improvement Plan periodically in order to monitor progress.

The Board noted the contents of this report and thanked Julie for her report.

### **40. PENSION TEAM WORK PLAN UPDATE – TIM O’CONNOR**

Tim O’Connor (Pension Manager) introduced the report of the Pension Team Work Plan – Quarter 1 & 2 (2019/20)

Noted:

1. The purpose of this update is to highlight the Pension Team workplan for April to September 2019
2. Currently pension officers are working towards obtaining their professional qualifications with the Chartered Institute of Payroll and Pension Professionals (CIPP)
3. The team have successfully completed the first two parts for their Certificate in Pensions Administration, obtaining merits and distinctions.

The Board noted the report and thanked Tim for his update.

### **41. PENSION TEAM PERFORMANCE - TIM O’CONNOR**

Tim O’Connor – Pension Manager updated the board to highlight the ongoing development work surrounding the completion of all administration work by the team against benchmark.

The Board noted the contents of the update.

### **42. GMP UPDATE – TIM O’CONNOR**

Tim O’Connor – Pension Manager presented the briefing update on the Guaranteed Minimum Pensions (GMP) Project.

Noted:

1. The option to contract out of the State Second Pension (S2P) came to an end in 2016 when the Single State Pension was introduced
2. Prior to April 1997 the minimum level of benefit the Defined Benefit scheme had to provide was known as a Guaranteed Minimum Pension (or GMP), which still forms part of some members’ benefits
3. When contracting out ended in April 2016, HMRC (Her Majesty’s Revenue and Customs) ceased tracking contracted out rights and issued closure schedules to schemes so they could compare these against GMP amounts held on scheme records

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4. HMRC will respond again with final confirmation and any bill outstanding (Appendix 1). This is due from April 2019 onwards, although no firm date has been indicated
5. The Pensions Team will issue a full report once the response from HMRC which is due to be issued from April 2019 has been received. The Board will be kept informed and provided with updates
6. A further issue relating to GMP equalisation also remains under discussion and we will keep the Board informed.

Agreed:

The board is to be kept updated regarding the on-going project work surrounding the reconciliation of GMPs as part of the pension's administration team.

### **43. DATE OF THE NEXT MEETING**

2019/20 Municipal year to be confirmed after Annual Council taking place on the 8<sup>th</sup> of May 2019.

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