



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Keith Pringle

keith.pringle@bromley.gov.uk

DIRECT LINE: 020 8313 4508

FAX: 020 8290 0608

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PENSIONS INVESTMENT SUB-COMMITTEE

Meeting to be held on Wednesday 16 November 2016

Please see attached minutes of the Local Pension Board meeting held on 10th November 2016 marked “to follow” on the agenda.

- 4 MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 10TH NOVEMBER 2016 (FOR INFORMATION) (Pages 3 - 6)**

*Copies of the documents referred to above can be obtained from
<http://cde.bromley.gov.uk/>*

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LOCAL PENSION BOARD

Minutes of the meeting held at 4.30 pm on 10 November 2016

Present

Jane Harding, Lesley Rickards and Brian Toms

1 APOLOGIES FOR ABSENCE

There were no apologies.

2 APPOINTMENT OF CHAIRMAN 2016-17

Lesley Rickards was appointed Chairman for 2016-17.

3 DECLARATIONS OF INTEREST

There were no declarations.

4 MINUTES OF THE PREVIOUS MEETING HELD ON 26 OCTOBER 2015

The minutes were agreed.

5 MINUTES OF THE GENERAL PURPOSES AND LICENSING COMMITTEE MEETING 14 SEPTEMBER 2016

The draft minutes were noted for information.

6 AMENDED TERMS OF REFERENCE FOR APPROVAL

The following amendments to the Board's Terms of Reference were highlighted:

Paragraph 8 – inserted as an addition to clarify papers that can be made available to the Local Pension Board and exceptional circumstances where this would not be possible;

Paragraph 13 - related to circumstances when a board member resigns membership during his/her three year term of office; and

Paragraph 17 – specifying arrangements that now apply for appointing member representatives to the Board in view of the Department Representative and Trade Union Forum no longer existing.

The three-year term of office for Members started from the Board's first meeting (the membership of Tony Conboy started from 14th September 2016 as the date of Mr Conboy's appointment to the Board by the Council's General Purposes and Licensing Committee).

Should it be necessary to raise any further matter concerning the Terms of Reference, Board members were invited to contact the Council's Pensions Manager.

RESOLVED that the Board's amended Terms of Reference be agreed.

7 PENSION FUND ANNUAL REPORT 2015-2016

The L B Bromley Pension Fund Annual Report 2015/16 was presented to LPB Members. The report was approved by the Pensions Investment Sub-Committee at their meeting on 21st September 2016.

The document was provided for the information of LPB Members and will be a standard item at future annual meetings of the Board.

With effect from 1st August 2016, it was highlighted that Bromley College of Further and Higher Education (now trading as London South East Colleges) was no longer a Local Government Pension Scheme employer within the L B Bromley Fund. The value of the assets and liabilities within the L B Bromley fund relating to the College will transfer to the London Pension Fund Authority (LPFA).

Following completion of the 2016 L B Bromley fund valuation, a number of documents related to the Annual Report would need to be updated for 2016/2017.

RESOLVED that the L B Bromley Pension Fund Annual Report 2015/16 be noted.

8 LOCAL PENSION BOARD DRAFT ANNUAL REPORT 2015-16

In accordance with the terms of reference, the Board would provide an Annual Report each year concerning its activities and role.

Consideration was given to a draft Annual Report for 2015/16 which was intended to be forwarded to the Pensions Investment Sub Committee, General Purposes and Licensing Committee and ultimately to Full Council.

LPB Members agreed the Annual Report. In so doing an enquiry was made on whether the non-voting staff representative position on the Pensions Investment Sub-Committee (vacated by Mr Glenn Kelly) was to continue and whether it would be filled. It was agreed that Democratic Services would make enquiries and report back.

RESOLVED that the draft 2015/16 Annual Report of the Local Pension Board be agreed.

9 LOCAL PENSION BOARD WORK PLAN

A draft Annual Work Plan 2016/17 was considered by Board Members.

In regard to compliance by scheme employers, it was becoming increasingly

difficult to obtain data from some employers in the Fund such as academy schools, some of whom like other employers, were using outsourced payroll providers. It was becoming particularly difficult to obtain data for the production of Annual Benefit Statements and to ensure a consistent provision of quality data, it was intended (as a last resort) to consult on a Pensions Administration Strategy which will aid employers and may include a provision for financial penalties on employers providing poor (or no) data.

Reference was made to a review commissioned by the Scheme Advisory Board (SAB) on the impact of schools converting to academies. The work required is to investigate the impact of significant increases in the number of academy employers in the LGPS including administrative, actuarial, legal and investment issues and develop options to manage those implications for consideration by the SAB. LPB Members were informed that the majority of schools within the Bromley Fund were already academies.

Concerning ongoing administration projects, reference was made to Guaranteed Minimum Pension (GMP) reconciliation, the GMP being the minimum pension a scheme has to provide for employees contracted out of the State Earnings-Related Pension Scheme (SERPS) between April 1978 and April 1997 - the amount being broadly equivalent to the amount a member would have received had he/she not been contracted out.

It is necessary to reconcile L B Bromley/Liberata GMP data with data held by HMRC, prior to HMRC informing individuals of their contracting out history in December 2018. It may be necessary to secure external resources for the reconciliation work starting early in the New Year. Pension under or over payments could possibly arise following the reconciliation.

Following a suggestion by the former Chairman at the last meeting of the LPB, the L B Croydon have agreed to allow Bromley LPB Members to attend a meeting of their Local Pension Board and/or Pension Committee as observers, should they wish to, as part of their formal Board Member training.

In addition to an annual meeting, Board Members were provided with monthly Pensions Administration Reports to review and invited to attend meetings of the Pensions Investment Sub-Committee. Training also included online material from the Pensions Regulator.

Training received, such as the online modules produced by the Pensions Regulator, were considered helpful in providing a high level overview. In addition to this the Pensions Manager offered to provide monthly training notes on the application of the training to the L B Bromley scheme (e.g. notes showing how the focus of a particular training module applied to L B Bromley).

Attendance at meetings of the Pension Investment Sub-Committee helped LPB Members in their role and LPB Members were able to contribute at the meetings when appropriate.

The Risk Register was in the process of being updated. A Board Member

suggested that there appeared to be no account of the effect (risk) of having a number of different fund managers. Another Board Member suggested that it would be interesting to see the known risks and how these are to be dealt with. The Pensions Manager agreed to provide a copy of the updated Risk Register (in so far as it relates to pensions) to members of the LPB once it had been finalised.

Following the meeting, Board Members were encouraged to suggest anything further for the Work Plan; it was possible to add additional items. Two further policy documents could also be shown to LPB Members— a document on cessation and a document on prospective employers.

To accommodate a desire from Board Members for some location based training (in addition to online training), Council officers would try and arrange an event in March 2017 (the Chairman could be available on Monday evenings from 6pm onwards). Items for further training were requested as follows:

- the level to which Board Members should be pro-active in their role; and
- an awareness of expectations from the Pensions Regulator for a Local Pension Board and individual LPB Members.

It was agreed to provide Board Members with further written material and to include information in a training event next spring.

10 ANY OTHER BUSINESS

On transferring the liabilities and assets of Bromley College of Further and Higher Education (now trading as London South East Colleges) to the London Pensions Fund Authority (LPFA), it was confirmed that the transfer would not need to be reflected in the upcoming valuation. Actuarial advice indicated that this would remove the deficit risk from the fund.

Concerning other employers in the L B Bromley fund, it was noted that an admission body within the fund now had very few active members. Discussions were being held with the admission body on possible options to manage the impact of this in their contribution rate and depending on the outcome of these discussions, proposals may need to be considered by the Pensions Investment Sub-Committee next year.

It was agreed that the Board would continue to have one formal meeting per year supported by attendance at Pensions Investment Sub-Committee meetings.

11 DATE OF NEXT MEETING

It was agreed that the Board's next meeting would be held on Thursday 2nd November 2017 at 5.30pm.

The Meeting ended at 5.38 pm

Chairman