

LOCAL PENSION BOARD

Minutes of the meeting held at 2.00 pm on 27 July 2015

Present

Jane Harding, Glenn Kelly, Lesley Rickards and Brian Toms

Also Present

David Kellond, Pensions Manager
Keith Pringle, Democratic Services

1 INTRODUCTIONS AND APPOINTMENT OF CHAIRMAN

Following introductions, it was agreed to elect a Chairman at the Board's next meeting.

The first meeting provided an opportunity to explore the purpose of the Pension Board and the role of Board members. To facilitate this, Mr Kellond, L B Bromley Pensions Manager, chaired the meeting.

2 EXPLANATION OF STATUTORY REQUIREMENT ON CONFLICTS OF INTEREST

The 'seven principles of public life' would be applied to members of the Pension Board and Board members would be required to observe both the Code of Conduct for Councillors/Co-opted Members and Data Protection policies of the L B Bromley.

In line with the Public Service Pension Act 2013, a Board Member must not have a financial or other interest that could prejudice them in carrying out their Board duties (excluding a financial or other interest by virtue of LGPS membership).

Material on declarations and interests provided to L B Bromley Councillors and Co-opted Members was handed to each Board Member with a request that the Notification of Interests form be completed and returned to the Pensions Manager. An enquiry was made on whether the Council would be prepared to indemnify Board members should they incur any liabilities in their role. However, this was felt unnecessary as the Board had no decision making powers and a remit to assist the administering authority.

3 DECLARATIONS OF INTEREST

There were no declarations.

In line with advice above and the Board's terms of reference, declarations of interest would be a standard item at the start of each Local Pension Board meeting.

4 ADOPTION OF THE TERMS OF REFERENCE

It was felt that a role on the Board involved a significant amount of work which needed more than one meeting per year. It was proposed the Board meet on no less than four occasions per year to correspond with the frequency of Pensions Investment Sub Committee meetings. The frequency could be amended if necessary after twelve months. This was unanimously agreed by Board Members and would be referred to the Director of Finance for consideration, in consultation with the Chairman of Pensions Investment Sub Committee and the Chairman of General Purposes and Licensing Committee, in line with approved delegations. Board members were encouraged to attend meetings of the Pensions Investment Sub Committee. The Pensions Manager would also ensure that links to relevant guidance is provided to members.

It was noted that the Terms of Reference did not include a budget for the Board's work, the Board being funded from the Pension Fund. It was felt necessary to consider costs such as Board member training, meeting attendance, and costs associated with the Board's work programme.

Consideration would be given to such matters when the Board was clear on its work programme although no provision had been made or approved to provide an annual budget for the Board. Requests for re-imbusement of travel expenses for attending Board meetings or training were to be sent to the Council's Chief Accountant.

5 ROLE OF THE LOCAL PENSION BOARD

Paragraph 3 of the Terms of Reference outlined the role of the Local Pension Board and paragraph 6 highlighted some principle functions of the Board.

The Board would oversee matters such as communications with employers and scheme members, and review proposed new and existing policies before consideration by the Pensions Investment Sub Committee. The Board would also receive Liberata's monthly service level report linked to administration performance. Compliance on Pension Fund investment regulations would continue to be for the Pension Investment Sub Committee rather than Local Pension Board. However, a focus for the Board would be the administration behind paying the pension to fund members. The Liberata monthly report provided an informative document in this respect.

It was suggested that members had particular interests and skills which could enable a degree of specialisation on matters. It was also suggested that issues could be looked at on an annual basis.

The number of members on Local Pension Boards across local authorities varied. Some authorities such as Bromley had four members, others had more. However, the composition of Bromley's Board was entirely in line with the minimum statutory

requirement i.e. two member representatives and two employer representatives.

The Pensions Investment Sub Committee was due to next meet on 23rd September 2015 and it was suggested that the Board meet in October following the Sub-Committee's meeting. The Annual Report of the Pension Fund would be available as would the external Audit Report on the Fund. Issues concerned with how the authority communicates with scheme members could also be considered.

6 SUMMARY OF THE PENSION FUND POSITION

The Pensions Manager agreed to enquire whether members could receive copies of the quarterly Fund Manager reports provided to Pension Investment Sub Committee meetings (**ACTION: Pensions Manager**).

As far as possible, officers would submit information to Board members electronically (including links to documents). Board Members would be able to ask questions at Pensions Investment Sub Committee meetings.

It was suggested that hearing advice on how the scheme operated along with concerns (e.g. costs) could assist the Board consider areas to examine. Administration costs were important along with the balance of active and passive investment. Establishing the actual charges of Fund Managers was also highlighted - it could be beneficial to the authority if the Board were able to help achieve savings in this area.

If required information was unavailable from documents to be provided (or from reports to the Pensions Investment Sub Committee), the Pensions Manager invited members to make contact. It could also be possible for the Director of Finance or the Principal Accountant to give advice at a Board meeting. Attendance at Pension Investment Sub Committee meetings would also enable Board members to understand the latest position on matters.

Work was being taken forward across London to establish a Collective Investment Vehicle although L B Bromley was currently opposed to any mandatory inclusion in the scheme. Bromley's Fund had performed well over a number of years without the need for a collective investment approach. Further information could be provided by the Director of Finance at a future Board meeting if required.

7 PENSION SCHEME DOCUMENTATION

Examples of available online documents include:

- Pension Fund Annual Report (2014)
- Actuarial Valuation Report (March 2013)
- Statement of Investment Principles
- Compliance principles and

- Communications policy

Work was being taken forward on an administration strategy and the views of members would be sought on this (possibly between meetings).

A cessation policy document was also being considered related to the ending of a contracted out service involving LGPS members (e.g. service being taken in-house). It was necessary to be clear on how pension considerations at the end point would be dealt with.

Board members were encouraged to check online the dates of future Pension Investment Sub Committee meetings.

Pension items could also be considered by the Council's General Purposes and Licensing Committee (parent Committee to the Pensions Investment Sub Committee) and the Pensions Manager would alert members to any future item of interest. On key matters where an existing policy was being reviewed or a new policy developed, relevant documents would be submitted to Board members in any case.

8 TRAINING REQUIREMENTS AND TIMETABLING

Training could be provided by certain providers or it could be Local Government specific. Members were recommended to study the Public Service Toolkit on the Pensions Regulator website and a link to the toolkit would be provided to members.

A member preferred to undertake training as and when needed rather than attend bulk training which might not be needed. Another member preferred a general overview during daytime. Similarly, a further member would appreciate general training on the role of the board and training to improve LGPS knowledge. A further view expressed merit in starting training at basic level.

The Pensions Manager would look at whether there were any suitable training opportunities being provided by the Local Government Association; it may be beneficial to combine training with other local authorities if possible.

As set out in the approved Terms of Reference, no remuneration would be paid for membership of the Local Pension Board. A member felt it important that adequate resources be provided and that members should not lose out financially in their role. There may be instances, such as the need to take unpaid leave for Board attendance, where a member would need to be compensated. However, this would require a change to the current Terms of Reference which would need the relevant approval.

It was confirmed that those administering the Pension Fund would need to approve expenditure and resourcing. Another member preferred to provide a receipt for car mileage and printer costs as and when rather than have to submit within a month of expenditure.

Noting comments made, the Pensions Manager offered to take these back and establish what amendments could be made to the Terms of Reference under approved delegations. Further enquiries would also be made on training provision and dates. These would be emailed to members. Where possible, training would be arranged before the Board's next meeting.

Concerning administration of the Pension Fund and payment of pensions, members were handed a copy of the Liberata performance report for June 2015.

9 WORK PROGRAMME AND ANY OTHER BUSINESS

For the Board's October meeting it was suggested that the agenda include:

- Training
- Pension Fund Audit Report and
- Pension Fund Annual Report

A Pension Fund Strategy document was available online and could be provided to members; however, the Board's key role was to monitor compliance with regulations and monitor the validity of decisions. If, in confirming compliance, members felt that a matter could be achieved in a better way, members could make suggestions if they so wished.

As a standing item, a member also suggested having a forward look item on future agendas.

It was agreed that member contact details could be shared amongst the Board's membership and officers.

The next meeting was provisionally agreed for 26th October 2015.

The Meeting ended at 3.12 pm

Chairman