London Borough of Brent Pension Fund Sub-Committee Meeting

Debrief on 31 March 2016 valuation

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• 22 June 2017
Data - Background

Size of cake

a) Employer data issues
b) Query responses
c) New data format

Divide into slice per employer
d) Employer codes
e) Accounts data
f) Member status

• Whole Fund results might be fine, but the smaller the employer slice, the more important the accuracy.
• Incorrect data can lead to incorrect contributions!
Data – Next Steps

• Regular data cleansing – Data portal can be used

• Collaboration with employers

• Develop processes for new employers

• Monitoring cashflows

• Regular contact and discussion with administrator and employers

Ongoing process – do not wait until 2019!
## Employer Specifics

<table>
<thead>
<tr>
<th>Employer Type</th>
<th>Approach</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>Stabilised contributions, low risk employer</td>
<td>Increases of around 1.5% of pay p.a. for 3 years, to 35%.</td>
</tr>
<tr>
<td>Council Schools</td>
<td>Part of Council</td>
<td>Increases of around 1.5% of pay p.a. for 3 years, to 35%</td>
</tr>
<tr>
<td>Academies</td>
<td>Standalone employers. linked to Council rate</td>
<td>Increases of around 1.5% of pay p.a. for 3 years, to 35%</td>
</tr>
<tr>
<td>College</td>
<td>Standalone employer, long term, medium risk</td>
<td>Increases of 2% of pay p.a. for next 3 years, to c.36%</td>
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<tr>
<td>Contractors</td>
<td>Usually short term, low risk employers</td>
<td>Some employers saw increases, others decreased.</td>
</tr>
<tr>
<td>Charities</td>
<td>Short/medium term, high risk employers</td>
<td>Some employers saw increases, particularly if heading to cessation.</td>
</tr>
</tbody>
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Balancing act between prudence and affordability
Employer – Next Steps

• Monitoring of employers

• Engagement with employers approaching cessation

• Regular bond reviews/renewals

• Ensuring records kept updated by employers and administrators

• Data cleansing for specific employers

Ongoing process – do not wait until 2019!
Governance

Scheme Advisory Board – publish standardised results

2016 valuation report submitted to CLG

Local Pension Board
Governance – Next Steps

• Monitor investment strategy

• Contribution rate modelling in advance of next valuation for early indication and consultation with employers

• Cashflow modelling?

• Funding positions mean further scrutiny
  - ensure robust decision/policy making
  - demonstrate rationale for funding decisions.

Ongoing process – do not wait until 2019!
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