



MINUTES OF THE PENSION BOARD
Held as an online meeting on Tuesday 23 March 2021 at 6.00 pm

PRESENT(in remote attendance): Mr David Ewart (Chair), Councillor Crane and Councillor Kabir and Mr Chris Bala.

Also Present (in remote attendance): Councillor McLennan (Deputy Leader & Lead Member for Resources)

1. Apologies for absence

Apologies for absence were received from Bola George and Robert Wheeler.

2. Declarations of interests

None declared.

3. Minutes of the previous meeting - 3 November 2020

The minutes of the previous meeting held on 3rd November 2020 were agreed as an accurate record.

4. Matters arising

None.

5. Pensions Administration Update

This report updated the Pensions Board on various pension administration matters as part of its remit to oversee the administration of the Brent Pension Fund. As Members would recall, Council transferred the pensions administration to LPPA. The Board welcomed Mr John Crowhurst (Commercial Director) and Ms Janet Morville-Smith (Risk and Compliance Director) of LPPA to the meeting.

Mr John Crowhurst gave a detailed slide presentation to the Board highlighting the key aspects of pension administration by LPPA since the last meeting and answered Members' questions. Members heard that the percentage of calls answered was 98.3% and that all cases including deaths and retirements was 99.1% against the target of 98%. Through a rigorous trace approach, LPPA had been able to bring to a close historic cases that had been pending for some time. He added however, that bereavement and retirement cases had seen a steady rise in January and February 2021 and consequently the wait times at the help desk. Additionally, LPPA had delivered service improvements that involved the launch of the new LPPA website including a live chat functionality for users, successful delivery of online training sessions for employers and the launch of the bereavement booklet.

In providing the business updates, Mr Crowhurst stated that LPPA had recently been through a procurement exercise for their pension administration system and contracts signed with Civica to provide their Universal Pensions Management (UPM) system. The UPM system would replace Altair as well as LPP's workflow management system (CMS), both YourFund employer portals and the My Pension Online member self-service portal. The Brent Pension Fund would Go Live in September 2022. The transfer of the service from Heywood's to Civica while having many benefits would also involve risks that would be monitored regularly by LPPA through their Project Plan capturing key dates, task, milestones, risks and controls in place. LPPA would provide Brent officers with regular updates in weekly and monthly meetings to ensure successful transfer of administrative systems. The Chairs expressed the Board's view that a smooth transfer between the systems was vital.

In response to Members' questions, Mr Crowhurst stated that conditional data would be significantly improved when LPPA concluded the GNP projects. He clarified that bereavement cases had shot up by 27% in February 2021 and to address that, LPPA had set up a separate bereavement line and recruited additional staff for resilience and resource planning. Divorce cases were also higher than normal months but that could be the same people contacting LPPA more than once.

Mr Ravinder Jassar (Deputy Director of Finance) added that due to the pandemic, the annual employer forum had not been held, however that LPPA were carrying out online engagement activity with all employers ahead of year-end.

Ms Janet Morville-Smith (Head of Risk and Compliance) provided further perspectives on risk and compliance and answered Members' questions. The objectives were to drive quality by embedding a culture of treating customers fairly and enhancing the administration of services provided to all clients aimed at improving the customer journey and providing a value for money service. These would be achieved through monitoring quality assurance reviews with a more focussed deep dive approach and a team of regulatory change management to monitor risks, policy framework, breach and incident and complaints and member satisfaction. She clarified that LPPA would put in place, appropriate infrastructure and procedures with constant reviews to address potential cyber security issues.

The Board welcomed the report and with no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED:

That the pensions administration updates be noted.

6. Pension Board and Committee Training Strategy

Mr Sawan Shah (Senior Finance Analyst) introduced the report that detailed the training strategy of the Brent Pension Fund ("the Fund"). The strategy, developed by Hymans Robertson would address the complexity and the need for a policy on training. He explained that the strategy set out measures to aid the Pension Fund Sub-Committee, Pension Board and Officers in gaining an understanding of their respective responsibilities in order to effectively fulfil their respective roles. It would be effective from 23rd March 2021 with topics to be covered from June/July onwards

and reviewed every 2 years, and if necessary, more frequently to ensure accuracy and relevance.

Mr Shah then drew Members attention to the appendix to the report that gave an indication of the delivery method and target completion date for each area. He added that once agreed officers would start to implement the programme, consulting with Members as appropriate concerning their availability and delivery method. He emphasised that officers would work with Members in any areas they felt would be relevant to their areas of work and as set out in the Fund's business plan.

Members welcomed the report and with no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED:

That the training strategy set out in the main report and the appendix be agreed.

7. **LGPS Update**

The purpose of this report was to update the Board on recent developments within the LGPS regulatory environment and any recent consultations issued which would have a significant impact on the Fund. Mr Sawan Shah (Senior Finance Analyst) introduced the report and answered Members' questions. He gave updates on the following main areas:

Exit Cap payments.

- After extensive review of the application of the Cap, the Government had concluded that the Cap may have had unintended consequences and the (2020) Regulations should be revoked. In light of the exit cap regulations, it was necessary to alter the early retirement pension strain factors to ensure they were still fit for purpose. With the dis-application of the £95k exit cap, the Council's General Purposes Committee had considered and approved a recommendation to revert to the previous fund specific factors.

Lifetime Allowance (LTA)

- In the Budget on 3 March 2021, the Chancellor announced that the Lifetime Allowance (LTA) – the maximum amount (of pension plus lump sum) that could be drawn from a pension scheme without triggering an extra tax charge – would, instead of being increased each year in line with the annual (September) CPI figure, be frozen at its current level (£1,073,100) until April 2026.

Good Governance

- On 15 February 2021, the LGPS Scheme Advisory Board (SAB), published its final report (Phase 3) on Good Governance and Action Plan for submission to the Ministry of Housing, Communities and Local Government (MHCLG) for consideration. The full Phase 3 report had been attached in Appendix 3 of the report circulated with the agenda. The Fund believed it was compliant with many of the recommendations and that officers would produce an action plan on areas of non-compliance and report to the Pension Board at a later meeting.

Minimum age

- The normal minimum pension age was the minimum age at which most pension savers could access their pensions without incurring an unauthorised payments tax charge (unless they are taking their pension due to ill-health). It was currently age 55. The government had confirmed its intention to legislate to increase the normal minimum pension age from 55 to age 57 on 6 April 2028.

Members welcomed the report and with no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED;

That the LGPS updates be noted.

8. Brent Pension Board Terms of Reference and Conflicts of Interest policy

This report presented a review of the Pension Board's terms of reference and conflicts of interest policy. Mr Ravinder Jassar (Deputy Director of Finance) informed the Board that following the last review, the terms of reference were updated to reflect the knowledge and experience of the Pension Board and to make them suitable and fit for purpose. This included a further clarification on the purpose, roles, responsibilities and core functions of the Board.

He drew Members' attention to appendices 1 and 2 to the main report, and invited comments on any changes it was felt would be required to the terms of reference.

Members welcomed the report, endorsed and commended the terms of reference and conflicts of interest policy. With no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED;

That the Pension Board terms of reference and conflicts of interest policy be noted.

9. Brent Risk Management Strategy Register

This report presented the updated Risk Register for the Brent Pension Fund Pensions Administration Service. Ms Flora Osiyemi (Head of Finance) highlighted the following new risks and key changes to classifications of risks as set out in the appendices to the report:

Exit Pay Reform – (item 9.3)

- This had been updated to reflect the revocation of the Restriction of Public Sector Exit Payments Regulations 2020.

Cyber Security

- Brent officers had completed a review of the current cyber security policy in place in order to ensure that procedures and processes were up to date in order to safeguard the integrity, confidentiality and availability (ICA) of information.

System Transfer (item 4.3)

- A new risk had been added under item 5.7 to capture the transfer of LPP administration systems from Heywoods to Civica with further details set out in the appendix.

In response to member's question about secure and robust cyber security system of all partners using the Civica system, the Deputy Director of Finance responded in the affirmative. He added that a number of external organisations (LPPA, Hymans and LCIV) would be involved in the monitoring arrangements for the contract.

Members welcomed the report and with no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED;

That the Brent risk management strategy be noted.

10. **London CIV Update**

The purpose of this report was to update the committee on recent developments within the London CIV (LCIV) regarding Responsible Investment and Engagement. Officers drew Members' attention to Appendix 1 in the report that provided an update regarding key priorities for 2021 with respect to Climate Change, Stewardship, Fund Launches and its policy on Responsible Investment and Engagement. Brent Pension Fund Sub-Committee had considered this report at its last meeting and noted the key priorities.

Members welcomed the report and with no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED:

That the report and update on the London CIV be noted.

11. **H2 2020 Investment Monitoring Report**

The report by Hymans Robertson presented the investment monitoring report for the quarter. Brent Pension Fund Sub-Committee had considered this report at its last meeting and noted the key points as set out in the report. Board Members noted in particular that The Fund had posted strong returns over the past 6 months, crossing the £1bn mark to end 2020 with a valuation of £1,010.5m (up from 934.9m at the end of Q2 2020).

Members welcomed the report and with no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED:

That the investment monitoring report for Quarter 2 (2020) be noted

12. **Investment update**

The report provided the Pension Board with an update on the Fund's investments. Brent Pension Fund Sub-Committee had considered this report at its last meeting and noted the key points as set out in the report.

Members welcomed the report and with no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED:

That the investment update report be noted

13. LAPFF Engagement Report

This report presented members with an update on the engagement activity undertaken by LAPFF (the Local Authority Pension Fund Forum) on behalf of the Fund. The Fund's commitment with LAPFF and its work had demonstrated its commitment to Responsible Investment and engagement as a way to achieve its objectives. Brent Pension Fund Sub-Committee had considered this report at its last meeting. Board members noted the comments made at the Sub-Committee meeting on possible overlap with the London CIV.

Members welcomed the report and with no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED:

That the LAPFF engagement report be noted.

14. Date of next meeting

It was noted that the date of next meeting would be confirmed at the Council's Annual General Meeting in May 2021.

15. Any other urgent business

Mr. Joe Kwateng.

The Chair informed the Sub-Committee that this was the last meeting that Mr Kwateng would be servicing as he would be retiring after 38 years of service with Brent Council. Members were unanimous in paying tribute to Mr Kwateng for his long and committed service to the Council and in particular, Brent Pension Fund Sub-Committee and Board and wished him a long and happy retirement.

In reciprocating, Mr Kwateng thanked both Members and officers for their assistance during his tenure servicing the Board.

16. Exclusion of Press and Public

That the press and public will be excluded from the remainder of the meeting as the reports and appendices to be considered contained the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Access to Information Act 1972, namely:

"Information relating to the financial or business affairs of any particular person (including the Authority holding that information)."

17. London CIV Investment Review

The purpose of this report was to update the Board on recent developments regarding Brent Pension Fund investments held within the London CIV (LCIV). Brent Pension Fund Sub-Committee had considered this report at its last meeting when a representative of London CIV gave a presentation of London CIV performance including each fund manager's performance on the funds under LCIV watch.

Members welcomed the report and noted that 88.1% of the fund's assets were under management oversight by the CIV. With no further issues raised, the Chair confirmed that all members had followed the discussions and thanked members and officers for their contribution. It was RESOLVED:

That the London CIV investment review report be noted.

The meeting closed at 7.12 pm

MR. D EWART
Independent Chair