



MINUTES OF THE PENSION BOARD
Held as an online meeting on Monday 25 July 2022 at 6.00 pm

PRESENT (in remote attendance): Mr David Ewart (Chair), Councillor Kabir, Councillor Akram and Chris Bala (Pension Scheme Member representative), Bola George (Member representative – Unison), Robert Wheeler (Member representative- GMB), Sunil Gandhi (Employer Member- Non Brent Council).

ALSO PRESENT (in remote attendance): Councillor Mili Patel (Deputy Leader and Cabinet Member for Finance, Resources & Reform)

1. Apologies for absence

None.

2. Declarations of interests

None.

3. Minutes of the previous meeting – 24 March 2022

The minutes of the previous meeting held on Thursday 24th March 2022 were agreed as an accurate record.

4. Matters arising

None.

5. Pensions Administration Update

Sawan Shah (Brent Council - Senior Finance Analyst) introduced the report updating the Pension Board on various pensions' administration matters as part of its remit to oversee the administration of the Brent Pension Fund.

In considering the report, the Board noted:

- The Pension Administration performance update for the Q4 monitoring period January – March 2022, as detailed within Appendix 1 of the report.
- That whilst the quarterly average percentage of cases processed on time (95.9%) had been below the Service Level Agreement target (98%) this reflected revised targets agreed with the Fund during the Universal Pension Management (UPM) system migration.
- The slippage in Helpdesk call performance wait times during the same period which also reflected the migration to the new pension administration system and measures being taken to train additional Helpdesk advisors.
- The number of complaints remained low with 8 cases received since the last update.
- The Pension Regulator scores achieved in relation to the accuracy of common and conditional data had improved further since the previous quarter.

John Crowhurst (Operations Director, LPP, who provide the Pension Administration Servicer for the Fund) then provided the Board with a presentation outlining key business and performance updates within the LPP Quarterly & Annual Brent Pension Fund Administration Report. Key issues highlighted were as follows:

Referring firstly to progress with the introduction of the new pension system administration system and migration to Universal Pensions Management (UPM) the Board was advised that Phase I of the process had been successfully completed with nine out of 18 LLP clients having 'gone live'. The plans for Phase II of the migration had now been agreed for all remaining clients between October – December 22. This would include Brent, who were due to go live in November 2022. The new Member Portal 'Pension Point' and Employer Portal were now live, with 40,000 members having successfully registered for Pension Point. Data migration had also been fully reconciled. In terms of Brent's migration, LPP were continuing to provide regular monthly updates designed to ensure successful transfer of administrative system as well as further detailed engagement with members and employers in order to support the transition to the new system.

From a casework performance perspective, the Board noted the detailed breakdown provided within the quarterly monitoring update as detailed in Appendix 1 of the report. This reflected the adjustment in relation to "business as usual" as a result of the ongoing system migration accompanied by a short blackout period, and need for additional staff training and higher numbers of hyper care issues post go-live.

In terms of help desk performance, whilst the slippage in performance was recognised during the current monitoring period the Board noted that as a result of the action taken to recruit and train additional helpdesk advisers and appoint an additional helpdesk training resource it had been possible to improve performance with average wait times in June at approx.5 minutes (recognised as the lowest since the beginning of the new pension system migration process) and response times to web form enquiries at approx. 24-48 hours. It was, however, stressed that there would be further pressure on the service once Phase II of the system migration went live in the autumn, although it was felt that the experience gained during the initial migration Phase would assist to mitigate the impact in terms of performance.

Members were then invited to ask questions on the update provided, which are summarised below:

- Regarding additional help desk staffing, clarification was sought as to whether this would be a temporary or permanent solution. In response the Board was advised that a dedicated trainer had been employed to upskill staff at a quicker rate, with that resource also available to be redeployed as required. In regards to the budget, it was updated that this resource would be considered as part of budget forecasting on a quarterly basis.
- Details were sought on when it was felt the new Universal Pension Management (UPM) system would be fully functional. In response the Board was advised of a development roadmap being prepared to assist in the roll out of further system functionality once the initial migration programme had been

- completed. It was anticipated that the new system would be fully functional by May-June 2023.
- In response to a query regarding the engagement with schools as part of the migration programme, the Board was advised that (given the upcoming holiday period) the training and engagement programme had already commenced in order to ensure that functionality could be accessed as early as possible. This process had included short videos being made available to schools and other employers going forward, as well as use of the Employers Forum.
 - In response to concerns identified regarding the increase in number of outstanding cases at the start of the Q4 monitoring period (1,210) the Board were advised that these would be expected to decrease once migration to the new pension system had been completed.
 - Having noted the issues identified in relation to the availability of helpdesk advisors and impact on performance, further detail was sought on the challenges in terms of the recruitment and retention of staff by LPP. Whilst highlighting the difficulties in being able to recruit staff with specific Local Government Pension Scheme (LGPS) experience the Board were advised of the measures being taken to enhance training for staff in order to speed up the time from their recruitment to deployment with as flexible a resource available as possible.
 - In noting the impact of the increase in call volume on helpdesk performance, the Board were advised that these had mostly related to the migration and deployment of the new pensions system, particularly in relation to initial issues experienced with the system access and authentication process. It was confirmed these had now been addressed in advance of the Phase II migration.
 - Further details were also sought on the work being undertaken to focus on those issues generating the highest number of calls. As part of the performance monitoring process the Board was advised that these areas and trends were subject to ongoing review, in order to support the provision of additional guidance e.g. self-help explainer videos designed to support members with queries and assist in managing the overall levels of call volumes.
 - In response to a final query, the Board were provided with an assurance that Project PACE (relating to migration of the new pension administration system) remained on track for the Brent Pension Fund with a go live date in November 2022. It was also noted that LPP would be providing a variety of different communication and training delivery methods to assist in rollout of the system.

As a final part of the performance update the Board was then provided with details on progress with the Annual Benefit Statement (ABS), which the scheme manager was required to issue to all eligible active and deferred members by 31 August each year.

As part of the update Sawan Shah advised that the updated position in relation to scheme employer submissions was that three employers, representing 3% of members in the Fund, were still to submit their end of year returns.

Whilst concerned at the delay in employers submitting their final returns, the Board recognised the work being undertaken between the Fund and LLP to closely

monitor the position and work with employers to ensure the prompt submission of these returns. Fund officers had sought to escalate concerns to senior management of the employers whose submissions were still outstanding and as a result these were anticipated in time to ensure the ABS could be issued within the required timescale.

Further issues raised by the Board in relation to the ABS update were as follows:

- With regards to the delay in employers submitting monthly returns, the Board were advised of the additional guidance already being provided for employers (including as part of the migration to the new pension administration system) in order to address compliance issues, which included a range of communication and engagement methods factoring in the recent impact of the pandemic. In terms of any specific category of employers affected, the main focus of engagement activity had been on the school sector, given their payroll provider arrangements and submission deadlines in relation to the academic year and as part of the phased roll out of monthly returns.
- Whilst the Pension Administration Strategy enable the scheme manager to take action against employers who did not comply with their statutory and legal obligations to the Fund formal action had not been required, at this stage, with the Board advised that no material break had needed to be reported to the Regulator.

As there were no further questions from Members, the Chair thanked John Crowhurst and officers for the update and it was **RESOLVED** that the report be noted with a further update on progress with Project PACE to be provided for the next meeting.

6. Chair's Annual Report

David Ewart (Chair – Brent Pension Board) presented a report which provided a summary of the work carried out by the Council's Pension Board during the 2021/22 municipal year.

The Board welcomed the report and as with no comments or issues raised it was **RESOLVED** to note the report.

7. Risk Register

Flora Osiyemi (Head of Finance) presented a report updating the Board on the Risk Register for the Brent Pension Fund Pensions Administration Service.

In considering the report, the Board noted the following:

- No new risks had been added to the Register since the previous update in March 2022.
- The changes made to the Risk Register, as detailed within section 3.6 and Appendix 1 of the report. The key changes identified included:
 - Item 5.6 (Transfer of LPP Administration System) being updated to reflect Phase II of the migration and Brent's "go live" date with members having considered the impact of this process as part of the Pension Administration Update.

- Item 6.4 (Year End Return) the risk had been changed from a low to a medium - low risk with the likelihood also having changed from 2 to 4 due to the number of outstanding returns, although as noted as part of the Pension Administration Update the current number of outstanding returns had reduced and now stood at three rather than 11;
- Item 9.2 (Investments in Russia, Belarus and Ukraine) the likelihood of the risk materialising had been changed from 10 to 2 given the limited exposure of the Fund to holdings in these areas.

The Board also received and noted the Risk Strategy for the Fund, attached at Appendix 2 of the report.

The Board welcomed the report and as no further issues were raised it was **RESOLVED** to note the report including the key changes set out in section 3.6 of the report.

8. **LGPS Update**

The Board received a report providing an update on recent developments within the Local Government Pension Scheme (LGPS) regulatory environment and any recent consultations issued which would have a significant impact on the Fund.

In considering the report the Board noted the following updates:

- In March 2022, the Council had received a letter (attached in Appendix 1 of the agenda pack) from the Head of Local Government Pensions at the Department for Levelling Up, Housing and Communities (DLUHC) setting out their recommendations on how administering authorities should take the McCloud remedy into account in the 2022 triennial valuation. The guidance provided had been subject to review with Brent's Fund Actuaries who had commented that it was in line with expectations and therefore not expected to create any delay in the valuation process.
- The discussions between Prudential and the Head of Pensions at the Local Government Association regarding the ongoing operational difficulties being experienced by administering authorities in relation to the Prudential performance along with the action being taken to address the situation, on which further details had been provided in Appendix 2 of the report.
- The publication of the LGPS England and Wales Annual Report for 2021.
- The publication of the Government Actuary's Department (GAD) report on the 2016 scheme valuation which calculated the cost cap of the scheme. The report concluded that the costs of the scheme had remained below the target costs and as a result no action had been required in relation to any breach of the cost cap corridor and thus no benefits adjustment had been issued.

In terms of issues raised, members were advised that the increase in management charges identified within the LGPS Annual Report had been driven primarily by a rise in investment management charges with administration and governance costs remaining broadly stable.

The Board welcomed the report and as no further issues raised it was **RESOLVED** to note the recent developments in the LGPS, as detailed within the report.

9. **Terms of Reference and Conflicts of Interest policy**

Rubia Jahlil (Finance Analyst) introduced a report detailing the outcome a review of the Pension Board's Terms of Reference and Conflicts of Interest Policy.

In considering the outcome of the review and current Terms of Reference and Conflicts of Interest Policy, the Board supported the view that these both remained fit for purpose. It was noted that as part of the Board's role in ensuring the Brent's Pension Fund continued to be managed and administered effectively and in compliance with necessary regulations they would continue to receive regular updates on the issues being considered by Brent's Pension Fund Sub Committee, including the updated Investment Strategy.

Members welcomed the report and with no further issues raised, it was **RESOLVED** that the Board approve the current Terms of Reference and Conflicts of Interest policy with no changes identified for consideration.

10. **Quarterly Monitoring Report – Q1 2022**

The Board received an update on the Brent Pension Fund Q1 2022 Investment Monitoring Report. It was reported that the report had been considered in detail by the Brent Pension Fund Sub Committee on 27 June 2022.

Members welcomed the report and with no further issues raised, it was **RESOLVED** to note the Q1 Investment Monitoring Report.

11. **Pension Fund Business Plan**

The Board received a report outlining the business plan for the Fund for the next 12-18 months prepared by the Fund's investment advisors, Hymans Robertson. It was reported that the report had been considered in detail by the Brent Pension Fund Sub Committee on 27 June 2022.

Members welcomed the report and with no further issues raised, it was **RESOLVED** to note the report and endorse the contents of the Pension Fund Business Plan.

12. **Net Zero Transition Roadmap Update**

The Board received a report providing an update on progress against the Fund's net zero transition roadmap. It was reported that the report had been considered in detail by the Brent Pension Fund Sub Committee on 27 June 2022.

Members welcomed the report and with no further issues raised, it was **RESOLVED** to note the update provided update and ongoing work and progress being made on the Net Zero Transition Roadmap as detailed within Appendix 1 of the report

13. **Pension Fund year end accounts 2021/22**

The Board received a report presenting the draft pension fund annual accounts for the year ended 31 March 2022. It was reported that the report had been considered in detail by the Brent Pension Fund Sub Committee on 27 June 2022.

In considering the report the Board thanked officers for their work in successfully meeting the Fund's year-end accounts deadline ahead of the statutory schedule and noted the strong financial position of Brent's Pension Fund, with the value of investments having increased to £1,128m during 2021/22 (compared to £1,032m 2020/21). In response to a query regarding the final accounts, the Board was advised that these were now in the process of being audited prior to final sign off, with a further update to be provided once this had been completed.

Members welcomed the report and as no further issues were raised it was **RESOLVED** to note and endorse the Pension Fund Year End Accounts 2021/22.

14. **2022 Triennial Valuation**

The Board received a report updating the committee on the 2022 Pension Fund Valuation. It was reported that the report had been considered in detail by the Brent Pension Fund Sub Committee on 27 June 2022.

Members welcomed the report and with no further comments or issues raised, it was **RESOLVED** to note the report and progress on the Valuation process.

15. **Any other urgent business**

None.

16. **Exclusion of Press and Public**

At this stage in proceedings the Board **RESOLVED** 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)."

Having passed the above resolution the live webcast was ended at this stage of the meeting.

17. **London CIV Update**

The Board received a report, which provided the latest update on recent developments regarding the Brent Pension Fund Investments held within the London CIV (LCIV). It was reported that the report had been considered in detail by the Brent Pension Fund Sub Committee on 27 June 2022. The update included (as detailed in Appendix 1) the data, performance of Funds that Brent had invested via London CIV as well as the LCIV quarterly investment review which included Brent's investments in the LCIV Infrastructure fund along with valuation and performance data for the underlying portfolio investments and an update on pipeline investments (as detailed in Appendix 2 of the report). As a final update members' attention was drawn to the general updates provided by the London CIV (as set out in Appendix

3) in relation to investment, fund launches and fund monitoring and operational controls.

Having considered the update provided, the Sub Committee **RESOLVED** to note the reports and updates provided by London CIV.

The meeting closed at 7.17pm

MR. D EWART
Independent Chair