



MINUTES OF THE PENSION BOARD

Wednesday 27 July 2016 at 7.00 pm

PRESENT: Mr Ewart (Chair), Councillor Kabir, Trevor Dawson and Euton Stewart

1. **Apologies for absence**

Received from Angela Cattermole and Bola George

2. **Declarations of interests**

The Chair declared that he was a member of the London Borough of Ealing pension fund.

3. **Minutes of the previous meeting**

RESOLVED:

that the minutes of the meeting held on 2 February 2016 be approved as an accurate record of the meeting.

4. **Matters arising**

Communication of Pension Board business back to employees and scheme members

It was noted that this matter remained outstanding from the meeting held on 2 February 2016. The Chair asked that the matter be addressed by the Head of Employee Services.

5. **Chair's Annual Report outlining the work of the Board for 2015/16**

The Chair introduced his report which provided a summary of the work carried out by the Board covering the period from its inception and first meeting in July 2015 to March 2016.

RESOLVED:

that the annual report be noted and referred to the General Purposes Committee.

6. **A discussion on training needs in view of last year and the work programme**

The Chair suggested that the Board should make a modest claim for funding to support a training session for Board members and sought views on what areas the training might best cover.

Euton Stewart raised issues regarding how the administration of the pension scheme adapted to meet the changing circumstances when services were shared between authorities. He also asked who was responsible for pensions when undertakings were transferred to a private company. It was recognised that the arrangements around shared services had become an important issue and the effect this had on individuals needed to be taken up with the Head of Employee Services. The Chair felt some aspects of the issues raised represented a risk factor and asked that a report on such risk be prepared so that a decision on how best to address the issues could be taken.

RESOLVED:

that the Chair and the Head of Finance identify appropriate topics for including in a training session to be held prior to a meeting of the Board.

7. **Draft Annual Report (Pension Fund Annual Accounts)**

The Board considered the draft Annual Report and Accounts 2015/16 for the Pension Fund. Members noted the figures that showed in comparison to 2014/15 that contributions had increased by a small amount but that payments had increased by a large amount which meant a negative cash flow. It was also noted that the net return on investments was far lower and that this was a situation that could well extend into future years. Net assets had increased but not to the extent they had in the past. The figures also showed that the number of active members in the scheme was lower than the number of retired members meaning the fund was now a 'matured fund'.

The Chair commented that in the past investments had tended to be low performing and that improvements to this were being pursued, however in present times this would be difficult and that it would take a number of years.

The Board noted the Governance Compliance Statement which showed compliance with the guidance on the governance of the Local Government Pension Scheme.

A question was asked whether there was an element of risk to new member organisations joining the scheme and it was explained that this depended on the nature of the organisation but that a check was made that they held guarantees. It was asked if a check was made on the level of restructuring in the Council that reduced the number of posts and whether this would affect employees in the future. It was explained that the Triennial Review would address this.

Members were invited to email Gareth Robinson, Head of Finance, if they had any questions regarding the detail contained in the report.

RESOLVED:

that the Brent Pension Fund Annual Report and Accounts 2015/16 be noted.

8. **Final Response to Government Consultation on Pooling**

The Board considered a paper on the proposal for asset pooling in the LGPS. Gareth Robinson, Head of Finance stated that he would be providing a briefing note to members of the Board on the London CIV and that the proposal would require further discussion in the future. He outlined the proposals in the paper and explained that assets would be transferred to the CIV over a period of time with the first payment being transferred at the present time.

RESOLVED:

that the paper be noted.

9. **Update on Performance of Capita**

The Board considered the report on the pension administration contract performance by Capita during 1 October 2015 to 31 March 2016. The Chair stated that compared to the previous year performance in all areas had either improved or stayed the same. However, performance on the timeliness of cases involving payments was still only at 66.2%.

In the absence of the Head of Employee Services, the Board asked that the report be re-submitted to its next meeting and that an update be provided on performance regarding providing Annual Benefits Statements and how the Board would be involved in the re-letting of the contract when the present contract with Capita ended.

RESOLVED:

that the improvements in the performance of Capita be noted but that concern be expressed over the continuing poor performance on the timeliness of cases involving payments.

10. **Re-enrolment update**

The Board considered the update on re-enrolment but in the absence of the Head of Employee Services, was unable to fully consider the current position. In agreeing to defer the item to the next meeting of the Board, concern was expressed that this may be too far off.

RESOLVED:

that the update report be noted and resubmitted to the next meeting.

11. **Actuarial Review**

Gareth Robinson, Head of Finance, referred Board members to the circulated presentation slides. He referred to the expected 2016 valuation timeline and stated that this was presently on schedule.

NOTED

12. **Verbal Update on the Triennial Actuarial Review Progress**

This item was covered in discussion on the item above.

13. **Smaller Admitted Bodies and the Triennial Review report**

The Board considered the briefing note updating members on the impact of the Triennial Review and the increasingly differentiated risks attached to the Various Bodies.

RESOLVED:

that the report be noted.

14. **Any other urgent business**

None.

15. **Items for next meeting**

The Chair proposed that the business for the next meeting of the Board should include:

- an update from the Head of Employee Services on the two items above deferred to the next meeting
- a report on the risk framework
- possible update on the Actuarial Review (if available)
- update from the Head of Employee Services on complaints
- possible update on admitted bodies (if sufficiently progressed)

16. **Peter Goss**

The Board noted with regret that this was the last meeting at Brent Peter would support and wished him every success in his future.

The meeting closed at 8.05 pm

D EWART
Chair