

**MINUTES** of the meeting of the **SURREY LOCAL PENSION BOARD** held at 10.00 am on 25 July 2018 at County Hall, Penrhyn Road, Kingston upon Thames, KT1 2DW.

These minutes are subject to confirmation by the Board at its meeting on 23 October 2018.

**Members:**

\*present

- \* Paul Bundy
- \* Ellwood Graham (Vice-Chairman)
- \* Mr Nick Harrison (Chairman)
- \* Tina Hood
- \* Paresh Rajani
- \* David Stewart
- Claire Williams-Morris
- Trevor Willington

**32/18 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Claire William-Morris and Trevor Willington.

**33/18 MINUTES FROM THE PREVIOUS MEETING: 23 APRIL 2018 [Item 2]**

The minutes were agreed as an accurate record of the meeting.

**34/18 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**35/18 QUESTIONS AND PETITIONS [Item 4]**

The Board received no questions and petitions.

**36/18 LOCAL PENSION BOARD ACTION TRACKER [Item 5]**

**Key points raised during the discussion:**

1. The Board received a summary of responses to Freedom of Information requests provided by the Fund during the last quarter.
2. Officers provided a progress update on the Additional Voluntary Contributions (AVC) arrangement, advising members that four potential candidates were being reviewed and that officers were exploring the best options. It was agreed that the Chairman would be briefed on the recommendations for appointing one of the candidates in August and officers would report back to the Board at its next meeting in October 2018.

3. It was highlighted that employer discretions would be addressed in the communications report for quarter one.
4. It was noted that the Administration update report included management's response to the 2016/17 administration audit.
5. It was further noted that the Pension Service Delivery Manager was due to provide dates for completion of actions on the administration final management action plan would be completed.
6. Officers reported on annual and lifetime allowances detailing how the Pensions Team monitors these.
7. The Board were informed that investment training had been offered by Goldman Sachs and dates had been circulated to members to agree.
8. The Pensions Service Delivery Manager agreed to forward the link to the fundamentals programme to allow members to book training.

**Actions/further information to be provided:**

- a) The Pensions Service Delivery Manager to provide dates for completion of the management action plan and the link to the fundamentals programme to allow members to book training.
- b) Officers to brief the Chairman on AVC recommendations.

**Recommendations:**

The Board noted the content of this report.

**37/18 LOCAL PENSION BOARD FORWARD PLAN [Item 6]**

**Key points raised during the discussion:**

1. Members noted that one further Board meeting was scheduled for the remainder of the calendar year and suggested that the Board's forward plan be maintained on a rolling basis. It was agreed that AVC's and the GMP reconciliation would be added to the agenda for the next meeting.

**Actions/ further information to be provided:**

The forward plan to be updated.

**Recommendations:**

The Board noted the content of this report.

## **38/18 PENSION FUND COMMITTEE UPDATE [Item 7]**

### **Declarations of interest:**

None

### **Witnesses:**

John Smith, Senior Advisor  
Graham Ellwood, Vice-Chairman

### **Key points raised during the discussion:**

1. It was noted that work was underway to address concerns with the administration and monitoring of members in danger of breaching the annual or lifetime allowances. The Pensions Service Delivery Manager explained that this was becoming a national issue, that there was a general lack of awareness reported in this area. To remedy this officers highlighted that the service were looking into ways to provide members' education through road shows and drop-in surgeries. The Pensions Service Delivery Manager indicated that surveys would be carried out and feedback generated from the road would could be shared with the Board.
2. The Pensions Service Delivery Manager highlighted that the active members newsletter would include information on annual/ lifetime allowances and 50/50 scheme alternatives. The Board stressed the need for officers to identify members who were opting out due to not being able to afford contributions, it was felt that members were not aware of the 50/50 scheme. To support members of the Board playing an active role, officers agreed to share newsletters in draft stage.
3. There was a discussion around investments and officers agreed to provide a brief note to explain the Pension Fund arrangement to members.
4. The Senior Advisor clarified that the cash-flow increase was a result of some employers paying deficit contributions at year end.
5. The Board were notified that the Director of Finance had left the Council on 6 July 2018 and that an interim Director had been appointed.
6. Members referred to the Pension Fund Business Plan 2017/18: Outturn report and queried why some outcomes were referenced as 'partially achieved'. Officers clarified that these outcomes were work in progress.

### **Actions/ further information to be provided:**

- a) Officers to provide the Board with a draft copy of the Active Members Newsletter for comment before its publication in August and to report back on road shows and surgeries.

- b) The Board to receive a briefing note on investments explaining the Pension Fund arrangements.

**Recommendations:**

The Board noted the content of this report.

**39/18 ADMINISTRATION PERFORMANCE REPORT: 1 APRIL 2018 TO 30 JUNE 2018 [Item 8]**

**Declarations of interest:**

None

**Witnesses:**

Clare Chamber, Pensions Service Delivery Manager

**Key points raised during the discussion:**

1. Officers reported that a range of initiatives were being developed to improve the level of service to customers.
2. It was highlighted that an employer's issue log would be implemented to support the processing of employer data issues.
3. The Board noted that a recruitment process was underway to fill resource gaps in the service. The Pensions Service Delivery Manager said that a Customer & Service Improvement Officer had been recruited to review and explore options to make current processes more efficient. Members raised concerns regarding the impact of recent staff turnover and questioned how resilience could be improved. The Board were advised that six vacancies were available and that pay grades were being reviewed/converted to balance the volume of work and handling across the team.
4. The Pensions Service Delivery Manager noted members' requests to prioritise death cases as performance levels were below tolerable.
5. Members queried the robotic process automation and when the service expected to see this go live. The Pensions Service Delivery Manager informed the Board that the automated solution was a work in progress and assured members an update on the development would be provided at a later date.

**Actions/ further information to be provided:**

None

**Recommendations:**

The Board noted the content of this report. No recommendations were to be put forward to the Pension Fund Committee for their attention.

## **40/18 ADMINISTRATION UPDATE: 1 APRIL 2018 TO JUNE 2018 [Item 9]**

### **Declarations of interest:**

None

### **Witnesses:**

Clare Chambers, Pensions Service Delivery Manager

### **Key points raised during the discussion:**

1. The Pensions Service Delivery Manager introduced the report by informing members that an Annual Data Cleanse would take place in autumn 2018 in order to prepare for the next triennial Valuation due to take place in 2019. It was highlighted that the cleanse would help identify missing data and/or errors, flagging any discrepancies such as salary and member details.

### **General Data Protection Regulations (GDPR)**

2. In accordance with new legislation regarding GDPR, it was reported that the Pension Section produced a privacy statement made available on its website. To publicise this information members would be drawn to it through annual benefit statements dispatched in August 2018.

### **Guaranteed Minimum Pension (GMP) Reconciliation**

3. It was noted that the GMP Reconciliation process was in the final stages. Members requested statistics on the data analysis, to be provided by the supplier at the end of July 2018.

### **Annual Benefit Statements**

4. It was reported that 11 scheme employers had yet to return their End of Year Data submission.
5. Members were informed that 23,500 annual benefit statements were to be published on the member portal and all active statements would be dispatched by 24 August 2018.
6. It was advised that the final dispatch date was purposely scheduled close to the statutory deadline (31 August 2018) to accommodate for late data.
7. The Pension Service Delivery manager agreed to share annual benefit statement templates with the Board.
8. The Board noted that Call Credit had been employed recently to review and check addresses.

### **Actions/further information to be provided:**

The Board to receive;

- a) statistics on the number of queries identified by the GMP reconciliation process.
- b) annual benefit statement templates.

**Recommendations:**

The Board noted the content of this report and made no further recommendations.

**41/18 REVIEW OF INTERNAL DISPUTE RESOLUTION CASES IN 2018/19: QUARTER ONE [Item 10]**

**Declarations of interest:**

None

**Witnesses:**

John Smith, Senior Advisor

**Key points raised during the discussion:**

1. It was highlighted that three cases were received/resolved during quarter one (2018/19);
  - I. One stage 2 determination was made in respect of an appeal received at the end of the previous quarter,
  - II. One appeal to the Pensions Ombudsman was received and
  - III. One determination was received from the Pensions Ombudsman relating to a separate case.

**Actions/ further information to be provided:**

None.

**Recommendations:**

The Board noted the content of this report.

**42/18 CUSTOMER COMPLAINTS REPORT: QUARTER 1 [Item 11]**

**Declarations of interest:**

None

**Witnesses:**

Clare Chambers, Pensions Service Delivery Manager

**Key points raised during the discussion:**

1. Members noted an error in the report, it was highlighted that Annex 1 showed the highest subject of complaints received was for service delay (42%) and lack of communication (33%).
2. The Board commended the low number of complaints considering the size of the membership.
3. The trade union representative in attendance also commended the work of the Helpdesk, having received positive feedback in this area.
4. The Board agreed it would be useful to receive data from the Helpdesk to review top issues.

**Actions/further information to be provided:**

The Board to receive information from the Helpdesk outlining top issues.

**Recommendations:**

The Board noted the content of the report and annex.

**43/18 COMMUNICATIONS UPDATE [Item 12]**

**Declarations of interest:**

None

**Witnesses:**

Clare Chambers, Pensions Service Delivery Manager

**Key points raised during the discussion:**

1. It was reported that the service had prepared a draft discretion policy to roll out to employers with a tutorial at the end of July 2018 to encourage employers to document discretions. Members supported the exercise and suggested that employer discretions should be covered as a topic at the Pension Fund AGM in November 2018.
2. It was noted that the service were also rolling out support for Surrey Pension Scheme employers with internal disputes resolution procedures.

**Actions/further information to be provided:**

None

**Recommendations:**

The Board noted the content of this report and recommended Pension Fund discretion be covered as a topic at the pension Fund AGM.

#### **44/18 CYBER SECURITY [Item 13]**

**Declarations of interest:**

None

**Witnesses:**

Ayaz Malik, Pensions Accountant Advisor

**Key points raised during the discussion:**

1. The Board received an update on cyber security policies and procedures affecting the Northern Trust as the Fund's custodian and the Council.

**Actions/further information to be provided:**

The Board to receive a presentation from the IMT Manager on the Council's implementation of Cyber Security.

**Recommendations:**

The Board noted the content of this report.

#### **45/18 RISK REGISTERS 2018/19: QUARTER 1 [Item 14]**

**Declarations of interest:**

None

**Witnesses:**

John Smith, Senior Advisor  
Clare Chambers, Pensions Service Delivery Manager

**Key points raised during the discussion:**

1. Officers summarised changes made to existing risks in the Fund Risk Register requested by the Board in a meeting of 23 April 2018.
2. The Board noted the new risk identified due to the change in Section 151 Officer.

**Actions/further information to be provided:**

Officers to update comments for A12 in the Administration Risk Register to highlight the further progress made with the GMP reconciliation.

**Recommendations:**

The Board noted the content of this report, the Fund Risk Register and Administration Risk Register.

#### **46/18 LOCAL PENSION BOARD ANNUAL REPORT [Item 15]**

**Declarations of interest:**

None

**Witnesses:**

Ayaz Malik, Pensions Accountant Advisor

**Key points raised during the discussion:**

1. Members received a copy of the Local Pension Board Annual report (attached to the minutes as Annex 1) to be presented to the Pension Fund Committee at its meeting on 14 September 2018.

**Actions/further information to be provided:**

None

**Recommendations:**

The Board noted the content of this report.

#### **47/18 TRAINING BULLETIN: QUARTER 1 [Item 16]**

**Declarations of interest:**

None

**Witnesses:**

John Smith, Senior Advisor

**Key points raised during the discussion:**

1. There was a discussion around recent developments in pensions and the Board noted key changes in the 2018 amendment regulations and AVCs.

**Actions/further information to be provided:**

None

**Recommendations:**

The Board noted the content of this report.

#### **48/18 PRE-VALUATION PROJECT PLAN [Item 18]**

##### **Declarations of Interest:**

None.

##### **Witnesses:**

John Smith, Senior Advisor  
Ayaz Malik, Pensions Account Advisor

##### **Key points raised during the discussion:**

1. It was noted that the Fund actuary, Hymans Robertson, carried out the triennial valuation of the Fund's assets and liabilities. The primary and secondary contribution rates for employers were derived from this valuation. The next triennial valuation was scheduled for 31 March 2019 (effective 1 April 2020). The project timeline for the next valuation runs from June 2018 to June 2019. The Board were presented with a draft project plan, attached as Annex 1 to the submitted report.
2. Officers clarified that the reference 'HEAT' mentioned in the report referred to 'Hymans Employer Asset Tracker'.
3. It was highlighted that the purpose of the project plan was to track changes and support the production of timely results. Officers assured the Board that regular updates would be provided on the progress of the valuation.

##### **Actions/further information to be provided:**

None

##### **Recommendation:**

The Board noted the content of this report.

#### **49/18 EXCLUSION OF THE PUBLIC [Item 17]**

**RESOLVED:** That under Section 100(A) of the Local Government Act 1972, the public be excluded from meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of part 1 of Schedule 12A of the Act.

#### **50/18 BORDER TO COAST UPDATE [Item 19]**

##### **Key points raised during the discussion:**

1. The Chairman agreed to take this meeting into Part 2 for this item.

**Actions/further information to be provided:**

None

**Recommendation:**

The Board noted the content of this report.

**51/18 PUBLICITY OF PART 2 ITEMS [Item 20]**

**Key points raised during the discussion:**

1. The Board agreed that Item 18, the Pre-valuation Project Plan which was published as Part 2 Private could be made available to the public as there was no disclosure of exempt information (attached as Annex 1). Members of the public were also invited to stay for this item.

**RESOLVED:** The Board agreed not to disclose the information relating to Item 19, the Part 2 item, Border to Coast update as it was commercially sensitive.

**52/18 DATE OF THE NEXT MEETING [Item 21]**

The next meeting of the Local Pension Board will be held on 23 October 2018.

Meeting ended at: 12.00 pm

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**Chairman**

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