

MINUTES of the meeting of the **SURREY LOCAL PENSION BOARD** held at 10.00 am on 12 November 2020 at Remote via Microsoft Teams.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 11 February 2021.

(* present)

Elected Members:

- * Paul Bundy
- * Rohit Dara
- Mr Graham Ellwood (Vice-Chairman)
- * Mr Nick Harrison (Chairman)
- * Siobhan Kennedy
- David Stewart
- * Trevor Willington

By invitation: Fiona Skene

15/20 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Paul Bundy, David Stewart and Graham Ellwood.

The Chairman announced that John Orrick, a previous vice chairman, had died and a minute silence was held.

16/20 MINUTES FROM THE PREVIOUS MEETINGS [Item 2]

The minutes of the meeting held on 13 February and the notes of the informal meeting held on 31 July were agreed as accurate records.

17/20 DECLARATIONS OF INTEREST [Item 3]

There were none.

18/20 QUESTIONS AND PETITIONS [Item 4]

There were none.

19/20 ACTION TRACKER [Item 5]

Witnesses:

Neil Mason, Strategic Finance Manager (Pensions)
Clare Chambers, Pensions Service Delivery Manager

Key points raised during the discussion:

1. A4/20 - The Chairman stated that things had moved on with responsible investments and ESG and it would be relevant to have some training for the Board around working with Minerva. The Strategic Finance Manager reported that there would be a training session at the start of the next meeting to cover that.
2. A1/20 - At the request of the Board the Pensions Service Delivery Manager gave an update on this item. She reported that members with

frozen refund payments had been contacted. One third had so far responded and the team were undertaking repayments. She further explained how the team were trying to track members and that if they could not access them within five years of their leaving then a breach of law would have to be declared, unless they were settled into an escrow account.

Actions/ further information to be provided:

That there be some Board training at the next meeting with regard to working with Minerva and responsible investments.

Recommendations:

The Board reviewed and noted its action tracker.

20/20 FORWARD PLAN [Item 6]

Witnesses:

Mr Nick Harrison, Chairman

Key points raised during the discussion:

1. The Chairman ran through the changes to the forward plan and noted the reinstatement of the standing items on IDRP cases and breach of law update. A Member requested that an update on the Turnaround Board be on each agenda.

Actions/ further information to be provided:

That the Turnaround Board be added as a standing item.

Recommendations:

The Board reviewed and noted its forward plan.

21/20 SUMMARY OF THE PENSION FUND COMMITTEE MEETING OF 11 SEPTEMBER 2020 [Item 7]

Witnesses:

Neil Mason, Strategic Finance Manager (Pensions)

Key points raised during the discussion:

1. The Strategic Finance Manager (Pensions) introduced the summary of the Pension Fund Committee held on 11 September 2020. He highlighted the sections on:
 - Investment core beliefs and the United Nation's Sustainable Development Goals (UN SDGs) and that a Member workshop had been held. Minerva were to produce a report on the back of that to go to the December Committee.
 - That the Fund was working toward a less carbon intensive allocation.
 - Update on the property portfolio.
2. The Board discussed allocations and the transition of the property portfolio to Border to Coast. The Chairman requested a table of information on future transition plans be put together for the next Board meeting.

Actions/ further information to be provided:

That a table of information on allocations and transitions to Border to Coast be included in the report for the next Board meeting.

Recommendations:

The Board noted the report.

22/20 ADMINISTRATION UPDATE [Item 8]**Witnesses:**

Tom Lewis, Pensions Support and Development Manager
Clare Chambers, Pensions Service Delivery Manager
Collette Hollands, Senior Pensions Programme Manager

Key points raised during the discussion:

1. The Chairman asked for an update on the effects of Covid on the projects listed in pages 42 and 43 of the agenda pack. The Pensions Support & Development Manager reported that staff had settled with remote working and there was a weekly action cycle. The team met weekly to keep on top of work and to monitor staff wellbeing. An impact analysis was being undertaken on productivity pre and post Covid. Telephone links were also being arranged for staff. There had been a positive reaction from the team on the sovereign return.
2. The Board heard how individual work processes were changing and being streamlined, and the benefits this would bring to improve performance. There was a lot of project work happening and the team were fully engaged. The timetable for Annual Benefit Statements had been met. Audit risks were being mitigated. Annual address tracing was to be introduced. The Chairman praised the team for the work they were doing and noted that the full audit was due in quarter 4, 2021 which he hoped would reflect the good progress made.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

23/20 ADMINISTRATION PERFORMANCE REPORT [Item 9]**Witnesses:**

John Smith, Pension Governance and Employer Manager
Clare Chambers, Pensions Service Delivery Manager
Collette Hollands, Senior Pensions Programme Manager
Neil Mason, Strategic Finance Manager (Pensions)
Ayaz Malik, Pensions Finance Specialist

Key points raised during the discussion:

1. The Pensions Governance and Employer Manager introduced the report and highlighted unexpected data concerning new starters. He also explained how the pension team were aware of productivity issues and were looking into it.

2. The Chairman explained that numbers in the chart came from different systems and didn't always correspond. He spoke of the need to improve or replace the systems for presenting the data.
3. The Board spoke of previous discussions and agreement that the process for aligning the data in order that the Board could be confident that it was correct. The Senior Pensions Programme Manager stated that officers would soon have an idea how many true backlog cases were still on the system and improvements would be apparent by the end of this financial year.
4. The Chairman asked for another column to show how long cases had been outstanding for. The Senior Pensions Programme Manager said she would show them for the top KPIs.
5. There was some discussion about the figures for raising and paying invoices which also seemed to be misaligned. The Strategic Finance Manager (Pensions) would look into the reporting of this KPI.

Actions/ further information to be provided: That a column be added to the KPI table to show longstanding outstanding cases to provide a focus on the backlog.

Recommendations:

The Board noted the report.

24/20 RISK REGISTERS 2020/21 [Item 10]

Witnesses:

Ayaz Malik, Pensions Finance Specialist

Key points raised during the discussion:

1. The Pensions Finance Specialist introduced the risk register report and highlighted the new comments relating to items A21-A23 although the risk rating had not changed. The risk register was reviewed quarterly.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the Risk Registers.

25/20 MCCLOUD AND EXIT CAP [Item 11]

Witnesses:

John Smith, Pensions Governance and Employer Manager
Neil Mason, Strategic Finance Manager (Pensions)

Key points raised during the discussion:

1. The Pensions Governance and Employer Manager introduced the report and highlighted possible changes as a result of McCloud and the remedy cost that was within the contingency budget put aside by Hymans. He further explained that the exit cap was more contentious.
2. The Strategic Finance Manager (Pensions) introduced the Exit Cap part of the report and explained that despite the introduction of the £95k cap, legislation also required payout of unreduced pension to

those that leave the fund. He further explained that two pieces of legislation conflicted but that it was hoped this would be put right within six months. However, the fund had agreed a holding position which was to adhere to the £95k cap, and allow any pension benefits to be paid later if required once the conflict of laws is resolved. He was planning to send out communications to employers by the end of this week.

3. There was some discussion around advice on redundancy and suggested option from South East Employers. The Board were informed that lawyers had advised against flexible retirement options.
4. The Pensions Governance and Employer Manager stated that there would be problems if the legislation goes ahead in its current form. He also confirmed that compensation payments would be part of the £95k cap. The Board expressed their concern and asked that the Pension Committee make further representations.
5. In response to a Member question the Strategic Finance Manager (Pensions) was unable to say if the new legislation would be enforceable retrospectively.

Actions/ further information to be provided:

None.

Recommendations:

It was resolved that the Board's concerns be expressed to the Pension Fund Committee and RECOMMENDED that further representations be made by the Committee.

26/20 RECENT DEVELOPMENTS IN THE LGPS [Item 12]

Witnesses:

John Smith, Pensions Governance and Employer Manager

Key points raised during the discussion:

The Chairman brought paragraph eight of the submitted report to the Board's attention. This covered the Pensions Ombudsman making awards due to delays in paying a transfer.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

27/20 REVIEW OF INTERNAL DISPUTE RESOLUTION CASES IN 2020/21 [Item 13]

Witnesses:

John Smith, Pensions Governance and Employer Manager

Key points raised during the discussion:

There were no comments made on the report.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

28/20 ANNUAL REPORT [Item 14]

Witnesses:

Ayaz Malik, Pensions Finance Specialist

Key points raised during the discussion:

There were no comments made on the report.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

29/20 COMMUNICATIONS UPDATE [Item 15]

Witnesses:

Ayaz Malik, Pensions Finance Specialist

Neil Mason, Strategic Finance Manager (Pensions)

Clare Chambers, Pensions Service Delivery Manager

Key points raised during the discussion:

1. The Strategic Finance Manager (Pensions) stated that he would like the Board to see these newsletters before they go out.
2. The Pensions Finance Specialist stated that he would draw up a communication plan for the coming year and share with the Board.
3. In response to query about using the portal for posting communications it was confirmed that paper versions could be sent out where necessary.

Actions/ further information to be provided:

That an annual communications plan is prepared and newsletters are shared with the Board before they get published.

Recommendations:

The Board noted the report.

30/20 EXCLUSION OF THE PUBLIC [Item 16]

Resolved: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the 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.

31/20 TURNAROUND BOARD UPDATE [Item 17]

Witnesses:

Neil Mason, Strategic Finance Manager (Pensions)
Anna D'Alessandro, Director for Corporate Finance

Key points raised during the discussion:

1. The Board considered a Part 2 report that gave an update on the pension administration "Turnaround Board" (PAT) which had been established to oversee the dissolution of the Orbis pension partnership.
2. The Strategic Finance Manager (Pensions) stated that the formal dissolution was programmed for April 2021 and the Service would be working as Orbis until then. He also confirmed that there would be continuous support until June 2021.
3. The Director for Corporate Finance explained that there was still a long way to go and thanked various officers and the Chairman for their work. She said that by the end of 2021 the service would be Surrey only and it would mean a multi-year improvement journey.
4. In response to a Member query the Strategic Finance Manager (Pensions) stated that the timetable for system procurement had been delayed by one month approximately but that TUPE was on track.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

32/20 DATE OF THE NEXT MEETING [Item 18]

The next meeting was scheduled for 11 February 2021.

Meeting ended at: 12.42 pm

Chairman

