

NOTES of the remote (Teams) meeting of the **SURREY LOCAL PENSION BOARD – INFORMAL** held at 10.00 am on 11 February 2021.

Due to being inquorate this meeting was changed from a formal to informal meeting.

(* present)

Elected Members:

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

1/21 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Trevor Willington and Fiona Skene.

2/21 MINUTES FROM THE PREVIOUS MEETING: 12 NOVEMBER 2020 [Item 2]

The minutes were noted by the Board with the amendment that Paul Bundy had given apologies and were to be agreed at the next formal public meeting.

3/21 DECLARATIONS OF INTEREST [Item 3]

There were none.

4/21 QUESTIONS AND PETITIONS [Item 4]

There were none.

5/21 ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) TRAINING [Item 5]

David Crum from Minerva, provided a training session to the Board on ESG and Fund specific work on Sustainable Development Goals (SDG).

6/21 ACTION TRACKER AND FORWARD PLAN [Item 6]

Witnesses:

John Smith, Pensions Governance and Employer Manager
Clare Chambers, Pensions Service Delivery Manager

Key points raised in the discussion:

1. A1/20 – The Pensions Governance and Employer Manager updated the Board on the Escrow account and that required information had been re-sent a few weeks ago and the bank is being reminded weekly to action.
2. A14/20 – The Pensions Service Delivery Manager explained that this related to the transfer of previous pension benefits and that the service check with the national database rather than relying on new members to let them know they have previous pension benefits.

3. A18/20 – To be marked as completed.

Actions/further information to be provided:

A14/20 and A18/20 – To be marked as completed.

7/21 ADMINISTRATION UPDATE [Item 8]

Witnesses:

Clare Chambers, Pensions Service Delivery Manager
Tom Lewis, Pensions Support and Development Manager
Siva Sanmugrajah, Pensions Process Manager

Key points raised in the discussion:

1. The Pensions Service Delivery Manager gave an overview of the submitted report. In response to a question relating to paragraph 21 of the report she explained the rationale for asking members to telephone rather than email in that it reduced the back and forth and the issue could be dealt with much quicker.
2. The Board asked various questions around the complaints process and whether the definition of a complaint was broad enough and whether a complaint was recognisable rather than a service query. It was also asked if the 2% response rate to the customer satisfaction survey was a representative figure. The Pensions Service Delivery Manager stated that all issues identified as a complaint was treated as such. Also, it was difficult to judge the 2% response rate as people normally only respond to surveys if they had had an excellent or very poor service.
3. The Pensions Support and Development Manager explained about the legacy removals and that there were 1600 to 1700 cases still to go and that information had been given to Mercer to process. He also reported that the team were looking at where the bottleneck was in terms of processing transfers and would have a better understanding of this in time for the next meeting of the Board.
4. The Board recognised the good progress made despite the pandemic.

Actions/further information to be provided:

None.

8/21 ADMINISTRATION PERFORMANCE REPORT [Item 9]

Witnesses:

John Smith, Pensions Governance and Employer Manager

Key points raised in the discussion:

1. There continue to be very large numbers of new starters, despite the lock down, but there are very low volumes of local government/non-local government transfers-in in comparison. It was noted that the transfer process has been highlighted as the next area to address.

2. The performance indicators for the first stages of deaths and retirements, which are key priorities, leave room for improvement.
3. The Board considered the latest performance report and recognised that there was a need to confirm how far the team should chase responses from spouses/survivors of very old death cases and the criteria for closing a case at a managerial level if no response was forthcoming.
4. The Board noted and commented favourably on the communications calendar and the samples of communications and newsletters in the annexes.

Actions/further information to be provided:

None.

9/21 RISK REGISTERS 2020/21 QUARTER 3 [Item 10]

Witnesses:

John Smith, Pensions Governance and Employer Manager
 Ayaz Malik, Pensions Finance Specialist
 Clare Chambers, Pensions Service Delivery Manager
 Tom Lewis, Pensions Support and Development Manager

Key points raised in the discussion:

1. The Pensions Finance Specialist informed the Board that there were a few minor changes to the administration risk register this quarter. Risk ratings were changed from red to amber for risk A8 (conflicting priorities), A20(head of Pensions Administration leaving the Council) and A22 (move of County Hall).
2. In response to a query about future home working for existing and new staff, the Pensions Support and Development Manager explained that there would be a combination of office and home working going forward and that staff may be spending only two days in the office.
3. Discussing risk A20, the Pensions Finance Specialist explained the rating changed from Red to Amber, as the Administration team recruited two senior managers. Pensions Support and Development Manager advised the Board there was also a combination of new administration and fund roles within the team.

Actions/further information to be provided:

The risk register will be presented to the Pension Fund Committee for approval.

10/21 COMMUNICATION POLICY [Item 11]

Witnesses:

Ayaz Malik, Pensions Finance Specialist
 Amanda Jupp, Pensions Engagement & Education Lead
 Clare Chambers, Pensions Service Delivery Manager
 Neil Mason, Strategic Finance Manager (Pensions)

Key points raised in the discussion:

1. The Pensions Finance Specialist introduced the Communication Policy to the Board and the Pensions Engagement & Education Lead went through the communication plan as in appendix 1 to the annex.
2. In relation to the communication plan there was some discussion around breaches. The Pensions Engagement & Education Lead explained that there may have been some lapses in quality due to the Covid outbreak. The Pensions Service Delivery Manager confirmed these shortcomings will be looked into.
3. The Board welcomed and approved the policy which was thorough and comprehensive.

Actions/further information to be provided:

To consider the position in relation to the breaches.

11/21 COMPLIANCE WITH THE PENSIONS REGULATOR'S CODE OF PRACTICE NO. 14 [Item 12]

Witnesses:

Ayaz Malik, Pensions Finance Specialist

Key points raised in the discussion:

1. The Pensions Finance Specialist introduced the report and reported the Fund is making good progress in most areas. He highlighted a limited number of areas for attention, which the Fund will prioritise.
2. One of the areas highlighted was for new Board members to complete The Pensions Regulator (tPR) Induction training.
3. There was some discussion around training and type of training members should attend. Members were encouraged to attend LGA training and to advise the Pensions Finance Specialist if they attend any online webinars so this could be logged into members training log.
4. Members enquired about Pensions Fundamentals training and were advised by the Pensions Finance Specialist dates and location will be shared once it is published by LGA.
5. It was also agreed that a discussion would take place outside of the meeting regarding what training was available to the Board.

Actions/further information to be provided:

In view of the good progress and the reduced areas for attention, it was agreed to revert to the Board receiving an annual review, rather than six monthly and update the forward plan accordingly.

12/21 NATIONAL KNOWLEDGE ASSESSMENT (NKA) RESULTS AND TRAINING PLAN [Item 13]

Witnesses:

Ayaz Malik, Pensions Finance Specialist

Key points raised in the discussion:

1. The Pensions Finance Specialist outlined the results of the NKA which showed the Board and Committee had performed well in comparison to other Funds. The NKA had identified areas where Board members could benefit from additional training, with one being actuarial methods. The Pensions Finance Specialist advised the Board that the Fund is liaising with the actuary to organise a training session in June. The Board asked whether an update on MIFID II was required and would welcome a training session on the Fund's own investment strategy. The training plan proposed was noted by the Board.

Actions/further information to be provided:

1. Consider Incorporation of the training plan from the NKA report into the Fund's annual training plan.

13/21 RECENT DEVELOPMENTS IN THE LGPS [Item 14]

Witnesses:

John Smith, Pensions Governance and Employer Manager

Key points raised in the discussion:

The Pensions Governance and Employer Manager highlighted paragraphs 12 (new transfer factors), 14 to 16 (Guaranteed Minimum Pensions) and 18 (the 2021 Pensions Increase award).

Actions/further information to be provided:

None.

14/21 REVIEW OF INTERNAL DISPUTE RESOLUTION CASES IN 2020/21 QUARTER 3 [Item 15]

Witnesses:

John Smith, Pensions Governance and Employer Manager

Key points raised in the discussion:

Members noted the report.

Actions/further information to be provided:

None.

15/21 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.

16/21 SUMMARY OF THE PENSION FUND COMMITTEE MEETING OF 11 DECEMBER 2020 [Item 17]

Witnesses:

Neil Mason, Strategic Finance Manager (Pensions)

Key points raised in the discussion:

1. The Strategic Finance Manager (Pensions) explained that this report was considered to be a Part 2 report. He highlighted paragraph 22 of the submitted report that related to the changes in Partner Fund investment strategies which had been broadly in line with expectations and the investment within Border to Coast funds was broadly in line with the investment strategy expectations.
2. The Strategic Finance Manager (Pensions) outlined the expected development in the Border to Coast funds over 2021 and 2022.

Actions/further information to be provided:

None.

17/21 ANNUAL BENEFIT STATEMENTS - BREACH OF LAW REPORT QUARTER 3 [Item 18]

Witnesses:

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

Key points raised in the discussion:

The Pensions Governance and Employer Manager reported that annual benefit statement (ABS) performance had improved over the last two years and the Strategic Finance Manager (Pensions) explained the traffic light system used to judge whether a material breach had occurred.

The Board members present agreed that there was no material breach and , therefore, recommended to note but not report.

Actions/further information to be provided:

None.

18/21 ACCOUNTING FOR TAX - BREACH OF LAW REPORT QUARTER 3 [Item 19]

Witnesses:

John Smith, Pensions Governance and Employer Manager

Key points raised in the discussion:

The Board considered the report and the mitigating factors and decided that it was not a material breach and, therefore, recommended to note but not report.

Actions/further information to be provided:

None.

19/21 TURNAROUND BOARD UPDATE [Item 20]

Witnesses:

Neil Mason, Strategic Finance Manager (Pensions)

Key points raised in the discussion:

The Strategic Finance Manager (Pensions) explained that the dates were now finalised for the London boroughs leaving the Orbis arrangements, and that the “Turnaround” was moving on to “Transformation”.

Actions/further information to be provided:

None.

20/21 DATE OF THE NEXT MEETING [Item 22]

It was noted the next meeting would be held on 27 May 2021.

Meeting ended at: 1.09 pm

Chairman

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