

PENSION BOARD MINUTES

8 NOVEMBER 2017

Chair:	* Mr R Harbord	
Board Members:	* Councillor Kiran Ramchandani	Employer Representative – London Borough of Harrow
	* Gerald Balabanoff	Scheme Members' Representative - Pensioners
	* Sudhi Pathak	Employer Representative – Scheduled and Admitted Bodies
	† John Royle	Scheme Members' Representative - Active Members

* Denotes Member present

† Denotes apologies received

120. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance.

121. Declarations of Interest

RESOLVED: To note that there were no declarations of interests made.

122. Minutes

RESOLVED: That the minutes of the meeting held on 12 September 2017, be taken as read and signed as a correct record.

123. Public Questions, Petitions & Deputations

RESOLVED: To note that none were received.

RECOMMENDED ITEMS

124. Information Report - London Borough of Harrow Pension Board Annual Report to Council 2017

The Board considered a report of the Director of Finance which contained the revised draft report of its work which would be submitted to Full Council in November 2017.

An officer advised that information relating to the Board's bank account would be included in the 2018/19 report of the Board to Council.

Resolved to RECOMMEND:

That the report on the Board's work for 2017/18 be submitted to the Full Council meeting of 30 November 2017.

RESOLVED ITEMS

125. Information Report - London Borough of Harrow Pension Fund: Annual Report and Financial Statements for the year ended 31 March 2017

The Board received the Pension Fund Annual Report and Financial Statements for the year ended 31 March 2017 and the Annual Audit Letter 2015/16 from the auditors, KPMG.

An officer advised that the auditors had made only one recommendation which related to the authorisation of journals and that this recommendation had been actioned.

Following questions and comments from Board Members, the officer advised that:

- the Council's financial regulations were being updated to allow the Head of Treasury and Pensions to authorise journals over £500,000;
- there was a separate Bank Account for the Pension Fund, however, a number of historic income and expenditure transactions were still processed through the Authority's bank account. This meant that the Fund was not fully compliant with the requirements of legislation. The non-compliance was due to the high cost of implementing new software and the Authority did not plan to implement this recommendation. He added that the auditors were satisfied with the way the Fund was being managed. Nevertheless, he noted Board Members concerns regarding this non-compliance and undertook to

refer the matter to the Director of Finance and report back at the next Board meeting;

- quality and review of PPE were listed in the report as partially implemented. He undertook to let Board Members know what PPE stood for and what 'partially implemented' meant in this case;
- there was a monthly transfer of funds from the Council's bank account to the Pensions account. He undertook to provide the Board with a full breakdown of this;
- employer contributions were paid in a timely manner, however, there were occasional delays mainly relating to changes in schools administration staff.

RESOLVED: That the report be noted.

126. Information Report - Performance Monitoring

The Board received a report of the Director of Finance which set out current performance monitoring information for the Pension Fund.

An officer stated that most targets had been exceeded and that there were no major issues to report. Following questions and comments from Board Members, he advised that:

- he accepted that the table setting out performance monitoring data was not clear and he confirmed that the table included both local and national targets;
- the Pension Fund administration team consisted of 7.6 posts, two of which were currently vacant, with staff acting up in those posts. He added that current staffing levels were adequate to meet the demands of the service.

RESOLVED: That the report be noted.

127. Information Report - Pension Fund Committee Meeting on 18 September 2017

The Board received a report of the matters considered by the Pension Fund Committee at its meeting of 18 September 2017.

An officer advised that he did not anticipate any difficulties for the Pension Fund in meeting the MFID (Markets in Financial Instruments Directive) targets. The Fund's actuaries, Hymans Robertson, had been re-appointed for a further six years. He added that Pension Fund Committee would be considering diversified growth funds at its next meeting.

Following questions and comments from Board Members, the officer advised that:

- the Pension Fund Committee Members were fully aware of the regulations regarding the CIV (Collective Investment Vehicle). In terms of the London CIV, Harrow was located in the middle of the table;
- the authorities represented on the London CIV would be sending a joint response to the Minister for Local Government. He undertook to circulate a copy of the joint response to the Board;
- Pension Fund Committee minutes referred to a request for clarification on the London CIV Diversified Growth Manager selection process. The Officer undertook to circulate information to the Board in due course;
- the contract for Actuarial and Benefits Services Consultancy Services had been awarded to Hymans Robertson and had been procured through the National LGPS framework. All applicants had been invited to interviews and Hymans Robertson had achieved the highest scores. He undertook to find out how many years Hymans Robertson had been actuaries for Harrow and circulate this information to the Board. He added that the current contract was lower in cost than the previous one, however, final costs would depend on demand for actuarial services over the life of the contract.

RESOLVED: That the report be noted.

128. Information Report - Work Programme 2017-18

The Board considered its work programme up to the end of the 2017/18 financial year.

An officer advised that training was scheduled to take place on 21 November 2017 and urged all Board Members to attend.

The Chair suggested that the Pensions Regulator be invited to speak to the Pension Board. He urged Board Members to undertake the online training available on the Pensions Regulator's website and requested that a log of training attended by Board Members be set up. The officer undertook to set up the training log and send the link to the online training to Board Members.

Following questions and comments from the Board, an officer advised that:

- he would raise the question of what information & training the Board could expect to receive in 2018 at the London CIV Advisory meeting. He understood that the Directors of Finance of member authorities had suggested looking at the relationship between Pension Boards, Pension Fund Managers and the London CIV. He added that the Chair of the Pension Fund Committee, who he regularly briefed, was a member representative on the London CIV. All reports produced by the London CIV were available to view on its website and he undertook to send the link to Board Members. He confirmed that further training

would be provided to Board Members at the March 2018 meeting of the Board.

A Board Member requested that the training should include clarification regarding the role and responsibilities of Pension Boards in the 33 London Boroughs in relation to the London CIV and clarify its governance role in relation to it. For example, would responsibility for reporting instances of non-compliance rest with the Pension Board or with the Pension Fund Committee? The Chair added that the view of the Pensions Regulator should also be looked at. The officer undertook to invite Pension Regulator to present to a future meeting and added that the Risk Registers for the Pension Fund Committee and the Pension Board would be considered at the next meeting of the Board. In the interim, he would circulate a draft copy of the Pension Board Risk Register to Board Members.

A Member of the Board stated that succession planning should also be on the agenda for the next meeting. He added that appointments of co-opted members should be staggered in order to ensure continuity, however, in his view, the honorarium offered to Board Members was not commensurate with the levels of expertise, responsibility (personal liability) and training expected from them.

RESOLVED: That the report be noted.

129. Date of Next Meeting

RESOLVED: That the date of the next meeting be Thursday 22 March 2018 at 2.00 pm.

(Note: The meeting, having commenced at 2.08 pm, closed at 3.15 pm).

(Signed) RICHARD HARBORD
Chair