

# PENSION BOARD MINUTES

## 25 JUNE 2015

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

\* Denotes Member present

### 1. Appointment of Chair

**RESOLVED:** That Mr Richard Harbord be appointed as Chair of the Board for the remainder of the 2015/16 Municipal Year.

### 2. Appointment of Vice Chair

**RESOLVED:** That Mr Gerald Balabanoff be appointed as Vice-Chair of the Board for the remainder of the 2015/16 Municipal Year.

### 3. Declarations of Interest

**RESOLVED:** To note that no interests were declared.

#### **4. Public Questions, Petitions and Deputations**

**RESOLVED:** To note that no public questions were put or petitions and deputations received.

### **RESOLVED ITEMS**

#### **5. Background to Board**

The Board received a report which provided information on the Shadow Advisory Board's publication titled 'Guidance on the creation and operation of Local Pension Boards in England and Wales'.

The Treasury and Pension Fund Manager advised the Board that the guidance was a key document and that there were several important points arising from it. These included:

- the Board had been established as a result of the Public Service Pensions Act 2013;
- a Pensions Board had to be established by the Council by the 1 April 2015 and this had been achieved;
- there were rules concerning the structure and membership of the Board and how it was to be constituted. The composition and membership of the Board that the Council had adopted was in line with the model adopted by the majority of Local Authorities nationally;
- there was information on the terms of reference of the Board and the Code of Conduct to be adopted by its Members;
- there was information on the Board's relationship with the Council's Pension Fund Committee;
- the Board was entitled to receive resources and funding for its activities. For example the Board was able to draw upon the advice of Council officers.

The Treasury and Pension Fund Manager concluded by explaining that all of the themes referred to would be elaborated upon in the subsequent reports on the agenda.

**RESOLVED:** That the report be noted.

#### **6. Terms of Reference**

The Board received a report which set out the Board's Terms of Reference agreed by the Council. The Treasury and Pension Fund Manager explained that these were being presented to the Board for comments and if there were any suggested amendments these could be re-submitted to the Council for its consideration.

During the discussion on this item Members of the Board made a number of comments as follows:

- a typo on page 12 was required to replace 'or' with 'for';
- an amendment could be made to read that the Board shall meet at least twice a year;
- it was important for continuity to be an important factor in the membership of the Board. The Board's operation was a new concept and if there was a new membership after a couple of years this could reduce the knowledge and experience built up. This was an issue that the Chair and Treasury and Pension Fund Manager would consider in due course.

**RESOLVED:** That the report be noted.

## **7. Role of Board**

The Board received a report which set out the views of the then Shadow Advisory Board on the role of a Local Pension Board and invited the Board's comments.

The Treasury and Pension Fund Manager advised that in the Terms of Reference for the Board, as discussed in the previous agenda item, the description of Role of the Board was generic in nature. The Shadow Advisory Board expressed their views in the guidance titled 'Guidance on the Creation and Operation of Local Pension Boards in England and Wales' which provided more specific duties for the Board. The Board may consider this to be more relevant for their remit and Terms of Reference.

During this item, Members of the Board made a number of comments as follows:

- the description of the role was generic and the specific tasks referred to by the Shadow Board were not apparent from it;
- it may be wise to wait and see how the terms of reference operated in practice before amending them. This was a new concept and it was important not to exclude any activities by making the Terms of Reference too specific;
- it would be better that the views of the Shadow Advisory Board acted as an advisory document alongside the Terms of Reference;
- further formal training was required by Members of the Board before any further comment could be made.

The Chair commented that the consensus was that this was an issue to investigate at a later date. This could be reviewed in 12 months' time.

**RESOLVED:** That the report be noted.

## **8. Pension Fund Committee**

The Board received a report which provided information on the Council's Pension Fund Committee. The Treasury and Pension Fund Manager advised the Board that he had attached previous agendas and reports of the last two Pension Fund Committee meetings for reference. There were a number of different items the Pension Fund Committee considered including the Statement of Investment Principles and the performance of Pension Fund managers.

During this item, Members of the Board made a number of comments as follows:

- it was important that the Board received the exempt papers provided to the Pension Fund Committee to enable proper scrutiny;
- it was important that the Board were kept fully aware of the activities of the Pension Fund Committee;
- the items presented to the Board should be similar to that presented to the Pension Fund Committee;
- Pension Board Members should receive copies of the Pension Fund Committee agenda and reports once published;
- it was important to have a good relationship between the Board and the Pension Fund Committee to enable better networking;
- it would be helpful if Board Members shared their contact details in case issues required further discussion other than at meetings;
- it would be considered whether further meetings of the Board within a Municipal Year would be required;
- it would be helpful if the Board produced an article about its role and work in the booklet which usually accompanied the P60s sent to pensioners. It may also be helpful if an Annual Report from the Board was submitted to the Full Council.

Upon a request by a Member of the Board, copies of the Pension Fund Risk Register was circulated to all Members.

**RESOLVED:** That the report be noted.

## **9. Code of Conduct**

The Board received a report advising of the Code of Conduct for Councillors and asking that Board Members agree to abide by it.

Members of the Board made a number of comments during this item as follows:

- the legal advice received explaining that Board Members should abide by the Councillors Code of Conduct was required before any formal agreement. This did not seem to accord with the information relating to the establishment of Pension Boards;
- practice on this issue seemed to vary nationally and this had not been a requirement for other members on different Pension Boards.

The Treasury and Pension Fund Manager explained that his legal advice was that the Board were co-optees and that the Code of Conduct should apply.

The Chair asked that the issues raised be investigated and reported back to the Board before any further action.

**RESOLVED:** That the report be noted.

#### **10. Knowledge and Understanding of Local Government Pension Scheme**

The Board received a report which set the requirements in respect of knowledge and understanding of the Local Government Pension Scheme. The Treasury and Pension Fund Manager explained that this would involve formal training for all Members of the Board. The Council had held discussions with Aon Hewitt and Eversheds. It was proposed that training be held for either half or a full day.

During the discussion on this item Members made a number of comments as follows:

- there was a statutory duty for Members of the Board to receive training. Anything longer than an initial day's worth of training would be excessive;
- it was important for the Board to agree upon areas which they felt that they required training on so that the training provided was tailored to its needs. Any suggestions should be made to the Treasury and Pension Fund Manager
- training was required on the role of Board Members and how they could identify issues in their role;
- one area of training could be learning about the discretion of Chief Officers awarding flexible retirement to employees of the Council and whether these were being applied consistently. The Treasury and Pension Fund Manager advised that a report could be provided on this issue at the next Board meeting;

- training was a continuous process and it would be helpful if at the start of each Board meeting, 30 minutes or so was allocated to providing Members of the Board with any updates relevant to it.

**RESOLVED:** That the report be noted.

## **11. Work Programme for 2015/16**

The Board received a document which set out issues that the Board may wish to consider as part of its Work Programme for the remainder of 2015/16.

The Treasury and Pension Fund Manager reported that the report contained a number of suggestions for the Board to include in its Work Programme.

During the item Members of the Board made a number of comments as follows:

- the Board could meet as often as required;
- if Board Members felt that additional meetings were required they could contact the Chair to request this;
- with more experience, Board Members would be able to identify what areas require further investigation and consideration;
- a starting point in terms of the work programme was required;
- the work programme could be looked at informally when Board Members had their training session.

**RESOLVED:** That the work programme, as contained in the report, be agreed for the remainder of 2015/16.

## **12. Key Documents**

The Board received a report which contained key documents which the Board may wish to comment on at future meetings. The Treasury and Pension Fund Manager explained that the Governance Compliance Statement, the Statement of Investment Principles and Funding Strategy Statement were three of the most important documents attached to the Council's accounts. Pension Board Members, would as a matter of course, receive these documents in the future when considering the draft accounts. It was accepted that the Governance Compliance Statement was difficult to follow and this would be considered for the future.

**RESOLVED:** That the report be noted.

### **13. Any Other Business**

The Treasury and Pension Fund Manager confirmed that the issue of indemnifying Board Members for their decisions would be clarified alongside the issue of clarifying the position for Board Members to have a Code of Conduct.

The Treasury and Pension Fund Manager also clarified that any employees or Councillors would not be paid the allowance which was provided to external Members of the Board. As the Board had raised this issue it would be considered as part of the Terms of Reference item.

**RESOLVED:** That the item be noted.

### **14. Date of Next Meeting**

The Treasury and Pension Fund Manager advised that it may be wise to hold the next meeting of the Board in October 2015. He would liaise with Members of the Board and confirm a date and time.

**RESOLVED:** That the item be noted.

(Note: The meeting, having commenced at 3.30 pm, closed at 4.38 pm).

(Signed) RICHARD HARBORD  
Chair