



**Northamptonshire
County Council**

Agenda Item No: 2

Democratic Services
Room 144
County Hall
Northampton
NN1 1DN

Northamptonshire Local Government Pension Scheme Local Pensions Board

Minutes of the meeting held on 10 October 2016

Venue: The Blue Room, County Hall, Northampton

(Meeting held in public)

PRESENT:-

Paul Evans (Chairman)

Employers Side

Councillor Allan Matthews
Councillor Mick Scrimshaw
Audra Statham

Employees Side

Ged Carlton

Also in attendance (for all or part of the meeting)

Paul Hanson	Democratic Services Manager
Michelle Oakensen	LGSS Pensions Governance Officer
Jenny Rendall	Democracy Officer (minutes)
Joanne Walton	LGSS Pensions Governance & Regulations Manager
Mark Whitby	LGSS Head of Pensions

There were no members of the public present.

21/16 Welcome & Apologies for non-attendance:

Everyone introduced themselves and Ged Carlton was welcomed as the new member on the Employees Side.

There were no apologies.

22/16 Election of Chairman & Vice-Chairman for 2016-17:

It was noted Paul Evans was current Chairman from the employees side but the chairmanship did not need to rotate between the 2 sides.

Audra Statham nominated Paul Evans as Chairman for 2016-17. This was seconded by Councillor Allan Matthews.

Audra Statham then nominated Councillor Allan Matthews as Vice-Chairman for 2016-17. This was seconded by Paul Evans.

RESOLVED that:

- 1) **Paul Evans be Chairman of the Local Pension Board for 2016-17; and**
- 2) **Councillor Allan Matthews be Vice-Chairman of the Local Pension Board for 2016-17.**

23/16 Minutes of the Meeting held on 25 April 2016:

RESOLVED that: The Local Pensions Board approved: the minutes of the meeting held on 25 April 2016.

24/16 Action Log:

At the Chairman's invitation, LGSS Pensions Governance & Regulations Manager, Jo Walton, introduced this report (copies of which had been previously circulated) stating the compliance statement had almost been completed. The delay had been caused by the need for Jo to work on the Pension Payroll Project. The statement would be completed by January 2017.

RESOLVED that: the Local Pensions Board noted the action log.

25/16 Executive Summary of agenda items from 30 June 2016 Pension Committee meeting:

At the Chairman's invitation, LGSS Pensions Governance & Regulations Manager, Jo Walton, introduced this report (copies of which had been previously circulated) stating this was the time of year when the Pensions Committee reviewed the performance of investments and the annual statement for the year.

The Chairman confirmed that whilst he had not yet reviewed the annual report or statements he did know where to find them on the internet. The Head of Pensions, Mark Whitby confirmed that whilst the team would flag up any particular meetings it would be helpful for the Board to attend there was an open invitation for members to attend any meetings.

Returning to the report, LGSS Pensions Governance & Regulations Manager, Jo Walton stated the Committee had discussed the details of the findings of the external auditor and the performance of investments during the year.

In answer to a query on the report, the Head of Pensions, Mark Whitby confirmed the Committee received quarterly reports on investment performance. Whether an investment manager would be reviewed, retained or ceased was decided at the same time. Some investment managers may go as part of asset pooling. The Annual report was a summation of information they had already received. Mercers Ltd also undertook reviews of all managers and provided their information at this meeting.

RESOLVED that: the Local Pensions Board noted the executive summary of agenda items from the Pensions Committee held on 30 June 2016.

26/16 LGSS Pension Service Administration Performance Report:

At the Chairman's invitation, LGSS Pensions Governance & Regulations Manager, Jo Walton introduced this report (copies of which had been previously circulated) stating Employee and Employer contributions remained average.

The Local Pension Board then entered private session to discuss a particular item further as follows:

RESOLVED that: Under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A to the Act would be disclosed to them.

The Head of Pensions, Mark Whitby explained that LGSS Law had transferred some staff in from Central Bedfordshire Council who had joined as a new customer. The staff that would remain in Central Bedfordshire Council and those who would join LGSS Law had only just been determined however and this had led to a difference between what had been paid and what had been included on the schedules. This issue was a technical glitch but had to be reported because of the time it had taken to resolve.

LGSS Pensions Governance & Regulations Manager, Jo Walton stated it had been business as usual for over-payments with 4 cases under the sum of £250 being written off. There were 3 cases above £250, one of which had been written off. One short-term widow's pension which had been paid alongside the usual pension amounted to approximately £12,000. The Director of Finance had agreed to write this sum off and a report would be taken to the Pensions Committee. One complicated case related to an employee whose employment had been terminated and a pension therefore claimed. The case was taken to appeal where the employee was then reinstated. Meanwhile he had received the sum of £38,000 which he could not pay back. The payment only became unauthorised when he was reinstated and the Head of Pensions had met with him to discuss the issue. He was satisfied that the money was no longer available as it had been given to the employee's daughter to use as a deposit to buy a house. Evidence had been received of this and the employee had agreed to pay this off in instalments. When he did eventually retire he would not be paid the lump sum but would continue making repayments.

In answer to questions on the report the following was confirmed:

- The employee had originally been entitled to the pension payment because he was above 55 years old.
- Should an employee cease to be employed, the pension would be paid even if they intended to appeal their termination of employment. In this particular case, they were satisfied the employee could not return the money and had arranged a payment schedule. He had done nothing wrong.

The meeting then continued in public with LGSS Pensions Governance & Regulations Manager, Jo Walton referring to performance indicators, the majority of which were exceeded. They had almost been out of target in July and the scheme employer performance had been below 100% in terms of sending in contributions. It was quite usual for not all employers to send information by the deadlines.

In answer to queries on the report the following was confirmed:

- There had been some issues with schedules being received late.
- The Pensions team picked up any issues that arose with employers.
- The Fund included 263 employers and it tended to be the smaller bodies like parish councils who were offenders.
- Late payments were received sometimes the day after or weeks or days after the due date.

RESOLVED that: the Local Pension Board noted the Administration Performance Report.

27/16 Pension Ombudsman – Case Study – Payment of Death Grant:

At the Chairman's invitation, LGSS Pensions Governance & Regulations Manager, Jo Walton introduced this report (copies of which had been previously circulated) stating this case could happen and had within other pension schemes. The death of a scheme member dictates that a death grant must be paid within 2 years of the death. In this particular case as well as having 3 partners and several children, the scheme member who died also had a brother and sister. The family were not happy with the money was not paid for a year and it was considered good practice for the family to have been given information.

Queries on the case study were answered as follows:

- 2 years was adequate time in which to make a payment.
- This type of case had not happened in Northamptonshire.
- The law stated the team did not have to inform people of the 2 year deadline but Northamptonshire did ensure people knew death grants had a 2 year period.

Members also felt the inclusion of a RAG status would assist them to read future documents.

RESOLVED that: the Local Pension Board noted the content in relation to the case study of a payment of death grant.

28/16 Northamptonshire Local Pension Board – Communication Policy:

At the Chairman's invitation, Democratic Services Manager, Paul Hanson introduced this item (copies of which had been previously circulated) stating this report contained 2 tasks, one relating to the adoption of the Communications Policy for the Cambridgeshire and Northamptonshire funds and the Communications Policy for the Local Pensions Board. There was no statutory duty to set something out but this did set out objectives, most of which were already being undertaken.

Queries on the report were answered as follows:

- The new Cabinet Member for Finance wished to have the Pensions Committee write an annual report to Full Council. A report had been written for presentation at the November meeting of Council.
- An induction programme could be arranged to take place following the 2017 County Council elections to ensure members knew the role of the Pensions Committee and Local Pension Board and the differences between them.

Members also stated that they felt the communications policy was very good.

RESOLVED that: The Local Pension Board:

- 1) Commented on the Pension Fund Communication Strategy and Communication Plan; and**
- 2) Commented on and adopted the Local Pension Board Communication Policy.**

29/16 Asset Pooling:

At the Chairman's invitation, the Head of Pensions, Mark Whitby introduced this report (copies of which were previously circulated) stating it was moving forward and the authority had worked with 10 other local authorities to form the ACCESS pool. A submission was

made to Central Government in July that detailed how the pool would work. In September it was confirmed that the pool would temporarily rent an operator whilst the pool attempted to build a vehicle.

Answers to questions on the report were provided as follows:

- The total amount within the Pool equalled £25billion.
- The time period of renting an operator could be 3.5 years.
- Ideally items going to Full Council would be for ratification as they should have already been through the Pensions Committee.
- Not all pools will go along the rental path. Some could be seeking to build their own operating vehicle. The deadline set by Government to have the pools up and running by 2018 was a pressure.
- Pools could leverage assets to obtain good fee savings.
- Chairmen were fully informed by their committees before they attended the chairmen meetings.

RESOLVED that: the Local Pensions Board noted the progress made with the Asset Pooling proposal.

30/16 Future Meetings:

31/16 Urgent Issues:

There were none.

There being no further business, the meeting concluded at 11.25am.