

## minutes

Meeting NOTTINGHAMSHIRE LOCAL PENSION BOARD

Date Tuesday, 4 December 2018 at 1.30 pm

### membership

Persons absent are marked with `A`

### Employers

Councillor Tony Harper	Nottinghamshire County Council
Councillor Michael Edwards	Nottingham City Council
James Lacey A	Nottingham Trent University
David Smith	Autism East Midlands

### Members

Bernard Coleman	Pension Scheme member
Mark Heppenstall	Pension Scheme member
Thulani Molife	Pension Scheme member

### Also in Attendance

John Raisin                  John Raisin Financial Services Ltd, Advisor to the Board

### Officers in Attendance

Jon Clewes	Team Manager, Payroll and Pensions
Martin Gately	Democratic Services Officer
Sarah Stevenson	Group Manager Business Support Centre and Employee Service Centre

### MINUTES

The minutes of the last meeting held on 14 June 2018 having been previously circulated were confirmed and signed by the Chair.

For Members' information, Sarah Stevenson corrected a typographical error in the Performance Report received by the Local Pension Board at its meeting on 14 June. The report should have made reference to 14 May 2018, rather than 2017.

### APOLOGIES FOR ABSENCE

Apologies for absence were received from James Lacey, and therefore Councillor Tony Harper acted as chairman for this meeting.

## **DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS**

None.

## **LOCAL GOVERNMENT PENSION SCHEME ADVISORY BOARD**

Jon Clewes, Pension Manager, introduced the report, the purpose of which was to inform the Pension Board of the continuing work being undertaken by the Administration Team to improve data quality, and ensure statutory compliance of the scheme employers.

Mr. Clewes explained that there were a number of service levels, which included a requirement to monitor the performance of scheme employers. Software to assist this monitoring is currently being developed, but it is not yet available and the work is challenging.

Academy Trusts who have applied to enter the scheme are being brought in as a single employer. Efforts have been made to improve data quality and the number of accurate submissions. A letter will be sent to the Pensions Regulator regarding compliance, and employers will be charged for additional administrative costs.

Mr. Clewes indicated that very cold spells – such as last February and March - can have an impact on member mortality, as can hot weather. Survivor benefits are paid out in the first month after notification. Larger overpayments are recovered, but they are sometimes written off if they are around £150.

Members heard that there were fluctuations in the numbers of scheme members wishing to transfer their pension out of the scheme. Withdrawing from the scheme can expose members' assets to risk, and one individual lost £129,000 of benefit. A certificate is required if more than £30,000 is being transferred out, in order to ensure that the scheme member has taken appropriate advice. There will also be a media campaign in relation to this.

In response to a query from Board Members, Mr. Clewes stated that, in one instance, data was not returned due to one academy's use of a shared services centre in Cheshire which had failed to extract the information. Some academies have outsourced their payroll providers, nevertheless this does not absolve them of their responsibility for providing annual returns.

In addition, Members heard that this Authority did not seek to levy fines against defaulters since it be inappropriate to fine other public bodies.

Sarah Stevenson explained that the plan is to move to monthly returns and to procure and implement the Members' Portal, which would allow both self-service and distribution of the Annual Benefit Statement online from 2020.

In terms of resourcing, an active apprenticeship linked to Pension Administration is currently being developed. The operation of administration will need to be looked at in a fundamentally different way, with a transition to basic admin being done by the members themselves.

**RESOLVED 2018/005**

That:-

- 1) the performance of the administration of the pension fund, and the continued development of systems and processes that will improve the service to members of the fund be considered.

### **UPDATE ON THE LOCAL GOVERNMENT SCHEME ADVISORY BOARD**

Jon Clewes introduced the report, the purpose of which was to provide a high level summary of the current topics being considered by the National Local Government Scheme Advisory Board.

Mr. Clewes explained the background to the national cost cap – and how the cost cap's calculations are carried out by the Government Actuary's Department (GAD). John Raisin observed that the GAD headline was very positive.

Members also heard about the SAB separation project, further to the SAB having issued a tender to interested parties to help it to develop options for change with regard to the separation of the LGPS pension funds from their local authorities. Mr. Clewes explained the options which included: Option 1 – separation within existing structures and Option 2 – separation via new structures.

Members commented that they found it extremely useful to receive a report on the SAB, because it allowed them to see the bigger picture.

### **RESOLVED 2018/006**

That the activities of the Scheme Advisory Board be considered and the implementation of any recommendations by the Administration Authority of recommendations of the Scheme Advisory Board be monitored.

### **THE PENSION SCHEME REGULATOR AND SCHEME RETURN**

Jon Clewes introduced the report, the purpose of which was to update on the response of the Administering Authority to the Annual Governance Survey 2018, which is circulated by the Pension Regulator for completion by the Pension Manager in conjunction with the Pension Board Chairman.

Mr. Clewes indicated that the questionnaire was fairly straightforward and included questions on recordkeeping and cyber security. John Raisin recommended mentioning the letter from the Scheme Advisory Board within the response.

### **RESOLVED 2018/007**

That the reference be made to the Scheme Advisory Board letter within the questionnaire response.

## **WORK PROGRAMME**

The next meeting of the Board was scheduled for summer 2019, when the issues under consideration would include: New Regulations on Pooling, Pensions Administration Performance, LGPS Central Update, GMP Reconciliation and Risk Register.

Members considered the possibility of a move to quarterly meetings synchronised to take place after Pensions Committee.

[Actuarial valuation be included in the future work programme].

### **RESOLVED 2018/008**

That a move to quarterly meetings of the Board be examined.

The meeting concluded at 3.05 pm.

## **CHAIR**