

Local Pension Board

Minutes of the Local Pension Board held on Friday 24 July 2015 at 10:00am at the Ground Floor Meeting Room G02a – 160 Tooley Street, London SE1 2QH

Present: Mike Ellsmore (Chair)

Sue Plain – Scheme Member Representative

Neil Tasker - Substitute scheme member Rep

Jo Anson – Employer Representative

Norman Coombe – Employer Representative

Substitutes: Colleen Reid – Scheme Member Rep

Dominic Cain – Employer Rep

Officers: Fay Hammond

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1. Confirmation of Independent Chair

- 1.1 The Local Government Pension Scheme guidance on the operation of Local Pension Boards (LPB) in England and Wales requires the appointment of an Independent Chair by the Administering Authority to be confirmed by the LPB members at the first meeting.

Resolved:

- 1.2 The LPB confirmed the appointment of Mike Ellsmore as Independent Chair of the Local Pension Board (LPB).

2a Welcome and Introductions

- 2.1 The chair welcomed everyone to the first meeting of the LPB. All those present introduced themselves and gave a brief background of their roles and position on the LPB.
- 2.2 Mike Ellsmore also advised the board that he also serves as chair for the London Boroughs of Sutton and Croydon local Pension Boards

2b Apologies for Absence

- 2.3 There were no apologies for absence. . It was noted that Bill White (Scheme Member rep.), had not attended this meeting or the recent training event.

Resolved:

- 2.4 The Chair will contact Bill White and report back at the next meeting

3. Disclosure of Interests & Dispensations

- 3.1 There were no disclosures of interests or dispensations.

4. Adoption of Constitutional Documents

- 4.1 The LPB considered the constitutional documents and recommended the following changes before adoption:

- Terms of Reference

Document Section	Changes Agreed
Paragraph 5 - PAP	Part 30 should be Part 3'O'
Paragraph 22 – line one	Insert a space between '38' and 'below'
Paragraph 41	Change paragraph to read 'The chair shall agree with the Board Secretary and the members of the board an agenda prior to each board meeting.'
Reporting	Insert a paragraph in front of 62 to read 'The board shall prepare and agree an annual report for inclusion in the pension fund annual report.'
Paragraph 70	Remove brackets from the paragraph.

4.2 The Board also raised concern about the following points:4.2.1 The Terms of Reference did not provide for a deputy chair person.

Resolved:

4.2.2 In the absence of the chair the meeting would go ahead as provided it was quorate and any decisions ratified.

4.2.3 All the members of the board had the same term of office meaning that there could be potentially a completely new board when the terms of office came to an end. The board felt that this was a disadvantage in terms of continuity.

Resolved:

4.2.4 The Terms of Reference already provides for extensions to the terms of office by the Administering Authority with the agreement of the Board.

4.2.5 The Board therefore agreed that closer to the end of the term of office a request should be made to the Administering Authority to extend the terms of office of one scheme member representative and one employer representative by one year to allow for an initial staggered period of office. After which the terms of office for all members would revert to two years.

Resolved:

4.2.6 The board further resolved that the meetings should be open, with appropriate provision to hear closed items and also that the Board Secretary would be responsible for coordinating and responding to FOI's.

- Code of Conduct

4.2.7 The Board felt that the code of conduct that was tabled was not specific to the operations of the LPB as it was the existing Council's Code of Conduct that was aimed at members.

4.2.8 The Board agreed the following amendments:

Document Section	Changes Agreed
Throughout the paper	<ul style="list-style-type: none"> • Replace 'member of Southwark Council' with 'member of Local Pension Board' • Amend to refer to appropriate legislative guidance • Amend references from residents to "scheme members" and "scheme employers" as appropriate • Replace 'monitoring officer' with Board Secretary

Introductory paragraph	Reference to the LPB TOR wording “to assist the administering authority...”
Paragraph 11	Delete

- Conflicts of Interest Policy

4.2.9 The Board agreed the following amendments to the Conflict of Interests Policy: Document Section	Change Agreed
Paragraph 4	‘council’s monitoring officer’ to be replaced by ‘Board secretary’
Legislative Background	The word ‘draft’ to be removed from second paragraph
The role of the Administering Authority	In the final paragraph, ‘The Council’s Monitoring Officer’ to be replaced with ‘The Director of Legal Services’.
Managing Conflicts of Interest	<p>‘Scheme Manager’ to be replaced with ‘Administering Authority’</p> <p>Also an additional paragraph to be added at the end as follows:</p> <ul style="list-style-type: none"> • Where the Local Pension Board or an individual Board Member disputes the removal of a member, they may refer the matter to In the first instance. If a mutual resolution is not reached then they may refer the dispute to the pensions ombudsman.

4.2.8 The Board also raised concern that there was no provision in the conflicts of interest policy to resolve disputes between the Administering authority and Board members.

Resolved:

4.2.9 The Board Secretary should contact the Pensions Regulator to ascertain whose responsibility this was and report back to the next meeting.

- Knowledge and understanding Policy

4.2.10 There were no requests for changes to the Knowledge and Understanding Policy document. However there was a general discussion about the need for training linked to a work plan in in order to meet the legislative knowledge and understanding requirement. Details are included under minute 7 ‘training needs analysis’ below.

5 Review of Pensions Advisory Panel (PAP) Meeting Papers – Closed Item

5.1 The board considered the meeting pack and decisions from the PAP of 2 June 2015 and requested further information as follows:

5.1.1 The Board requested that the following information be provided for the next meeting to help review the performance of the membership administration of the fund:

- KPI's for the pensions administration section
- A break-down of the administration costs for the pension fund showing cost per member and cost in relation to returns on investment.
- Data on the level of complaints

5.1.2 The board also agreed that a general review of the governance of the pension fund should be commissioned and the results used to focus on any weaknesses coming out of it.

5.1.3 Jo Anson asked for an explanation to be sought from PAP regarding why the pension fund was 'partially compliant' with paragraphs 4,5 and 6 of the Myner's Principle.

- a. Norman Coombe also queried why the estimated funding level for March 2015 had gone down from that of 31 March 2015 planned funding level in the funding risk update report

Resolved:

5.1.4 The Chair will write to PAP for an explanation regarding Myner's Principles. The information requested above will be provided at the next LPB meeting.

6. Work Programme Review

6.1 The Board suggested that the work programme be divided into sections as set out below:

Standing Items	Monitoring	Cyclical
Review of PAP decisions	Administration KPI's and complaints	Draft Pensions Annual Report and Accounts
Training		

7 Training needs analysis/training plan

7.1 The Board considered using the first one hour before of each meeting for training; asset classes training to be scheduled for the meeting in October.

7.2 Mike Ellsmore undertook to formulate a longer term training plan for the next meeting.

8 AOB

8.1 There was no further business

9 Date of the next meeting

9.1 The date of the next meeting is Monday 05 October 2015

The meeting ended at 12:35pm

Chair.....

Date.....