

MINUTES OF THE CAMBRIDGESHIRE LOCAL PENSION BOARD

Thursday 28th April 2016

Members of the Board in attendance:

Employers –Councillor M McGuire (Chairman) and Councillor L Nethsingha

Scheme Members in attendance - B O'Sullivan (Vice Chairman), J Stokes and DBrooks

Officers in attendance:

M Oakensen –Governance Officer

D Snowdon – Democratic Services Officer

M Rowe – Democratic Services Manager

J Walton – Governance and Regulations Manager

M Whitby - Head of Pensions

Time: 2.00pm. to 3.00pm

Place: Shire Hall, Cambridge

Action

30. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

None received.

31. MINUTES AND ACTION LOG – 20TH JANUARY 2016

The minutes of the meeting of 20th January 2016 were approved as a correct record and signed by the Chairman; the Action Log (attached at appendix A) and the oral updates provided were noted.

With the agreement of the Chairman and the Board it was resolved to move agenda item 9, "Board Work Plan", to precede the investment training that would now take place after the meeting had closed.

32. EXECUTIVE SUMMARY OF STANDING ITEMS FROM PENSION COMMITTEE MEETINGS HELD IN MARCH.

The Board received the Executive Summary of Standing Items presented to the March meeting of the Pension Committee. Items covered in the report included the Governance and Legislation Report, the Government's Investment Reform Agenda, the Employers Admissions and Cessations Report and the Risk Strategy.

Officers highlighted to Board members the Queen's Counsel opinion on the status of Local Pension Boards set out in section 2.2 of the report.

During discussion Board members:

- Questioned whether invitations to the Task and Finish Group regarding the ACCESS pool had been forwarded to Board Members. Officers agreed to ensure invites were sent for future meetings.
- Noted that the statutory requirement to produce an Annual Benefit Statement to all active scheme members by 31 August each year had been met in 2015.
- Noted that the Risk Strategy was available to be viewed on the LGSS Pensions website:
<http://pensions.cambridgeshire.gov.uk/index.php/governance2/key-documents/>

DS/JW

It was resolved to note the contents of the report.

33. PENSION FUND ANNUAL BUSINESS PLAN AND MEDIUM TERM STRATEGY, 2016-17 TO 2018-19

The Board received the Annual Business Plan and Medium Term Strategy, 2016/17 to 2018/19. The key fund activities were highlighted to Board members and how the activities related to a Pension Fund objectives.

During discussion:

- It was questioned whether the timetable for the activities listed had been achieved to date. It was confirmed that the timescales set had been achieved, however, there was likely to be a delay of one month with regard to the payroll project due to supplier issues. Officers advised that a one month contingency had been built into the project timetable and it would therefore not affect adherence to the overall timetable of activities.
- Officers confirmed that the third year stabilised employer contribution rates from the 2013 valuation could be carried forward into 2016/17 whilst the 2016 valuation rates were under review to assist with budgeting.
- The historical and forecast data was queried by the Board, specifically why the number of contributors was forecast to increase but overall contributions decline. Officers explained that certain assumptions were made when forecasting the data and that factors such as an increase in the number of part-time workers would affect such figures.

It was resolved to note the Pension Fund Business Plan for 2016/17.

34. RESULTS OF THE PENSIONS REGULATOR'S SURVEY OF PUBLIC SURVEY GOVERNANCE AND ADMINISTRATION AND COMPLIANCE WITH THE CODE OF PRACTICE.

The Board received the results of the survey and the extent to which the Cambridgeshire Pension Fund had achieved compliance with the Pensions Regulator's code of practice.

Officers highlighted that participation in the survey was voluntary and that only 48% of schemes responded. The code of practice had only recently been developed and released by the Pensions Regulator and it was therefore unlikely that most Pension Funds would be fully compliant. It was expected that the Cambridgeshire Fund would be fully compliant by the end of the 2016/17 financial year.

During discussion Board members:

- Confirmed that regardless of the survey having been carried out, many of the measures were being worked towards as they represented good practice.
- Questioned whether the Pensions Regulator could apply penalties for non-compliance with the code of conduct. Officers confirmed that penalties for non-compliance could be applied; the Pensions Regulator up to now had been broadly sympathetic to non-compliance due to the infancy of the code of practice but this would not be the case going forward.
- Queried why it was considered that the Fund was not compliant with regard to publishing information about the Pension Fund Board as the agenda and minutes of each meeting were published on the Council's website. **ACTION**

JW/DS

It was resolved to note the content of the report and endorse the course of action to achieve full compliance with the Pensions Regulator's code of practice.

35. LGSS PENSIONS SERVICE ADMINISTRATION PERFORMANCE REPORT

The Board received the Service Administration Performance Report that focussed on the work undertaken regarding the administration of the Pension Scheme

During discussion Board members:

- Noted the improved performance in the receipt of employee and employer contributions through the publishing of clear deadlines for contributions to be made and reporting to the Pensions Regulator. Officers reported that only one employer had been reported to the Pensions Regulator to date and ultimately certain types of employers could be terminated from the Scheme if deemed appropriate by the Committee. The administration strategy was due to be reviewed and it would better compel employers to comply as part of the review.

- Questioned the consequences of a company going into administration and ultimately out of business. Officers advised that scheme members' contributions were guaranteed under statute and accrued benefits protected. Costs to the scheme would be borne by either a guarantor or all employers in the fund depending upon the type of employer in the Fund.
- Drew attention to the high numbers of overpayments to deceased scheme members. Officers explained that this was often unavoidable due to notification of death being received after the point at which it was possible to prevent the pension payment for that particular month being made.
- Congratulated officers on the relatively low level of overpayments relative to the size of the scheme.

It was resolved to note the Administration Performance Report.

36. CAMBRIDGESHIRE LOCAL PENSION BOARD ANNUAL REPORT 2015-16

The draft Cambridgeshire Local Pension Board Annual Report was presented to the Board for comment prior to its presentation to the October meeting of Full Council together with the Pension Fund Committee Annual Report 2015/16.

Board members requested that the Annual Report be presented to Full Council as a separate report rather than combined with the Pensions Committee Annual Report to emphasise the independence of the Board.

It was resolved to approve the Annual Report 2015/16.

37. BOARD WORK PLAN

The agenda plan was presented to the Board. Members were encouraged to suggest items to be presented to the Board at future meetings.

The Board requested reports to be presented that covered asset pooling and valuations. It was noted that members would have to complete valuations training before the item could be presented.

MW/JW/DS

The Board requested that the Risk Register be presented to its meeting on the 22 July prior to its presentation to the Pensions Committee.

JW/DS

It was also suggested that the Funding Strategic Statement, when available, which was subject to revised CIPFA guidance should be presented to the Board.

MW/JW

It was resolved to note the Work Plan and the additional items agreed.

Chairman