

London Borough of Islington

Pensions Board - 5 September 2017

Minutes of the meeting of the Pensions Board held at the Town Hall, Upper Street, London N1 2UD on 5 September 2017 at 6.00 pm.

Present: Mike Calvert, Maggie Elliott (Vice-Chair), Thelma Harvey, Marion Oliver, Councillor Dave Poyser (Chair) and George Sharkey

Also Present: **Councillor:** (observer) Richard Greening

Councillor Dave Poyser in the Chair

31 APOLOGIES FOR ABSENCE (Item A1)

Received from David Bennett.

32 DECLARATION OF INTERESTS (Item A2)

None.

33 MINUTES OF THE PREVIOUS MEETING (Item A3)

RESOLVED

That the minutes of the Board meeting held on the 13 March 2017 be confirmed as a correct record and the Chair be authorised to sign them.

34 PENSION ADMINISTRATION PERFORMANCE (Item B1)

Patrick Fullerton, the Deputy Pensions Manager, introduced the report, noting that annual benefit statements had not been provided to scheme members in accordance with Regulations. He attributed this to staffing resource issues, priority being given to closing the accounts and pressures on the Pensions Team generally. The Pension Regulator had been notified and staff had been advised, via their payslips and on the Council's website, that they would not receive their statements until 30 September 2017.

Liz Haynes, Director of Human Resources, undertook to send an advance copy of the letter to those staff who were to be auto-enrolled into the Scheme to George Sharkey for review. The letter to staff outlined the legal requirements to auto-enrol staff into the Scheme and the steps staff would need to take to opt out.

RESOLVED:

(a) That the performance against key performance indicators for the period from 1 February 2017 to 31 July 2017, including statistics regarding the internal dispute resolution procedure, complaints and compliments, as detailed in the report of the Director of Human Resources, be noted.

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- (b) That the number of scheme members auto-enrolled into the Local Government Pension Scheme from April to June 2017, and detailed in paragraph 3.4 of the report, be noted.
- (c) That, subject to the addition of the following question to the questionnaire which is to be provided to Scheme members at the annual meeting in October 2017:

“If I move to a lower paid grade, will it affect my pension?”

and to the suggestion of a larger font being used in the text and clearance by the Council’s Communications Team, the contents of the questionnaire be approved.

(d) That staff in the Pensions Team be thanked for the extra work they have carried out during this busy period

(e) That the action being taken with the Pension Regulator regarding the delay in the provision of annual benefit statements to current scheme members, as detailed in paragraph 3.9.2 of the report, be noted.

35 TRIVIAL COMMUTATION- PRESENTATION BY ACTUARY (Item B2)

Jonathan Perera, Mercer Limited, gave a presentation on a proposed bulk trivial commutation exercise. He described the benefits of offering members with small pensions the option to exchange their pension income for a one-off cash payment. One of the main advantages was a likely reduction in the long term administration costs and liability/risk.

In response to a question from a Board member as to whether any other London boroughs had pursued this option, Jonathan Perera stated that there were none that he was aware of and that this was not something offered generally as part of a retirement package.

Members of the Board considered the implications of means testing, including on benefits and tax, for the recipient of lump sum and the importance of people being fully aware of those implications. Considering the potential reduction in administration costs detailed on page 5 of the presentation and noting that reduced administration costs would only happen over time, members asked officers to look at the proposal again and that if the administration costs were greater than administration savings, the matter would not proceed.

Noted.

36 DRAFT 2016/17 PENSION FUND ACCOUNTS (Item B3)

A member of the Board expressed concern that the full Pension Fund accounts had not been presented to the Board for consideration, in advance of the Audit Committee, and asked the Pensions Fund and Treasury Manager to ensure that they were submitted to the Board in full next year.

RESOLVED:

- (a) That the draft Pension Fund accounts net asset position for 2016/17, detailed in Appendix 1 of the report of the Corporate Director of Resources, be noted.
- (b) That the full Pension Fund accounts be submitted to the Board for consideration next year, in advance of their submission as part of the Council’s accounts for consideration and approval at the Audit Committee.
- (c) That the full Pension Fund accounts be circulated to Pension Board members following the Audit Committee on 19 September 2017.

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The meeting ended at 7.20 pm

CHAIR