

**Pensions Board - 14 September 2015**

Minutes of the meeting of the Pensions Board held at Islington Town Hall, Upper Street, London N1 2UD on 14 September 2015 at 6.00 pm.

**Present:** David Bennett, Mike Calvert, Maggie Elliott, Thelma Harvey, Marion Oliver, Councillor David Poyser (Vice-Chair) and Vaughan West (Chair)

**Observers: Councillors:** Richard Greening

**Vaughan West in the Chair**

**1 APOLOGIES FOR ABSENCE (Item A1)**

Received from Bob Anderson.

**2 DECLARATION OF INTERESTS (Item A2)**

None.

**3 MEMBERSHIP, TERMS OF REFERENCE AND DATES OF MEETINGS OF ISLINGTON PENSION BOARD 2015/16 (Item A3)**

**RESOLVED:**

(a) That the membership of the Board, appointed by the Audit Committee on 4 June 2015, terms of reference and dates of meetings of the Pension Board for the municipal year 2015/16 and detailed in Appendix 1 of the report of the Assistant Chief Executive – Governance and Human Resources, be noted.

(b) That it be noted that members of the Board are required to abide by the Council's Code of Conduct, attached as Appendix 2 to the report, including completing the register of interests.

(c) That it be noted that the Corporate Director of Finance and Resources was responsible for maintaining a declarations of conflict of interest register in respect of any other conflicts of interest and declarations of conflict made at meetings by members of the Board (detailed in Appendix 3 to the report).

**4 PENSION ADMINISTRATION PERFORMANCE - 1 JUNE TO 31 JULY 2015 (Item B1)**

Steve Rogers, Pensions Manager, introduced his report, which provided information on the work of the Pension Administration section of Islington's Human Resources Department. Referring to the table in paragraph 3.1 of his report which detailed the membership profile at 31 May 2015 and 31 July 2015, he pointed out that the number of people with preserved benefits had risen between May and July 2015 as Regulations required a person to be in the scheme for two years before being entitled to a pension, rather than two months as in the past. The overall performance for the period was 90.97%, but he hoped that would rise to 95%.

In response to a question as to why the overall performance was not higher since the actual average number of days to achieve each process was lower than the target, Steve Rogers said that he would write separately to Maggie Elliott with the reply.

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In response to a question, Steve Rogers said that this particular suite of performance indicators had been in use for approximately eight years. The number of target days to complete each process had been agreed with Pension colleagues London-wide.

The Chair noted that the Board may review and change these performance indicators in the future.

### **RESOLVED:**

That the performance against key performance indicators for the period from 1 June to 31 July 2015, including statistics regarding the internal dispute resolution procedure, complaints and compliments, as detailed in the report of the Assistant Chief Executive – Governance and Human Resources, be noted.

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### **PENSION BOARD - KNOWLEDGE AND TRAINING POLICY (Item B2)**

Joana Marfoh outlined the training policy which detailed a training strategy for Pension Board members, who required certain levels of knowledge and understanding to assist them in performing their responsibilities as members of the Board. The main documents of knowledge and understanding which Board members were required to understand were:

- The CIPFA knowledge and skills framework for pension board members
- Knowledge and skill requirements of the Public Service Pensions Act 2013
- The Pensions Regulator's Code of Practice for Public Services Schemes

It was agreed that Joana Marfoh should circulate the "CIPFA knowledge and skills framework for pension board members" to Board members. Board members should complete the CIPFA technical knowledge and skills framework self-assessment matrix by the end of the year and the toolkit provided by the Pension Regulator within a six month period.

The Chair pointed out that John Lynch, the Head of Democratic Services, had offered to provide training for Board members on the Council's Code of Conduct and declarations/conflicts of interest. It was agreed that this should take place at 6.00pm on 9 November 2015, immediately before the Pensions Sub-Committee.

### **RESOLVED:**

- (a) That the "Islington Council Pension Board – Knowledge and Training Policy" attached as Appendix 1 to the report of the Corporate Director of Finance and Resources, be approved.
- (b) That members of the Pension Board be required to complete the "Local pension boards – a technical knowledge and skills framework – self-assessment matrix", as recommended by CIPFA, by the end of this year and detailed at Appendix A to the report.
- (c) That members of the Pension Board be required to complete the pensions toolkit provided by the Pensions Regulator within a six month period
- (d) That a record be kept of training by members of the Board and that it be reviewed at least annually.
- (e) That it be noted that a training session on Islington's Code of Conduct and declarations/conflicts of interest would be provided to members of the Board at 6pm on 9 November 2015 by the Council's Head of Democratic Services.

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### **ROLE/UNDERTAKING - DISCUSSION ITEM (Item B3)**

Members discussed their role on the Board, noting that their statutory responsibilities were detailed in their Terms of Reference and the Pensions Regulations.

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The Chair pointed out that members of the Board were observers on the Pensions Sub-Committee and vice versa and it would be advantageous for members of the Board to attend as many meetings of the Sub-Committee as they could, so that they could familiarise themselves with the decisions being made and the process of how those decisions were reached.

The following points were noted during discussion:

- How could individual members satisfy themselves that they had covered all of the required aspects of training?
- It would be necessary for Board members to consider all the reports and documents which the Pensions Sub-Committee viewed and it would be imperative for Board members to attend Sub-Committee meetings.
- Members of the Board would have to consider if there was information which they needed to report back to their own groups (eg – the valuation report and any decision the Sub-Committee made about paying the deficit in the Fund would be matters of interest to the employers' group)
- It would be important for Board members to understand the principles upon which each decision of the Sub-Committee was made.
- What were the items likely to be referred to the Board, rather than the Sub-Committee? The Sub-Committee was responsible for making decisions about investments. If an investment failed, it would be the role of the Board to hold them to account
- There would be a number of items which the Sub-Committee was not covering that the Board should. A separate piece of work was required to set out the responsibilities of the Board
- The "Pension Administration Performance" report, prepared by the Pensions Manager, and formerly considered by the Sub-Committee, would in future be considered by the Board. The Board could request information on additional performance indicators. The Board could also request audit reports, such as from the Council's Internal Audit Section or KPMG.
- In addition to any matters recommended for consideration by the Board by the Head of Pension Fund and Treasury Management, possible matters for the Board's consideration could include: internal controls, audit reports and a risk register for the Pension Fund

### **RESOLVED:**

That the Head of Pension Fund and Treasury Management prepare a list of suggested matters for the Board's consideration by 9 November 2015.

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### **BREACH PROCEDURE (Item B4)**

Members noted that there was no written report to accompany this agenda item.

Joana Marfoh noted that Board members had each signed the Council's Code of Conduct. There would be a procedure for dealing with any breaches in the Code. This procedure would be explained to members at the training session on the Code of Conduct arranged for 9 November 2015, at 6pm.

The meeting ended at 6.55 pm

**CHAIR**