

MINUTES of a meeting of the **PENSION AND INVESTMENT COMMITTEE**
held at County Hall, Matlock on 27 April 2016

PRESENT

Councillor D J Wilcox (in the Chair)

Councillors D Collins (substitute member), R Davison, S J Ellis, S Marshall-Clarke, R Parkinson, and I Ratcliffe (substitute member)

Apologies for absence were submitted on behalf of Councillors S Brittain, S Freeborn, P Hezelgrave, J Innes, and M Tittley

25/16 **MINUTES RESOLVED** that the minutes of the meeting held on 16 March 2016 be confirmed as a correct record and signed by the Chair.

26/16 **MATTERS ARISING – (a) Update on the Appointment of an External Advisor to the Derbyshire Pension Fund** (Minute No 14/16 refers)
An update was provided as to what had gone wrong in the appointment process for a new External Advisor. It was stressed that it had been an error that the agreed membership of the interview panel had not been complied with. However, the appointment process had now been completed, and the new independent advisor to the Committee, Mr Fletcher, was welcomed to the meeting.

27/16 **PENSIONS ADMINISTRATION – MAJOR DEVELOPMENTS 2016/17** The Committee was informed of the administrative developments and challenges facing the Pension Fund in 2016/17. This included that clean valuation data had to be provided to the actuary by 15 July in order to apply prompt and accurate analysis to the setting of employer contribution rates for 2017/18, 2018/19 and 2019/20. Annual Pension Statements (APSSs) were required by statute to be provided to deferred and contributing Fund members by 31 August; and Pension Savings Statements (PSSs) were required by statute to be provided to Fund members who had reached their HMRC Annual Allowance threshold by 30 September. These challenges were exacerbated by the increased complexities brought in by LGPS 2014 and delays in legislation. As a result, some work had had to be stockpiled to add to the backlogs which had developed since 2014 as a result of the pensions administration system software struggling to reflect the increased complexity.

In order to meet the challenges, Derbyshire Pension Fund was dependent upon its employing authorities providing prompt and accurate year end returns. Some large employers had failed to achieve this last year, and this had contributed to APSSs for contributing Fund members being delayed until the end of November 2015, which had been a technical breach of the legislation. The Pensions Regulator had been understanding about this, but

LGPS Pension Funds had been advised to take steps so that improvements were made for 2016. This had included putting processes in place which would enable the Fund to demonstrate the efforts made to assist employers in submitting accurate information, together with documented evidence of any failure to improve. Derbyshire Pension Fund had undertaken a range of work to ensure that, as far as possible, all the targets were met. This had included the creation of additional posts, and the costs of the two Grade 6 posts and one fixed term Grade 9 post would be charged to the Pension Fund budget.

Members asked to be kept informed of progress and any issues.

RESOLVED to note the report.

28/16 LOCAL GOVERNMENT PENSION SCHEME PRESENTATIONS FOR FUND MEMBERS Derbyshire Pension Fund was working in collaboration with employing authorities and Prudential to deliver presentations around the County. The presentations, devised and delivered by Prudential, gave an overview of how the LGPS worked, but the main focus was around explaining the options available to Fund members who were within ten years of retirement.

Details were provided of the sessions that had so far been delivered this year, and it was stated that further sessions were being planned in partnership with High Peak and Amber Valley Borough Councils. It was the intention to involve further employing authorities and cover all areas of the county during the year, along with further sessions in Matlock. There was no cost to the Pension Fund, as the venues were provided by employing authorities and Prudential did not charge for its involvement.

A query was raised around whether all scheme members were aware of the sessions, particularly those who did not have access to email and the internet. It was suggested that the Pensions Manager could discuss with Union representatives better engagement of the harder to reach Fund members to ensure that they were fully aware of the options available to them.

RESOLVED to note the report.

29/16 ADMINISTRATION PERFORMANCE MONITORING The Committee was informed of the performance monitoring regime being introduced to support Pension Fund administration. Since the introduction of the Civica UPM System, all efforts had been focused on developing the system to carry out automated processes and calculate benefits accurately and efficiently. The reports that had been produced so far had been those that were statutorily required by HMRC, the Government Actuaries Department and the Office of National Statistics.

For 2016/17, however, the team had developed reports that measured internal operational performance. These would enable understanding of how well the team was meeting its targets, help to identify improvement areas, enable Derbyshire Pension Fund to compare its effectiveness with other Pension Funds, and provide accurate information for national benchmarking exercises. The reports suite comprised movement analysis, status changes, data cleanliness, internal performance against targets, and individual workload. It was the intention that performance data would be presented to the Committee every six months, and the first report would be at the meeting in September.

RESOLVED to note the report.

30/16 **EXCLUSION OF THE PUBLIC** **RESOLVED** that the public be excluded from the meeting during the Committee's consideration of the remaining items on the agenda to avoid the disclosure of the kind of information detailed in the following summary of proceedings:-

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting held on 16 March 2016
2. To consider the exempt report of the Strategic Director – Economy, Transport and Communities on Early Release of Pension on Flexible Retirement Grounds (contains information relating to an individual)