

ROYAL BOROUGH OF KINGSTON UPON THAMES

PENSION BOARD

6 NOVEMBER 2018

3:00 pm – 4:10 pm

Employer Representatives

Robert Ewing Chair
Kingston University
Debbie Castanheira
Coombe Secondary Schools Academy Trust

Scheme Member Representatives

* Tony Willis
James Geach Kingston Unison

*Absent and apologies

DECLARATIONS OF INTEREST

6. Minutes

Appendix A

Resolved that the minutes of the meeting held on 20 June 2018 are confirmed as a correct record.

7. Review of the Work of the Pension Fund Panel

Appendix B

A summary of the items, incorporating comments from the Pension Fund Panel meeting on 13 September 2018 was discussed

CIV presentation and slides
Fund performance to 30 June 2018
Investment Strategy update
Investment Benchmarking 2017-18
Pensions Administration update
Annual Report 2017-18 and Financial Statements
Training Plan
Work Programme and new arrangements for meeting managers

The following comments were made

Fund valuation at 30 June 2018 - the increase in the value of the fund of £37.7 million (4.6%) from the total value at the end of March 2018 was noted. Over the year June 17 – June 18 the Fund has increased from £801m to £855.7m. The Total Return Bond performance of -6.6% against target reflected market conditions. RBK Fund returns over 17/18 were 1% lower than the average LGPS fund returns but better over 3, 5 and 10 years. It was noted that review of manager performance is an element of the work associated with the Investment Strategy review. A query was raised on the availability of any data on CIV performance

Pensions Administration Update – on the detail of the current 2 complaints it was clarified that one relates to a pension transfer request, this cannot be met as the current Regulations do not give any discretion on accepting these if they are made outside the specified time limits. The other is on the recovery of an overpayment of pension. This is normally done by agreed arrangements but ultimately recovery could be achieved by suspending the pension for the appropriate time.

The outcome of the processing of the Annual Returns and production of Benefit Statements and the imposition of penalty charges on some employers, mainly in Sutton, for late/inaccurate data was noted.

The Chair commented on employees' appreciation of the online access to pensions information,

CIV – The governance changes and the training slides were noted. The CIV will be reporting to the Panel periodically in the same way as other fund managers and CIV products will also be included in the options being considered in the Investment Strategy review.

Annual Report 2017-18 and Financial Statements – noted

Training Plan – the aim is to have a shared plan for the Panel and the Board and to adjust the plan to meet any knowledge gaps.

The Chair commented that an understanding of the Fund assets and contributions; actuarial adjustments and how these can be clearly communicated to employers and the wider public is. Debbie added that some basic information on different types of investment and the pros and cons of each, together with a glossary of investment classes – eg MAC – and again the pros and cons of these would be helpful.

8. Pension Administration

The briefing note circulated on the proposed restructuring of the Pension Administration Team set out

The current issues -

increased number of employers now participating in the fund and the increase in those using differing payroll providers
greater complexity of scheme regulations,
increased requirements of HMRC,
increased governance responsibilities including greater scrutiny of data from the Pensions Regulator and Local Pension Boards.

a historical backlog of cases, brought about due to a lack of capacity, changes in software systems and changes in legislation

The proposals to

increase the team's capacity;

create a more resilient team structure;

maintain the service improvements implemented since the start of the shared service

ensure there is sufficient resource to deliver a high-quality service and encourage and enable staff career development

The costs of the proposal and the way in which this would be funded.

Comments and questions from the Board covered the provision being made for system improvements; the likelihood of being able to recruit to the new roles within a 'narrow' market, the likely timescale for clearing the backlog once the new structure was in place.

It was agreed that it was essential to have the right staff with the right skills. The proposals were endorsed.

9. Work Programme March 2019

The programme for the March 2019 meeting was agreed with the addition of a session with the Actuary on the approach to the 2019 Actuarial Valuation.

The Chair requested that the Fund Risk Register was condensed as far as possible. The item on Fund KPI's was clarified as being the outcome of the Government Actuary Department review of the 2016 actuarial valuations of LGPS Funds.

Signed.....Date.....
Chair