Minutes

PENSIONS BOARD

08 November 2023

Meeting held in Committee Room 3A, Civic Centre, Uxbridge

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Employer Representatives:
None

Scheme Member Representatives:
Roger Hackett – Chair (RH)
Tony Noakes (TN)

Also Present:
Cllr Stuart Mathers – Chair, Pensions Committee (SM)
Clare Scott, Governance Advisor (CS)
Hayley Read, Hampshire County Council (HCC) Pensions Administration (HR) – agenda item 5
Anna Beattie HRUC (AB)

LBH Officers Present:
James Lake, Director – Pensions Treasury & Statutory Accounts (JL)
Seby Carvalho, Pensions Technical Officer (SC)
Ann-Marie Pereira, Executive Assistant – Minutes (AP)

Apologies for Absence:
Shane Woodhatch
Cllr Kaushik Banerjee
Marie Stokes

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<td>**AGENDA ITEM**</td>
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<td>**Agenda item 1**</td>
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Apologies for Absence

RH welcomed all to the meeting; apologies noted, as above.

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<td>**Agenda item 2**</td>
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Declarations of Interest and any Conflict of Interest
None.

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Agenda item 3	**To approve the Minutes of the Meeting held on 19 July 2023** The Minutes were approved as a true record of discussions. **Matters Arising** **Cyber insurance**: this has been discussed with HCC. JL advised that as it stands, HCC is not considering insurance and that the focus is on prevention; HCC would also need to get buy-in from the other partners. CS advised that other LGPS' were not considering insurance. The Board agreed to review this matter on an annual basis. **Constitution:** The Board discussed increasing membership to 3 each of the employer representatives and the scheme member representatives. JL to bring the revised Terms of Reference to the next Board meeting in January 2024. The Board asked that the Authority consider advertising the Employee Representative role to Pensioner members.	
Agenda item 4	**TO CONFIRM THE ITEMS OF BUSINESS MARKED PART 1 WILL BE CONSIDERED IN PUBLIC AND THAT ITEMS MARKED PART 2 WILL BE CONSIDERED IN PRIVATE** Confirmed that agenda items in Part 2 will be considered in private.	Agreed
	PART 1	
Agenda item 5	**Pension Administration and Performance** Key points: - HCC have delivered 100% against KPIs - Sign-up to the portal has increased. - HR provided the following update on cyber security – this was linked to the earlier discussion on cyber insurance. HCC's intention is to have a 6-monthly penetration testing programme (carried out by an external company) on both the member portal and the employer hub. The most recent test highlighted 1 high vulnerability and several lows; the 1 high has been resolved (since 27.10.23); 2 of the lows have been resolved and the remainder are being worked on. The IT department has a number of other controls in place, which HR confirmed is consistent for all schemes. CS asked about what Civica (software provider) do to protect their system; HR advised that Civica carry out thorough internal testing on any software upgrade, before release; HCC then has more tests in place that are specific to the HCC	

system.

- **McCloud:** although a small number of employers have not provided the requisite data, legislation provides for these employers, which allows us to remain compliant. Local Government schemes are required to carry out a specific test – to see whether the member is paid the better of the two benefits ie had they stayed in the scheme.

  Some of the 'red' flags in the Annual Returns and Employer Performance report are a concern but HCC have ensured that these relate to issues solely with the Annual Returns submissions.

  CS suggested that there should be a timetable completing the backlog. HR advised that the software suppliers have focused on those calculations that were required by 01 October; HCC will now look at the retrospective calculations and will also pull together a timeline. LGA guidance has now been drawn up, which will go out to consultation shortly; this can then inform HCC's plan.

  RH asked whether the Scheme was compliant with the Regulations that are effect from the 01 October 2023; HR confirmed that the Scheme was fully compliant.

  Pensions Dashboard: Those employers who have not been proactive in providing data will not be included in the dashboard. The dashboard applies to the whole of the pension industry, not just the LGPS. The programme is not likely to be abandoned; TPR has been given authority to issue fines to employers. HCC has met with the principle of dashboard programme, who was impressed with HCC's progress, compared to other government schemes.

  Annual Return Benchmarking: This is the first time we have published benchmarking data. There has been a slight decline in performance compared to the previous year; together with HCC, a letter was compiled and sent to all employers' senior officers/Head Teachers highlighting potential penalties. Will update our administration policy accordingly with the changes in relation to compliance. We are supporting employers through the process eg offers of training, guidance.

  With data quality of such high importance, RH questioned whether we are uncovering issues indicating that the previous administrator was not as accurate as we were led to believe. JL clarified that benchmarking related to the annual return data not the whole scheme data.

  TN asked how we compare to other schemes that HCC administer eg Fire. HR confirmed that we are consistent with

	other schemes in terms of performance. Although this is the second time we are collecting benchmarking data, it is hoped that there will be a marked improvement next year, especially now their performance has been highlighted, albeit it does take a while to embed practices.	
	CS pointed out that if data is not returned properly every year, this impacts on the individual member service. It is becoming increasingly common for employers to submit a return every month on changes to the workforce. Are there plans for HCC to switch to monthly updates; HR advised that it is on the development roadmap and that discussion with a software supplier have commenced. This would mean a big shift for employers who find the annual process onerous. Noted that it would take 2 – 3 years to embed the monthly returns process.	
	RH stated that data accuracy is one of the Board's primary responsibilities, so this exercise would have the Board's full support; the Board is aware of the efforts to educate employers, particularly schools.	
	SM pointed out that the letter sets the tone on what is expected of employers, so the project should not be undermined by any non-compliance.	
	CS pointed out that performance varies but we support employers through tricky times eg losing payroll staff, a new payroll system; the number benefits statements issued are a good measure of employer performance.	
	On ABS and Pension savings statements, it is important for the Board and Committee to see the number of statements issued by the statutory deadline; any delays should be logged as a breach and the number of breaches should be monitored. A breakdown of return figures can be included in the next Committee report.	
	Common and scheme specific data scores: are those figures better or worse. The deadline has been extended due to McCloud – JL will share the report and present to Committee in December.	
	The Administration Strategy is being amended, will include information on fines and charges that will be passed on to employers.	
Agenda Item 6	**Training Update and Log** The log has been updated with RH's training and JL advised that MS has completed her training. Knowledge and skills needs assessment: JL sought support to	

	ask Committee to procure a platform to assess knowledge gaps and help develop a training plan. The platform would be provided by Hymans Robertson and would cover all knowledge and skills requirements, the assessment tool and the broad framework to develop a training plan. The new code of practice would be taken into consideration by the toolkit. A manual is being compiled with high-level, bespoke Hillingdon reference documents eg fund managers, asset categories. RH highlighted a questionnaire which asked whether Pension Board member should be a paid role and whether this would aid in recruiting. RH personally was opposed to payment. The survey was asking whether paying PB members might overcome the recruitment difficulties that many PB have. This would be a decision for the administering authority/committee.	
Agenda item 7	**Work Programme 2023** The Board endorsed the 2023 plan.	