

## Minutes

### PENSIONS BOARD Meeting

24 January 2024



Meeting held in Committee Room 3, Civic Centre, Uxbridge

	<p><b>Employer Representatives:</b> Shane Woodhatch (SW) Anna Beattie (AB) Marie Stokes (MS)</p> <p><b>Scheme Member Representatives:</b> Roger Hackett – Chair (RH) Tony Noakes (TN)</p> <p><b>Also Present:</b> Clare Scott, Governance Advisor (CS) Andrew Lowe, Hampshire County Council (HCC) Pensions Administration (AL) – agenda items 10 &amp; 14</p> <p><b>LBH Officers Present:</b> James Lake, Director – Pensions Treasury &amp; Statutory Accounts (JL) Tunde Adekoya, Pension Fund Accountant (TA) Seby Carvalho, Pensions Technical Officer (SC) Ann-Marie Pereira, Executive Assistant – Minutes (AP)</p> <p><b>Apologies for Absence:</b> Cllr Stuart Mathers – Chair, Pensions Committee</p>	
AGENDA ITEM	MINUTES/ACTION	ACTION/ LEAD
Agenda item 1	<p><b>Apologies for Absence</b></p> <p>RH welcomed all to the meeting; apologies noted, as above.</p>	
Agenda item 2	<p><b>Adopt updated Terms of Reference to extend Board membership to six</b></p> <p>The Board has appointed a new employer representative; will continue to look for a scheme member representative.</p> <p>CS questioned the authority to approve/adopt the changes to the Terms of Reference – JL confirmed that delegated authority had been given to the Board, by Council as part of the constitution.</p>	

<p><b>Agenda item 3</b></p>	<p><b>Appoint Pension Board Chair for January – December 2024</b></p> <p>JL sought interest from Board members to appoint a new Chair.</p> <p>Chairing should rotate between Employer and Scheme Member representatives and for 2024, it is the turn of the Employer Representatives to Chair. SW indicated he would be happy to do so for this year depending on whether he could commit to all the meetings; JL advised that all meeting dates are in the diaries. As it was too soon for SW to take over, it was agreed that RH would continue as acting Chair for this meeting and that SW would confirm within a week's time as to whether he is able to take over for the remaining 2024 meetings.</p>	<p><b>SW</b></p>
<p><b>Agenda item 4</b></p>	<p><b>Note appointment of Anna Beattie as Employer Representative for 4 years until January 2028</b></p> <p>Noted. JL explained that AB's and SW's appointments are for 4 and 3 years, respectively, in order to stagger the ending of their terms. JL will look at those members ending their terms in November 2026 and January 2027.</p>	<p><b>JL</b></p>
<p><b>Agenda item 5</b></p>	<p><b>Note re-appointment of Shane Woodhatch as Employer Representative for 3 years until January 2027</b></p> <p>Noted, and as above (item 4).</p>	
<p><b>Agenda item 6</b></p>	<p><b>Declarations of Interest and any Conflict of Interest</b></p> <p>None.</p>	
<p><b>Agenda item 7</b></p>	<p><b>To approve the Minutes of the Meeting held on 08 November 2023</b></p> <p>The Minutes were approved.</p> <p><b>Matters Arising</b></p> <p>Page 6 – Pensions Dashboard: the comment regarding “employers not providing information” related to McCloud, not the Pensions Dashboard, and will be removed from the Minutes.</p>	

<b>Agenda item 7</b>	<ul style="list-style-type: none"> <li>• Cyber insurance: RH advised (for SW's benefit) that following extensive discussions at previous meetings, it was agreed not to go ahead with cyber insurance. SW remains concerned that in the event of a major cyber incident, extensive costs could be incurred. RH indicated that this matter would remain under review annually.</li> <li>• RH confirmed he was pleased to see that the Employee Representative vacancy was to be advertised in the April Pensioners newsletter and hoped this might produce a better response than had been achieved previously.</li> <li>• Concerns about the transfer of Richmond to the scheme: the transfer of people has gone well but the assets (c£42m) are still to be transferred, however, Hymans Robertson and Barnett Waddingham are close to resolving this and completing the transfer from the Richmond and Wandsworth scheme.</li> </ul>	
<b>Agenda item 8</b>	<p><b>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</b></p> <p>Confirmed that agenda items in Part 2 will be considered in private.</p>	
	<p><b>PART 1</b></p>	
<b>Agenda item 9</b>	<p><b>Pension Board Operating Procedures</b></p> <p>The Board can have its own operating procedures, which includes increasing the membership to six ie the main change. Another key point is that the training framework has been changed to a policy.</p> <p>The question was asked whether it is common practice not to have a vice-chair? CS indicated that a few boards have a vice chair or an independent chair. This would help with succession planning, hence JL to look into this.</p> <p>RH asked whether there will now be a lot of compliance work, now that the new code of practice has been issued. JL confirmed that achieving compliance would generate some work but as the Fund was fully compliant with the existing code, there would be a lot of good practice to build on.</p> <p>A broader conversation about the code would be discussed later in the agenda.</p>	<p><b>JL</b></p>
<b>Agenda item 10</b>	<p><b>Pension Administration &amp; Performance</b></p> <p>Nothing adverse to report and the Board is happy with the performance overall.</p>	

	<p>Common and specific scores: RH mentioned that these are lower than what is expected by the Regulator but it is clear that we have a positive programme for cleaning our data, however, CS pointed out that there has not been much improvement in the scores and sought timescales to get the improvements completed.</p> <p>AL advised that a lot of work regularly goes into cleaning the data and whilst, predominantly this was due to the state of the records when transferred over from Surrey, now there has to be a balance between cost priority, time and effort.</p> <p>On address tracing, where numbers have gone up, this is because HPS have found people and then lost contact again. AL advised that this is not uncommon and that HPS and Hillingdon will consider a re-run of the address-tracing exercise.</p> <p>On the issue of timescales, AL questioned what benefit this would have or whether it was to improve the statistics? There is no issue in the way HPS are administering our scheme. Agreed JL to discuss with AL.</p> <p>On the HPS Annual report, problems in previous years are well behind us and 77 is a relatively small number of members' benefit statements not produced (due to lack of information from employers); these cases will be picked up in the 2023/24 return.</p> <p>The Board held in-depth discussions on the issue of employers not providing the scheme with member information. The report highlights some of the main employers in question (schools). JL advised that with the new Administration strategy (consultation ended on 22 January) – once approved at the March Pensions Committee meeting – the scheme will be able to charge those employers who create additional work by not ensuring information is provided via Data Plan; Data Plan are contractually obliged to act on behalf of the schools but as their contract is with schools, the Fund has no leverage, although with HPS' assistance, the Fund continues to push for the information. In addition, TA and SC raised the matter at the Schools Forum and a letter has also gone to the relevant Head Teachers, advising that their organisation would be reported to the Pensions Regulator. It was suggested that, as schools are accountable to their governing bodies, the next step should be to write to the schools' Board of Governors and if that does not yield results, then a report should be made to the Regulator; the letter should go from the Pensions Board.</p> <p>CS pointed out that this is costing the scheme, which in turn impacts all the members so is unfair to them. Breaches of the law should be recorded and consideration given to materiality, and potential reporting to the Pensions Regulator. SC to ensure all records of 'chasing' are maintained. SW also suggested meeting</p>	<p>JL</p> <p>JL</p> <p>SC</p>
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	<p>with the employers in question to highlight the actions that will be taken should they/Data Plan not comply with the request for information, including reporting them to Ofsted. JL did point out that we have spent £260k over 2.5 years for HPS to deal with over 4300 records (Approx £60 per member); this included all the unprocessed leaver forms transferred from Surrey, which HPS have followed up on. With HPS continuing at this pace, it is expected that the issues will be resolved by end of next year.</p> <p>McCloud: there are areas where data is not available but with clear government guidance now available, we can now follow the operational processes ie no longer chasing the employers but now making assumptions. HPS is going through the backdated data to apply this guidance. The Pension Board is satisfied that McCloud has been implemented satisfactorily.</p>	
<b>Agenda Item 11</b>	<p><b>Training Update and Log</b></p> <p>Noted that there are a couple of extra items of training completed by RH and TN in relation to equity style of investing.</p> <p>AB has completed the first two modules of the AON toolkit and TPR toolkit. CS pointed out that the policy requires these are completed in the first 6 months of tenure.</p> <p>Deadline to complete the Hymans Robertson Knowledge and Skills Assessment is Friday 26 January 2024; the Board agreed to set a good example and for all to complete by the deadline. The assessment was sent to the Board and Committee members and feedback will be used to develop a Training plan. The Training policy was implemented in December 2023.</p> <p>Implications for training with regard to the new Code to be dealt with under item 15.</p>	
<b>Agenda item 12</b>	<p><b>Work Programme 2024</b></p> <p>Dates noted; all to let JL know of any amendments.</p> <p>New Code of Practice – compliance with the current code needs to be monitored on a regular basis. RH advised that the Board had received regular reports; JL agreed but emphasised that we need to make sure we stay on top of actions and do a regular refresh of our proof of compliance.</p>	
<b>Agenda item 13</b>	<p><b>Pension Board Annual Report 2023</b></p> <p>Board to approve and take to Pensions Committee. RH thanked officers for their hard work. The report will be available on the website once approved by Committee.</p> <p>Agreed to remove “the 14 hours minimum training” as this was not</p>	

	a requirement during 2023.	<b>JL</b>
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