

Minutes

PENSIONS BOARD

28 July 2021

Meeting held virtually



	LIVE RECORDING COMMENCED	
	<p>Employer Representatives: Hayley Seabrook Shane Woodhatch</p> <p>Scheme Member Representatives: Roger Hackett (Chair) Tony Noakes</p> <p>Apology for Absence: Tunde Adekoya (Pension Fund Accountant) Shyam Pitroda (Pension Fund Administration)</p> <p>Also Present: Cllr Martin Goddard – Chair Pensions Committee Daniel Kanaris (AON) – Governance Advisor Anil Mehta – Observer - Board member ‘in-waiting’.</p> <p>LBH Officers Present: James Lake (Head of Finance – Statutory Accounts and Pension Fund), Yvonne Thompson-Hoyte (Interim Pension Fund Manager), Seby Carvalho (Pension Fund Technical Officer)</p>	
	<p>Noted: It was noted that Hayley Seabrook had resigned from the Pension Board and this was her last meeting. The Board thanked Hayley for her contribution which will be missed and wished her well for the future. The Board welcomed Anil Mehta to his first meeting and would take over as Hayley’s replacement at the October 2021 meeting.</p>	
	<p>DECLARATIONS OF INTEREST AND ANY CONFLICTS OF INTEREST (<i>Agenda Item 2</i>)</p> <p>None.</p>	
	<p>MINUTES OF THE MEETING HELD ON 21 APRIL 2021 (<i>Agenda Item 3</i>)</p> <p>Agreed as an accurate record.</p>	

	<p>EXCLUSION OF PRESS AND PUBLIC (<i>Agenda Item 4</i>)</p> <p>That Agenda Items in part 2 be considered in private.</p>	
	<p>Administration Report (<i>Agenda Item 5</i>)</p> <p>This item was presented by Yvonne Thompson-Hoyte - Interim Pension Fund Manager, who explained that this report looks at the performance of the administration over the last quarter.</p> <p>MSS – Member self Service report. The Board heard that the latest report issued in June 2021, indicated that there was a significant increase in uptake since last report in April and that this was mainly due to members being encouraged to sign up to view their annual benefit statements online. It was further explained that although the increase was good, member accounts could not be transferred to Hampshire and the members would need to sign up again after the transfer. The Board was informed that correspondence would be going out to members with instructions on how to sign up during late August and that the focus would be on maintaining the current members that were signed up while building on the numbers after the move to Hampshire.</p> <p>Key Performance indicators (KPI) – The Board was updated that the KPI’s showed sustained increase in some areas. It was highlighted that death and retirement notifications have been sustained at 100% for the last three months running and that retirement payments and lump sums have also seen a steady climb back up to 100%. Employee projections and refunds have also been sustained at 100% for at least four months running. There were however still areas of concern such as transfer in and transfers out, and the deferred benefit notification. Ongoing discussions continue with SCC to retain recent improvements while continuing work on the areas of concern.</p> <p>In term of SCC staffing resources, the Board heard that staff continue to work from home but that the aim was to gradually bring staff back into the office for at least 50% of the time. It was also reported that the Member helpline is continuing to operate full time from 9am to 4pm.</p> <p>Cyber Scorecard – The Board was informed that Hillingdon had received the results from the cyber security score card which indicated Hillingdon had scored high in areas where other authorities had also scored highly. There was two cases below average, one of the areas was member data, the questions were based on being able to contact the members should something occur, there wasn’t full clarity on whether every member can be contacted which can be linked to the KPI report and therefore work needs to be done to get more members signed up to electronic communication. Overall, the score card indicated that Hillingdon were either average or above, further details to be discussed in part 2.</p> <p>Renewed Public Sector compliance certificate received from SCC that will last until June 2022. The certificate shows SCC’s system to be</p>	

tested and secure as per government network testing. Hampshire and Northern Trust also have certification which is up-to-date.

Single code – Consultation closed in May and the results are due in Autumn. This consultation will result in a change on how Hillingdon review the compliance checklist, which is likely to affect how it is monitored. Hence the results will be monitored by Officers so it can be fed back in the next Pension Board meeting.

In response to the query from the Board regarding increased administration fees by SCC, Officers explained that a response was received but it didn't really address the issue of the increased fees for business as usual. This was raised by Hillingdon and they are waiting for a reply on that issue.

The Board enquired whether there should be a benchmark on the number of members signing up to the member self-service and if anything can be done to encourage Hampshire to help increase the number of members signed up to member-self-service.

James Lake, explained Hampshire's approach is robust by getting members to sign up using email addresses as required fields and having to manually opt in to get paper communication.

Officers to decide if there should be a benchmark to help push member self-service numbers up.

The Chair expresses the Death Grants figure is worrying even though it has increased to 44% and requested this to be improved.

Officers explain that Hampshire are working on the quality of data being received and has levels for issues, so important issues can be prioritised by SCC before data is imported to Hampshire. As such SCC have already dealt with the high-level issues are working on the medium to low level issues. Officers continued to explain that this won't delay the transfer but allow Hampshire to note and work on any outstanding issues.

Officers explained although some KPI indicators are up and some are down, by using the weighted average KPI figures there was still a positive trend, this was clearly indicated in June where it was 81% and work will continue to improve this.

The Board is reassured of the work being done based on the positive trend on the report.

The board expressed concerns about the cyber scams since this is not covered by the scorecard but there is some reassurance as Hampshire have signed up to the Pension Regulators Pension Pledge. Officers explained SCC have said they are working on signing up to the pledge.

Officers to follow up with Surrey to see any progress has been made to

	<p>sign up for the Pension Regulators Pension Pledge.</p> <p>The Board understand that framework, legislations, and regulations about transfers that apply to private sector are being considered for the public sector by DWP after a consultation.</p> <p>Single code:</p> <p>The Governance Advisor explained that the new single code introduced new topics such as cyber security and business continuity and also expanded to focus on other areas like Officers and the Pensions Committee rather than just the Board. He further explained that there would be focus on having Fund specific policies on areas like cyber security rather than relying on the Council’s policies. He also explained that the current traffic light system used to monitor the code should still be relevant but that the points being monitored would need to be updated in line with the new code.</p> <p>The Chair commented that he felt reassured that the fund was already doing 7 of the 8 action points issued by AON. He also indicated that the 1 relating to remuneration policy did not apply to the Board. The Chair undertook to circulate the action points.</p> <p>It was noted that the SAB guidance set out what parts of the code applied to the LGPS and would need to be monitored what did not.</p> <p>Resources:</p> <p>The Chair sought clarification as to whether the Hillingdon pension staff were still working from home. Officers explained that the Council’s aim was to gradually increase staff returning to the office up to 50% attendance taking account of personal situations. It was further explained that senior officers have been requested to attend at least four days per week and that the implementation would start over the next few weeks.</p> <p>The Board also discussed about having the next meeting in person as although this was not compulsory, members of the Board expressed preference to meet in person rather than virtually. James Lake undertook to check the availability of suitable committee rooms for the dates of the upcoming meetings.</p> <p>Action Points: The Board to be updated on whether there is a benchmark for the number of members signed up to member self-service. Officers to contact SCC to establish further reasoning for the fee increase and if SCC have signed up to the Pension Regulators Pension Pledge.</p>	
	<p>TPR CODE OF PRACTICE 14 COMPLIANCE (<i>Agenda Item 6</i>)</p> <p>The Board heard that there has been no change to the checklist in</p>	

	<p>relation to the status of partiality compliant and compliant items. However there had been changes in the activity behind the scenes to bring one of the partially compliant items to fully compliant.</p> <p>The Board was informed that item K6 which related to Training Needs Analysis remained at partially compliant. However, to bring it to fully compliant all self-assessments from Board members needed to have been received, analysed and a reported back to the Board with a training plan. This has now been done, including for prospective Board Member Anil Mehta so at the next meeting this item would be reported as fully compliant.</p> <p>The Board was also reminded that items I3 and I6 which related to the IDRP process would be reviewed as part the transfer process where policy documents would be reviewed and rewritten where necessary.</p> <p>Cllr Goddard expressed importance of continuing training even for long standing members in the Pensions Committee. Cllr Goddard suggested it would be useful if training resources can be used for both the Committee and the Board members as this would be more cost effective.</p> <p>The Chair agreed on the increase of focus put on training for Pensions Committee members and also the idea of having joint training being open to Board and Committee members.</p> <p>Action Points: Officers to maintain the progress made in compliance with TPR code of practice 14 during changeover to Hampshire and feedback on future training.</p>	
	<p>TRAINING UPDATE AND LOG (<i>Agenda Item 7</i>)</p> <p>This item was presented by Yvonne Thompson-Hoyte - Interim Pension Fund Manager.</p> <p>The Board was informed that the first part of the report contained the usual update on the workshop and conferences attended. The Board was reminded to send any events that they had attended to update the training log.</p> <p>The Board was also reminded of the importance of attending these events as they provided a practical application and update of the formal knowledge learnt.</p> <p>Knowledge and Skills Assessment results- The Board heard that a general overview of the results showed a need for a tailored induction and training programme for new Board members in addition to the induction pack that was already in place.</p> <p>An induction pack had already been created that has a basic overview of the fund, the governance structure, useful links for information on the</p>	

	<p>TPR, conflicts of interest documents. But to support this pack it was suggested a training programme would be useful for both Pension Board and Committee members.</p> <p>The assessment also brought out that there was fairly good knowledge and understanding across most areas especially in the areas of pensions administration, accounting, audit and the governance of the Fund. There were however pockets where Board members indicated less knowledge, for example receiving regulatory updates, the procurement process and some areas of financial, the valuation process and financial markets,</p> <p>The options of individually tailored training, off-the-shelf training courses or a combination of both was proposed to the Board for discussion.</p> <p>The Chair enquired whether Officers felt that Board members had over estimated their knowledge in some areas. Officers responded that some of the responses were conservative and seemed to err on the side of caution rather than over-estimation.</p> <p>James Lake added a request for training in accounting had been made by the Pension Committee and also the triennial valuation was coming up for which there would be a training session. He further explained that the Board would be included in these sessions which would help improve knowledge and skills in these areas.</p> <p>The Board discussed their opinion on the different types training available and the members agreed that a blended approach would be suitable, since this would offer both bespoke and off the shelf package to provide the knowledge and skills required.</p> <p>The Chair suggested that the Board members discuss their self-assessments scores with Officers to determine the training needs and for Officers to implement a training solution. Cllr Goddard suggested the training for core areas such as governance should include the Committee as well as Board members.</p> <p>Action Point: Officers to plan more comprehensive training for new and existing Board members based on the analysis of the self-assessment forms and investigate an online licence based approach to training modules.</p>	
	<p>WORK PROGRAMME 2021 (<i>Agenda item 8</i>)</p> <p>This item was presented to the Board by Yvonne Thompson-Hoyte - Interim Pension Fund Manager.</p> <p>The work programme also sets out the planned dates for future meetings and potential topics but some require a decision from the government. Therefore, they are added to the agenda when there is report or new regulation on those topics.</p>	

	<p>The Chair highlights the Good Governance project as important decisions will be made regarding this. The Chair added a LGPS senior officer hasn't been identified yet and there are also organisational structure changes hence it is important for the authority to anticipate the decisions that will need to be made.</p> <p>Action Point: Officers to keep The Board updated on the noted items where they are not covered in the Committee reports.</p>	
	<p>PENSION BOARD TERMS OF REFERENCE (<i>Agenda item 9</i>)</p> <p>This item was presented to the Board by James Lake – Head of Finance</p> <p>The Board was informed that the revised terms of reference was approved by full Council in July 2021 which meant that a more detailed code of practice could now be formulated for the Board. The Board agreed that the new code of practice would be developed by officers in consultations with the Chair.</p> <p>Action Point: Officers to work with the Chair on the new code of practice and feedback to the Board in the next meeting</p>	
	<p>LIVE RECORDING ENDED</p>	
	<p>BREACHES LOG (<i>Agenda Item 10</i>)</p> <p><i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).</i></p>	
	<p>REVIEW OF PENSION COMMITTEE PAPERS AND GOVERNANCE MAKING (<i>Agenda item 11</i>)</p> <p><i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).</i></p>	
	<p>Administration II – Cyber Scorecard questions (<i>Agenda item 12</i>)</p> <p><i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the</i></p>	

	<i>schedule to the Act).</i>	
	The meeting, which commenced at 3 pm, adjourned at 5:27 pm.	