

## Minutes

### PENSIONS BOARD

21 April 2021

Meeting held virtually



	<b>LIVE RECORDING COMMENCED</b>	
	<p><b>Employer Representatives:</b> Hayley Seabrook</p> <p><b>Scheme Member Representatives:</b> Roger Hackett (Chair) Tony Noakes</p> <p><b>Apology for Absence:</b> Shane Woodhatch (Employer Representative)</p> <p><b>Also Present:</b> Cllr Martin Goddard – Chair Pensions Committee Daniel Kanaris (AON) – Governance Advisor</p> <p><b>LBH Officers Present:</b> James Lake (Chief Accountant), Yvonne Thompson-Hoyte (Interim Pension Fund Manager), Tunde Adekoya (Pension Fund Accountant), Seby Carvalho (Pension Fund Technical Officer), Olivia Richards (Senior Accountant), Shyam Pitroda (Pension Fund Administration)</p>	
	<b>DECLARATIONS OF INTEREST AND ANY CONFLICTS OF INTEREST</b> ( <i>Agenda Item 3</i> )  None.	
	<b>MINUTES OF THE MEETING HELD ON 17 FEBRUARY 2021</b> ( <i>Agenda Item 4</i> )  Agreed as an accurate record.  The Chair expressed that there is a query in relation to the matters arising from Part II, which will be discussed in Part II.	

	<p><b>EXCLUSION OF PRESS AND PUBLIC</b> (<i>Agenda Item 5</i>)</p> <p>That Agenda Items 11 and 12 be considered in private.</p>	
	<p><b>Administration Report</b> (<i>Agenda Item 6</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 at 31<sup>st</sup> March 2021, indicated there was an increase in uptake of 253 members since last report in January. The Board also heard that the key was to maintain the current members that were signed up and build on the numbers in the move from SCC to Hampshire.</p> <p>Key Performance indicators (KPI) – The Board was updated that the KPI’s continued to show a downward trend and that there was no clear indication on any areas of improvement. It was highlighted that in some of the key areas only 40% or 50% of the targets were met. An additional column has been added to the KPI report to indicate whether the items that missed the SLA deadline were still within the statutory deadlines. Ongoing discussions continue with SCC on how the KPI’s can be improved.</p> <p>The Board was informed that two new members of staff were joining the SCC administration team in next few weeks, and that Officers would monitor for any improvements as a result. It was also reported that the Member helpline had reverted to operating full time from 9am to 4pm following the reduced service due to COVID.</p> <p>Cyber toolkit – The Board was informed that Hillingdon had submitted the data for the cyber security score card but were awaiting analysis of results and that Daniel Kanaris (AON) would give further update.</p> <p>Single code – At the moment Officers are monitoring Code of Practice 14. This code of practice is used for setting the guidelines of compliance and is produced by the Pensions Regulator.</p> <p>Recent consultation was issued regarding bringing all codes of practice into a single code, this would cover both public and private sector schemes. This is still in the consultation phase.</p> <p>The Board enquired whether there were any specific areas of the KPI’s that were of concern and also given the decline in results whether there was any scope to transfer the service earlier than planned. The Board also enquired whether Officers were confident that SCC would be able to deliver the Hillingdon exit given the current performance.</p> <p>Officers responded that the ongoing decline in KPI’s were an indication of underlying resource issues and not connected to any particular item.</p>	

Officers further explained that SCC were very supportive and effective in managing the Hillingdon exit. With regards to an early exit Officers explained that that there was no scope to go earlier.

Cllr Goddard commented that the current trend of underperformance had been ongoing for some time and that if there was an opportunity of early exit it should be acted on but that the focus should be on damage limitation and securing a successful transition.

In response to a query from the Board regarding increased administration fees, Officers explained that a request has been made for SCC to provide a correlation of increased fees to improved service.

The Board expressed support for this approach.

**Resources:**

The Chair sought clarification as to whether the Hillingdon pension staff were working from home. James Lake – Chief Accountant explained that all Pension team members were working from home but that the offices were open if any staff needed to attend. He further explained that the policy would be reviewed by the leadership of the Council in line with the Government guidelines

Cllr Goddard added that face-to-face meetings were starting to reappear in the Council’s calendar from May onwards. He also explained that the leadership of the Council were in the process of reviewing the structure of working and how the Civic Centre is utilised given the success of home working during the pandemic period.

**Cyber security toolkit:**

Daniel Kanaris (AON) explained that there were two toolkits, one for private sector and one for public sector, and that the private sector toolkit started earlier. He further explained that Hillingdon participated in the public sector toolkit in February, however the analysis was delayed to allow more responses to come in so that a representative population could be used to analyse the results, He indicated that the results were expected in the next few weeks.

The Chair commented that the toolkit would be useful, in respect of making sure that cyber security arrangements were in place and that the provisions of the cyber security arrangements of the Council were compliant with the Pensions Regulator.

The Governance Advisor also explained that the consultation on the Single Code would close on 26 May 2021. He further explained that AON were in the process of analysing the consultation questions to formulate a response and that a paper would be issued in early May, outlining their thoughts on the consultation that Funds could use to inform their response.

	<p>The Board was also informed that the Single code was likely to come into effect around November 2021, but that there still needed to be clarity around when Funds would need to be compliant and how compliance would be measured.</p> <p>The Chair commented that there could be quite a bit of work to be done to conform to the code when it is implemented, the main work of dealing with this would be in 2022 after the Hampshire changeover.</p> <p><b>Action Points: The Board to be updated when the cyber security toolkit is available. The Board to be updated on the compliance date for the new code and how compliance will be measured under the new code.</b></p>	
	<p><b>TPR CODE OF PRACTICE 14 COMPLIANCE</b> (<i>Agenda Item 7</i>)</p> <p>Yvonne Thompson-Hoyte - Interim Pension Fund Manager, presented this item to the Board</p> <p>The Board was directed to the TPR Code of Practice 14 summary report which indicated that item I3 had been upgraded from partially compliant to fully compliant and that all the other indicators remained the same. It was explained to the Board that the initial assessment of this item relating to the internal dispute resolutions process (IDRP), found that some of the statutory deadline dates were not mentioned on the process document. The dates were since found to be on a separate schedule, which has now been highlighted on the main document, hence the upgrade to full compliance.</p> <p>The Board also heard that there were two remaining areas of partial compliance which also related to the IDRP process. Both items are to be addressed as part of the Member Engagement Workstream in the transfer to Hampshire. It was also reported that all Board members had returned their knowledge and skills assessment and as a result item K7 of the TPR code compliance would be upgraded to fully compliant at the next Board.</p> <p>The Board commended Officers for the marked improvement in the TPR Code of Practice 14 bringing it to a position where the Fund is now 92-93% fully compliant.</p> <p><b>Action Points: Officers to maintain the progress made in compliance with TPR code of practice 14 during changeover to Hampshire.</b></p> <p><b>K7 to be upgraded.</b></p>	
	<p><b>TRAINING UPDATE AND LOG</b> (<i>Agenda Item 8</i>)</p> <p>Yvonne Thompson-Hoyte - Interim Pension Fund Manager presented the training update and log to the Board.</p>	

	<p>Members of the Board were reminded that the TPR public sector toolkit was the minimum training requirement and therefore it was essential for all Board members to complete. The Board was also informed that the TPR had recently added additional material on pension scams and that it was advisable that Board members view the content.</p> <p>It was reported to the Board that the CIPFA Knowledge and Skills self-assessment had been received from all Board members and that this would enable officers to analyse the responses and formulate tailored training for Board Members. Officers also confirmed that joint training for the Pensions Board and Committee on Governance had been arranged for 2 June 2021. The Board was informed that the training would be provided by the Independent Advisor to the Fund and would cover the good governance guide and the combined code along with other governance updates.</p> <p>The Chair emphasised the importance for Pension Board Members to complete the training offered, to enable members to carry out their roles with excellence.</p> <p>The Chair also explained that pensions scam training was optional and not necessarily one of the better organised modules, but even so it was highly recommended that members complete the training.</p> <p>The Chair also requested that Officers report back to the next Board on the analysis of the knowledge and skills assessment along with a training plan.</p> <p><b>Action Point: Officers to report back to the Board on the results of the knowledge and skills assessment and training needs.</b></p>	
	<p><b>WORK PROGRAMME 2021</b> (<i>Agenda item 9</i>)</p> <p>This item was presented to the Board by James Lake, Chief Accountant. He explained that the work programme sets out the future work for the Board.</p> <p>The Chair commented that the Annual Report of the Board suggested 4 areas of focus for 2021 and made further suggestions as set out below along with the discussions.</p> <p>He further commented that some items would be reviewed by the Board as part of the Committee reports but those items that are not included should be added to the work programme.</p> <ol style="list-style-type: none"> <li>1. Cyber Security – The Board would like to receive continued updates.</li> <li>2. Pensions Pledge – Officers confirmed that Hampshire had undertaken training and attained the Pensions Pledge accreditation. In response to a query raised by the board as to whether it would be necessary for Hillingdon to attain accreditation, Officers responded that it was more essential for Hampshire in the first instance as they</li> </ol>	

were delivering the frontline administration service, but that Hillingdon could also attain the accreditation to show commitment to the pledge.

3. Good governance project – The Chair commented that the Board would like this to be a training item on the July or October Agenda. Officers responded that joint training on governance had been arranged for June and an assessment would be done to see whether further training would be needed in this area afterward.
4. Data accuracy – The Chair commented that marked improvements were expected in this area once the transition had taken place and that the Board would like to monitor this area.
5. McCloud – The Board commented that this was postponed to 2022 and they would like it to be updated on it then.
6. Communications relating to the transition to HCC – The Chair explained the importance of communicating two changes to members, the change of the Administrator in September/October and the change in the payroll date for pensioners in November/December. The Board confirmed their assurance that the changes to the pensioner payment arrangements that officer had now put in place should mean that pensioner members will not experience difficulties when the payment date changes. Some recent refinements would be explained shortly.

Officers responded that general communications regarding the change in administration had started to be sent out to members and employers in the form of a full-page notice included in the newsletters. Officers further advised that specific communication workstreams have been established as part of the transition project to ensure that members are kept up-to-date and as more details are confirmed more specific information would be sent to members using the mailshot service contracted by SCC. In response to a query raised by the Board, Officers responded that Hampshire were not yet able to send communication to members as they do not yet hold member records.

Board noted the information on the changes already sent to active members and employers. Pensioners would be next and then deferred members. The Board confirmed they were reassured that a communications strategy was in place and asked to be kept informed on progress.

7. Single Code – Request for updates be reported to the Board.
8. LGPS Pensions Act – The Board requested to be updated on the implications for the LGPS on the changes in this regulation that was being prepared by the Scheme Advisory Board (SAB).

	<p>9. Exit Payments – The Chair commented that indications were that even though this had recently been retracted by the government, that it had not completely gone away and was likely to appear in the future. Officers confirmed that a request had been received from the government to provide details of exit payments for the last 7 years. The Governance advisor also added that the government had indicated at the time of disapplying the exit payment legislation that it would be revisited.</p> <p><b>Action Point: Officers to add the items suggested by the Chair to work programme, where they are not covered in the Committee reports.</b></p>	
	<p><b>PENSION BOARD TERMS OF REFERENCE</b> (<i>Agenda item 10</i>)</p> <p>James Lake - Chief Accountant pointed out the term of office and whether it should be infinite.</p> <p>Daniel Kanaris (AON Hewitt) highlighted guidance regarding terms of office, and what funds can do, reporting it is quite open and allows leeway for some freedom.</p> <p>Tony Noakes highlighted it is good for organisations, committees and boards to have some sort of turnover in terms of members. Refreshing members allows for new perspectives and member personalities.</p> <p>The Chair shared his view stating there should be a term and rules that state once every three to four years, members would automatically stand down and seek to be reappointed, which would be considered by the current board at the time.</p> <p>James Lake - Chief Accountant to make amendment to terms of reference going to Democratic Services, to allow approval by Full Council before making updates to the Board’s more detailed code.</p> <p><b>Action Point: Officers to note guidance and ask for approval to get Pension Board terms of reference amended.</b></p>	
	<p><b>LIVE RECORDING ENDED</b></p>	
	<p><b>BREACHES LOG</b> (<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><b>REVIEW OF PENSION COMMITTEE PAPERS AND GOVERNANCE MAKING</b> (<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 schedule to the Act).</i></p>	
	<p>The meeting, which commenced at 3 pm, closed at 4:26 pm.</p>	