

Minutes

PENSIONS BOARD

8 February 2019

Meeting held at Committee Room 7 - Civic Centre,
High Street, Uxbridge UB8 1UW



HILLINGDON
LONDON

	<p>Employer Representatives: Zak Muneer and Hayley Seabrook</p> <p>Employee Representatives: Roger Hackett and Tony Noakes</p> <p>Apology for Absence: None</p> <p>Also Present: Daniel Kanaris (AON Hewitt)</p> <p>LBH Officers Present: Sian Kunert (Head of Pensions Treasury and Statutory Accounts), Tunde Adekoya (Pension Fund Accountant), Olivia Richards (Pensions Admin)</p>
	<p>ELECTION OF TEMPORARY CHAIR (<i>Agenda Item 2</i>)</p> <p>Hayley Seabrook was elected to chair this meeting. The chair will rotate throughout the year with equal distribution of employer and employee representatives.</p>
	<p>DECLARATIONS OF INTEREST AND ANY CONFLICTS OF INTEREST (<i>Agenda Item 3</i>)</p> <p>No conflicts of interest were declared.</p>
	<p>MINUTES OF THE MEETING HELD ON 21 JANUARY 2019 (<i>Agenda Item 4</i>)</p> <p>Agreed as an accurate record.</p>
	<p>EXCLUSION OF PRESS AND PUBLIC (<i>Agenda Item 5</i>)</p> <p>That Agenda Item 12 be considered in private for the reasons stated on the agenda.</p>
	<p>TRAINING AND DISCUSSION ITEM – CYBER SECURITY (<i>Agenda Item 6</i>)</p> <p>Board members received a training item on cyber security to understand what possible ways that Hillingdon and SCC may incur issues with possible attacks and also what defenses are in place to protect and prevent.</p> <p>The training covered the growth in cyber crime, threats to Pension</p>

	<p>schemes, consequences of cyber security theft, a review of the pensions regulator guidance in managing this threat and actions the fund should be looking into.</p> <p>Hillingdon retains all responsibility for the pension fund so it is imperative that the policies in place are up to date and sufficient. Members discussed various scenarios of which further requests for information were made. Members have initially requested for a further detailed mapping of the LGPS cyber footprint. Discussion over whether Hillingdon's liability insurance includes in relation to cyber security risk – SK to follow up with Insurance.</p> <p>It was suggested the ICT team could present a training and information item on our incident response procedure detailing information such as the structure, time scales and written policies at either the next or following meeting.</p> <p>It was suggested a comparison is completed of Hillingdon's cyber resilience solution framework to Aon's cyber resilience solution framework to see if any areas not covered. Board discussed that they would like to see assurance that all appropriate safeguards and plans are in place, that roles and responsibilities are clear, and what will happen if an attack or breach happens.</p> <p>Various discussions took place including ISO27001 accreditation, data mapping as well as other contractors and employers security of data. It was suggested the fund have wording ready in case a breach were to take place to ensure prompt action. Board members agreed this is a large area and developments be brought to future boards with further information as it is collated.</p> <p>Board made a recommendation that improvements are made to the Councils risk register to increase the existing scope in the detail to Pensions Committee.</p> <p>Steps to progress assurance in this area to be added to the work program.</p>	<p>SK</p> <p>SK</p>
	<p>ADMINISTRATION UPDATE (<i>Agenda Item 7</i>)</p> <p>Board members discussed the extra recruitment of 9 new members of staff at SCC, this includes 4 new hubs designated for specific teams within to improve efficiency .This is at no further cost to LBH as built into existing costs.</p> <p>Members discussed the results from the data score and were generally happy that they sounded realistic and as expected. 79% for common data was considered relatively low however it was expected this was likely to be due to out of date addresses for a number of deferred members where known incorrect addresses are removed. 79% for scheme specific data seemed relatively high and it was hoped this was as a result of the data quality improvement made over the course of the SCC contract. Hillingdon have asked SCC regarding the options available for tracing missing members and also the implicated costs involved due to GDPR regulations. Additional resources have been approved to fund data cleanse on a trail run of the triennial valuation data</p>	

	<p>prior to the valuation transfer in July to ensure data is correct.</p> <p>Members discussed the importance to improve data of the fund but agreed it would take time and prioritization was important, to firstly ensure the correct pensions are being paid, that the valuation results are as correct as possible. Status 2 files where members have left but the pension position is undecided is being reviewed. Board were happy to acknowledge where we are now and the trajectory of improvement from there. Board requested to review the Data improvement plan when in a format that can be tracked for improvement.</p> <p>Members spoke about the upcoming auto enrolment process as well as take up on mypensions online</p>	
	<p>TPR CHECKLIST – FOCUS A – Reporting and B – Knowledge and Understanding (<i>Agenda Item 8</i>)</p> <p>Members discussed the report provided on reporting and knowledge compliance areas within the pensions regulator checklist. There was a marked improvement in attendance on courses with the revised board structure. Members thanked officers for providing suitable training. The provision of bite size training at the start of Pensions committee added value and continuous training is needed.</p> <p>Existing Board members have now completed the training analysis which will allow Officers to access members’ knowledge and provide training to best meet needs. New Board member Tony Noakes will be sent the learning needs analysis to complete.</p>	SK
	<p>GOVERNANCE WITHIN POOLING – London CIV (<i>Agenda item 9</i>)</p> <p>Members were updated on the governance arrangements for the London CIV, the pooled investment vehicle of which the fund is a member and a shareholder. This paper was for information and to set the scene as governance of the pool itself will be come a bigger focus on the fund n the coming years.</p> <p>The members were informed that the London CIV is scrutinized by a number of external oversight organization including the FCA. Statutory guidance which has recently been updated by the MHCLG reiterates the intention for all LGPS funds to be managed by the pension pools in the long term. Hillingdon’s current investment is 55% through the London CIV.</p> <p>The London CIV employs fund managers who are able to access wider markets and diversify our investment, as a result this detaches us from the open market. Investments are long term and the returns are good. The pool carries out due diligence requirements of the sub funds Hillingdon pension fund can invest; the LCIV also manage and monitor the funds on our behalf. Board discussed the difficulties with illiquid over liquid investments in the short term transitioning to the pool.</p> <p>There was a discussion on other approaches to governance and set up within the other LGPS pools across the country.</p>	

	<p>It was confirmed Cllr Corthorne was the Hillingdon shareholder representative with the LCIV.</p>	
	<p>STATUTORY REPORTING REQUIREMENTS AND COMMUNICATION <i>(Agenda item 10)</i></p> <p>Members had requested for an information item regarding the statutory reporting and communication that the authority needs to provide.</p> <p>Members discussed the longevity of the scheme and how to attract more people to LGPS. Auto enrollment was mentioned as this is done on a triennial basis.</p> <p>Members discussed the uptake of 50:50 scheme and whether the fund should do more to increase people to access. Members were advised that when people do opt out of the scheme the 50:50 scheme information is provided to ensure members are aware of this option. Officers advised those who are leaving the scheme are not generally those that 50:50 scheme was introduced to help for example the lower earners of younger employees.</p> <p>Members discussed the benefits of newsletters and suggested online content is much more relevant today. The idea of snapshot information in a “did you know” style may be helpful in increasing knowledge of the benefits of being in the LGPS.</p>	
	<p>WORK PROGRAMME 2018/19 <i>(Agenda Item 11)</i></p> <p>The Board discussed work flow items in the upcoming work plan.</p> <p>As discussion took place on the future publication of the Annual Pensions Board Report Roger requested the report a summary of the work plan in attrition to work completed and assurance over the prior 12 months. This should give Pensions Committee a better view as to what Pensions Board's priorities are and areas Board will be focusing on.</p>	
	<p>REVIEW OF PENSION COMMITTEE REPORTS <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 Board was provided with the agenda for the last Pensions Committee which took place on 21 January 2019.</p> <p>The Board noted the reports and decisions made at Pensions Committee that papers were clear. Roger, Zak and Hayley were all in attendance at the Pensions Committee.</p>	

	The meeting, which commenced at 3.00 pm, closed at 4.54 pm.
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These are the minutes of the above meeting.