

## Minutes

### PENSIONS BOARD

03 November 2021

Meeting held virtually



	<b>LIVE RECORDING COMMENCED</b>	
	<p><b>Employer Representatives:</b> Anil Mehta</p> <p><b>Scheme Member Representatives:</b> Roger Hackett (Chair) Tony Noakes</p> <p><b>Apology for Absence:</b> Shane Woodhatch (Employer Representatives)</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 (Head of Finance – Statutory Accounts and Pension Fund), Yvonne Thompson-Hoyte (Interim Pension Fund Manager), Seby Carvalho (Pension Fund Technical Officer), Shyam Pitroda (Pension Fund Administration), Tunde Adekoya (Pension Fund Accountant)</p>	
	<b>DECLARATIONS OF INTEREST AND ANY CONFLICTS OF INTEREST</b> ( <i>Agenda Item 2</i> )  None.	
	<b>MINUTES OF THE MEETING HELD ON 28 JULY 2021</b> ( <i>Agenda Item 3</i> )  Agreed as an accurate record.	

	<p><b>EXCLUSION OF PRESS AND PUBLIC</b> (<i>Agenda Item 4</i>)</p> <p>That Agenda Items in part 2 be considered in private.</p>	
	<p><b>Administration Report</b> (<i>Agenda Item 5</i>)</p> <p>This item was presented by Yvonne Thompson-Hoyte - Interim Pension Fund Manager, who explained that at the last Board in July, Surrey County Council (SCC) were still the administration service providers. She further explained that since that time the administration had been transferred to Hampshire County Council (HCC) on 27 September 2021 and that the administration report was presented against the backdrop of the handing over of the administration service from SCC to HCC.</p> <p>The Board heard that the first administration report from HCC would be received on 5 November and that it would cover the performance against the agreed targets as well as membership data. The full administration report from HCC was not available at time of meeting however an extract showing key services provided over first 12 days was been presented. The full administration report will be presented at the next Board meeting.</p> <p>All member records were securely and fully transferred to HCC.</p> <p>A total of 1800 members registered with HCC portal within first 12 days. As at 31 October 2021, there were 3,782 Members signed up, this included 2,200 active members, 940 deferred and 556 pensioners.</p> <p>Resources:</p> <p>The Board heard that HCC, has significantly more resources in terms of staffing to deliver the administration service. It was also highlighted that there were dedicated teams for member administration, employer assistance and a special projects team that would focus on data quality, backlog clearance and would provide a quality targeted service.</p> <p>Data improvement plan:</p> <p>HCC were aware of the backlog work as part of the transfer. They are in the process of analysing the data and will submit a project report with timelines in early 2022.</p> <p>Regulatory updates:</p> <p>McCloud was factored into the transfer and implementation timeline given. First stages have taken place where employers have been provided with data collection forms. A first reminder has been sent to remind employers to complete the required forms. A second reminder will be sent out in January 2022 with the deadline being 31 January 2022.</p> <p>The implementation of the McCloud remedy could result in pay-outs to members however it was not likely to be a significant amount.</p>	

The Scheme Advisory Board has advised the regulations are expected to be approved during Spring 2022 and come into effect in 2023.

The Board was assured by the detailed plan for timely compliance with McCloud obligations.

TPR Single Code:

The Board was updated that the TPR had received over 103 responses to the Single Code consultation. which was more than expected and therefore more time is required for the responses to be fully analysed before TPR provides a final position to subsequently be presented to The Board.

The Chair expressed his concern about the difference between the SCC final membership figures and HCC initial membership numbers. Yvonne Thompson-Hoyte mentioned part of this difference is from frozen refunds which has affected 850 members that have not contributed at least 2 years to have a benefit in the fund. HCC do not show these group of members in the membership numbers since they are due to be refunded their contributions. Prior to the transfer work had been done for members with more one record to be joined together. A comprehensive report of the state of the data will be received upon completion of ongoing investigation and analysis of records.

James Lake had approached HCC for their member registration figures and their other client West Sussex CC, The figures for these funds were in line with SCC's figures, with deferred and pensioners being in the 20's percentile region and active members being in the 40's percentile region.

The Chair expressed it would be a good benchmark for The Fund to reach back to the SCC figures by the release of the next report.

James mentioned that the paper payslips going out to pensioners have a notice encouraging them to sign up to the online portal. James further added that after March, the annual benefit statements and payslips are to be shown online rather than being posted, which should drive up member registration figures. The Board supported confirmation that default written communication medium is email and that pensioner payslips and P60s will only be online unless paper requested. In terms of the 15 October pension payment, it was confirmed there were no issues, and this was one of the tests to support a successful transfer. The Pension Board congratulated all concerned on this achievement.

The Board noted the first KPI report for HCC will be submitted by 5 November 2021 and will be presented at the Committee meeting on 01 December 2021.

The Chair inquired about the data score to be sent to TPR. Yvonne added the data score has already been done by HCC as they have their own system, the initial figures show The Fund is slightly below previous figures, but a full report will be received on 05 November 2021.

	<p>It is expected that the improvements with HCC will improve the data score and bring the Fund closer to the target set by TPR.</p> <p>The Board referred to TPR targets for Common and Specific Data Scores and suggested these be set as targets for these with a timescale for achievement.</p> <p>The report from HCC will help formulate and prepare the data improvement plan in the format TPR requires.</p> <p><b>Action Points: The Board to be updated with full report from HCC in next Board meeting</b></p>	
	<p><b>TPR CODE OF PRACTICE 14 COMPLIANCE</b> (<i>Agenda Item 6</i>)</p> <p>This item was presented by Yvonne Thompson-Hoyte, who explained that items I2 and I6 which were partially compliant in July were now fully compliant due to the completion of outstanding work as part of the transition to HCC, which ensured that all correspondence to members provided advise about the IDR process.</p> <p>Item K6 which was partially compliant in July, was also fully compliant following the analysis of the knowledge and skills assessment and a training programme has been implemented.</p> <p>All items on the TPR code of practice 14 are now fully compliant.</p> <p>The Board was also informed that section I (Internal Disputes) and section J (Reporting Breaches) of the compliance checklist had been reviewed to ensure that they remained compliant following the transfer to HCC.</p> <p>Daniel Kanaris (AON) – Governance Advisor added that it was expected that most items on the TPR code of practice 14 would be included on the single code but that new areas like cyber and business continuity should be added.</p> <p>It was noted that despite several adverse comments, the proposed new code is expected to largely go ahead. The Fund would need to keep an on eye on developments, but it should be in a good place to take on the new code responsibilities.</p> <p>The Chair and Board Members commended officers for their hard work to enable the Fund to achieve 100% compliance.</p> <p><b>Action Points: Officers to maintain compliance and monitor any regulatory changes.</b></p>	

**TRAINING UPDATE AND LOG** (*Agenda Item 7*)

This item was presented by Yvonne Thompson-Hoyte who explained to the Board that the first part of the report contained the usual update on the workshops and conferences attended. The Board was reminded to send any events that they had attended to update the training log.

The Board heard that the knowledge and skills assessment scores had been updated to reflect the new scores for Shane Woodhatch who had completed the public sector toolkit since the last report, and that the newest Board member Anil Mehta was aiming to complete the toolkit by the next meeting.

The Chair reiterated that The Board complete the AON training kit and newest Board member Anil Mehta also complete the public sector toolkit by the next Board meeting.

The Chair of the Pensions Committee supported the proposed training requirements for PB members. He outlined the commitments he would be seeking from his Committee Colleagues at the next Pension Committee meeting. Training take-up by PC members had been varied, some Committee members had done very well. The AON course is to be the core minimum for Committee members. The Board thanked the Chair of the Pension Committee and confirmed that this was exactly the commitment they were going to propose for the Pension Committee to achieve.

Any upcoming training events will be circulated to The Board.

**Action Point: The Board complete suggested training and attend any upcoming training events.**

**WORK PROGRAMME 2021** (*Agenda item 8*)

This item was presented to the Board by James Lake - Head of Finance – Statutory Accounts and Pension Fund

The work programme enables the Board to review meeting dates and the future work programme. This report also includes the work programme for the Pensions Committee to enable, effective coordination between both bodies to support the Board in its role of ensuring compliance.

Once legislative and guidance updates are issued, they will help add and form the work programme for next year. The new Committee meetings dates will also be approved by the Council shortly allowing for an increase in areas covered by the report.

The Chair suggested that cyber security and scams be separated on the work programme.

	<p>The Board noted that portal usage and service levels by HCC are covered under the Committee, but Board members can keep an eye to offer any suggestions.</p> <p>The Chair expressed his concern on the whether there are appropriate mechanisms in place to ensure that scams are dealt with effectively. James added that HCC have a process before money is released but will contact them to find out the exact measures is place.</p> <p>The Board highlighted cyber security and scams are two very different issues that needed to be alt with in very different ways.</p> <p>The Chair also highlighted the importance of environmental issues. James reassured that The Committee has been putting in a lot of effort towards the issue by working towards sign up to various initiatives. The Board was assured by the work and effort being put in on ESG and investment stewardship by the Pensions Committee.</p> <p><b>Action Point: Officers to investigate on measures put in place by HCC on the issues of scams and what HCC had in place to meet our obligations to combat scams.</b></p>	
	<p><b>CYBER SECURITY</b> (<i>Agenda item 9</i>)</p> <p>This item was presented to the Board by James Lake – Head of Finance – Statutory Accounts and Pension Fund</p> <p>This report provides details of the cyber security arrangements in place at HCC.</p> <p>HCC are in the process of developing their own cyber compliance statement which is due to be released end of this year/ early next year.</p> <p>There were a number of recommendations from LBH internal audit, relating to the Cyber Incident Management Audit. These recommendations have now been fully been implemented by management.</p> <p>Following the meeting, The Officers will collaboratively work with AON to create and populate the cyber mapping toolkit. This has been agreed by AON without any further expense being occurred to the Fund.</p> <p>Cllr Goddard sought clarification on HCC’s policy regarding sharing results of own internal audit to outsourcing clients. Cllr Goddard added this would help understand if HCC are able to meet standards that they have set.</p> <p>The Board noted that due to the numerous amounts of data required for the cyber mapping toolkit, it would be a fair target to complete, one of the elements in the cyber mapping toolkit by the next Board meeting.</p>	

	<p>Daniel Kanaris (AON) – Governance Advisor further added that upon completion of the cyber mapping toolkit, any issues, and questions regarding the transfer of data or assets could be raised.</p> <p>The Board asked Daniel Kanaris to benchmark LBH against the Private Sector and other LAs on cyber security mapping. DK confirmed private sector ahead, but LBH amongst most pro-active in local authority sector. There was recognition that some cyber security issues could only be dealt with by the council.</p> <p><b>Action Points:</b></p> <p><b>Officers to ask HCC for data or information about their own internal audit results.</b></p> <p><b>Officers to complete at least one element from the cyber mapping toolkit by the next Board meeting.</b></p>	
	<p><b>Pension Board Operating Procedures</b> (<i>Agenda Item 10</i>)</p> <p>This item was presented by James Lake who explained that the new Terms of Reference was approved at the July Council meeting. The updated terms of reference allowed for a more detailed set of operating procedures to be developed by The Board. A draft set of operating procedures has been produced by the Chair and James Lake which has been included in the pack.</p> <p>There is currently no consideration if the designated Chair is not available at The Board meeting and whether, the meeting would still be quorate without them.</p> <p>The Board agreed the proposal made by James to add the additional clause to state that a temporary chair would be appointed at the meeting, where the designated chair is unable to attend, to allow the meeting to be classed as quorate.</p> <p>Roger Hackett reminded the Board that this was his last meeting as Chair and that arrangements should be made for a new Chair to be elected at for the meeting in January 2022. It was pointed out that the ToR required that the next Chair should be from the employer’s side of the Board.</p> <p><b>Action Points:</b></p> <p><b>Officers to add the accepted proposal to the operating procedures. The Board to agree a new Chair by the next Board meeting in January 2022</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</i></p>	

	<i>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><b>REVIEW OF PENSION COMMITTEE PAPERS</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>	
	The meeting, which commenced at 3:30 pm, adjourned at 5:21 pm.	