

MINUTES OF THE PENSION FUND COMMITTEE

Date: Thursday 24th May 2018

Time: 10:00-11.30am

Place: Room 128, Shire Hall, Cambridge

Committee Members

present: County Councillors P Downes, A Hay, R Hickford (Vice-Chairman), T Rogers (Chairman), J Schumann and M Shellens; Peterborough City Councillor David Seaton; M Pink, T Roden and J Walker

Officers: D Cave, S Heywood, M Oakensen, J Walton and M Whitby

Apologies: None

66. ELECTION OF CHAIRMAN AND VICE CHAIRMAN

Having been duly moved and seconded, it was unanimously resolved to appoint Councillor Rogers as the Chairman of the Pension Committee.

Having been duly moved and seconded, it was unanimously resolved to appoint Councillor Hickford as the Vice Chairman of the Pension Committee.

67. DECLARATIONS OF INTEREST

John Walker declared a personal interest (i) as a retired member of the Local Government Pension Scheme (LGPS), (ii) his daughter-in-law was a current member of the LGPS and (iii) his son was a deferred Member of the LGPS.

Matthew Pink declared a personal interest as both he and his wife were active members of LGPS.

Tracy Roden declared a personal interest as both an active and deferred member of the Local Government Pension Scheme (LGPS).

68. APPOINTMENT OF INVESTMENT SUB-COMMITTEE

Having noted that as set out in the County Council Constitution the Chairman and the Vice Chairman of the Committee (Councillors Rogers and Hickford) automatically became the Chairman and Vice Chairman of the Investment Sub-Committee, the following appointments were agreed as set out below from those relevant to take part in the approval process.

Cambridgeshire County Council (CCC) Members – four

The following four Councillors listed below had been proposed by Full Council taking into account political proportionality but required the approval by the Committee.

Automatically appointed as a result of their appointment as Chairman and Vice-Chairman:

Chairman Councillor Terry Rogers (Conservative)

Vice Chairman: Councillor Roger Hickford (Conservative)

It was resolved to confirm the following two County Councillors as the other two appointments to the Pension Fund Investment Sub-Committee:

Councillor Anne Hay (Conservative)

Councillor Mike Shellens (Liberal Democrat)

All other employers – two

Two places were required to be drawn from the two Committee member places representing 'all other local authorities, police and fire' and the one Committee member place representing 'all other employers'. It was confirmed that these appointees were Tracy Roden and Peterborough City Councillor David Seaton.

The Committee resolved to endorse these appointments:

- Councillor David Seaton
- Tracy Roden

Scheme member representative – one

This appointment was required to be drawn from either the one Committee member representing Active Scheme Members or the one Committee member representing deferred and pensioner scheme members. The appointee was John Walker.

It was resolved to endorse this appointment: John Walker.

It was noted that Councillors Downes and Schumann were the substitutes for Investment Sub-Committee.

69. MINUTES AND ACTION LOG OF THE PENSION FUND COMMITTEE MEETING HELD ON 29th MARCH 2018

The minutes of the Pension Fund Committee meeting held on 29th March 2018 were approved as a correct record and were signed by the Chairman.

The following items were noted under the Action Log:

Item no. 58 – implications for Cambridgeshire of the Elmes vs Essex case – officers confirmed that no further work had been done on the Council's wider exposure on this issue.

Item no. 61 – promotion of the new website - whilst this had been marked as completed, anecdotal evidence suggested few staff were aware, so it was agreed that communications needed to be repeated.

Item no. 63 – Next of kin contact information - it was noted that this would be included in the next Pension newsletter.

The Committee noted the Action Log.

70. LGSS PENSION ADMINISTRATION PERFORMANCE REPORT

The Committee considered a report on how well the Pension Fund had met its effective and efficient governance and administration of the scheme. Officers explained that this related to the regular elements of pension administration, and excluded those specific activities in the Business Plan.

It was agreed that any detail of the confidential appendix would be discussed in the private session at the end of the meeting.

Members noted that all key performance indicators were looking quite healthy, having been met for February and March. In response to a Member question, officers advised that the finalized figures for March were unavailable at the time of producing the report.

There was a question about what would happen to LGSS Pensions if Northamptonshire was split into unitary authorities. The Vice-Chairman advised that so far the situation was unclear at the moment and quite complex, but senior officers and Members were monitoring the situation and were aware of the issues.

It was noted that at a recent conference, there had been a debate about some authorities having large backlogs of leavers. Officers advised that this was covered in the Business Plan as an action, with a number of projects identified to deal with the varied underlying issues in terms of leavers. One particular issue was that some employers send leavers through in batches, which can be difficult to manage in terms of resources, especially if more information was required from the employer. Such requests for information can apply in up to 60-70% of cases, especially for some larger employers. Updates would be provided throughout the year on progress with the action plan for leavers.

Noting Pension Fund Objective 3 – *“Ensure the relevant stakeholders responsible for managing ... the Fund, understand their roles and responsibilities...”* a Member asked if this was the case. Officers confirmed that this was a constant challenge: there was regular training/induction, with webinars being particularly popular, as they could be done at any time.

A Member observed that in the ‘sign off’ section of this and other reports, the report had not been cleared by Legal Services. Officers were asked to advise Members if they needed any support ensuring timely responses were provided by Legal Services.

It was resolved unanimously to:

Note the Administration Performance report.

71. GOVERNANCE AND COMPLIANCE REPORT

Members received a report on governance issues concerning the Local Government Pension Scheme (LGPS) on a national and local basis, and also details of forthcoming training events.

With regard to the Contracted-Out reconciliation exercise, the Local Government Pensions Committee (LGPC) had issued a survey to administering authorities, to gauge progress against this exercise. Most Funds – including Cambridgeshire – were at stage 2: “reviewing data inconsistencies, raising with HMRC and agreeing outcomes”. Few inconsistencies had been found at this review stage, but it had been a worthwhile exercise, as there were some which would be handed back to HMT to clear with HMRC by 31/10/18. Advice was being sought on Stage 3 (rectification).

Turning to the High Court judgement in the case of Elmes vs Essex, eligibility for benefits was being addressed for the one case in Cambridgeshire, but it had become clear that a High Court judgement wasn’t going to be forthcoming, so the decision had been taken to pay, with the LGA’s support.

Members noted all the actions completed in preparation for the introduction of GDPR (General Data Protection Regulations). Cambridgeshire County Council was in the process of recruiting a Data Protection Officer, and the Privacy Notice was on the website. All contracts with suppliers had been reviewed, and a Memorandum of Understanding had been sent to all scheme employers to explain the way data was shared. A Member noted that there were “no risks” identified in the report, which he found unusual, given that it covered major issues such as GDPR. Officers explained that that section referred to risks relating to *decisions made*, whilst this was a report for noting only.

The Chairman drew Members’ attention to the training events in the appendix to the report.

It was agreed that the Asset Register and similar large documents would be sent as link in future. On the Asset Register, it was noted a number of items were listed as “to be confirmed” under the “How is the data secured?” heading. It was confirmed that this data was secure, but a particular form of words needed to be included in the Asset Register.

It was resolved unanimously to note the report.

72. CAMBRIDGESHIRE PENSION FUND 2018-19 COMMUNICATION PLAN

Members considered the Pension Fund Communication Plan for the 2018-19 scheme year.

The Committee had previously discussed the promotion of new website and also some amended regulations that had been issued very recently, which required further communication to be carried out. One Member commented that the look and feel of the new website was very good. Another Member observed that the Pension Fund objectives were given, but reports did not identify whether they were being met. Members agreed that it was

important to identify how objectives were being met, both in terms of giving assurance to the Committee and providing an evidence/audit trail.

In response to Member questions:

- it was confirmed that P60s should be produced by payroll by 31st May;
- it was noted that all communications to employers were electronic, and the majority of communications to scheme members were also electronic, although some were still receiving paper newsletters;
- officers agreed that risk 5(a) - *“There are no risks associated with this proposal”* - needed to be updated, and it was confirmed it was covered in the Risk Register in more detail.

It was resolved unanimously:

to approve the Communication Plan.

73. REVIEW OF THE EFFECTIVENESS OF THE PENSION COMMITTEE

The Committee considered a report on the results from the effectiveness review survey.

Members were reminded that this was an annual exercise, where feedback was sought against 26 statements. This year Survey Monkey had been used, to try to make it more user-friendly. Five surveys had been completed from the 12 sent out. The report summarised positive comments and areas where improvement was required. The report also included actions taken following comments received during the last survey. A similar report would be presented next year to show what actions had been taken following this year's comments.

The Committee was concerned at the low response rate, and it was agreed unanimously that all Members should be obliged to respond to future surveys. It was agreed that the survey would be reactivated and sent to those Members who had not responded, so that this year's could be used as a baseline. **Action required.**

It was resolved to:

1. note the feedback and approve the plan of action to improve the effectiveness of the Pension Committee in the areas identified;
2. agree to make completion of the annual survey compulsory.

74. REVISED OVERPAYMENT OF PENSION POLICY

Members considered a report which proposed amendments to the Overpayment of Pension Policy.

A Member asked who set the figures in the Overpayment Policy, and how long they had been at that level? Officers advised that these were the levels that it had been decided locally as being realistic to pursue, and they were all the same with the exception of £100 in non death cases. Members commented that £100 seemed like a low level, and it was important that the cost of officer resource in pursuing such overpayments did not exceed the amounts recovered. Officers advised that the smaller overpayments were usually easier to recover, it was the larger overpayments which were usually more complex and time-consuming. One Member suggested that a more flexible approach should be taken, with officers taking a judgement call on the likely costs versus the amount recovered. Officers confirmed that this was, in practice, what was happening. Identifying the exact amount was often the difficult part, whereas contacting payees was not as time-consuming. Officers suggested reporting back to a future meeting on the actual costs involved.

It was resolved to:

1. provisionally agree to the proposals identified in the report with regards to recovering overpayments of pension;
2. receive a further report when information available.

75. EMPLOYER ADMISSIONS AND CESSATIONS REPORT

The Committee received a report on the admission of one admission body and one Academy Trust to the Cambridgeshire Pension Fund.

It was noted that until recently, if there was a surplus, this could not be returned to scheme employer when they ceased, but recent regulations had changed this. Any surplus would need to be paid to either the admitted body or scheme employer. This was a fundamental change, and would be factored in to the funding strategy going forward.

A Member asked that new employers, such as the Multi Academy Trust, be given particularly robust training so that they made a good start. Officers agreed to look to be as proactive as possible with training for new employers, but ultimately much depended on the individuals looking after the scheme on the employer's behalf. **Action required.**

In response to a Member question, it was noted that the number of cessations in a year varied but usually reached double figures.

It was resolved unanimously to:

1. approve the admission of the following admission body to the Cambridgeshire Pension Fund:
 - Family Psychology Mutual
2. note the admission of the following Multi Academy Trust to the Cambridgeshire Pension Fund:
 - Peterborough Keys Academies Trust

76. EXCLUSION OF PRESS AND PUBLIC

It was resolved:

That under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended (information which is likely to reveal information relating to the financial or business affairs of any particular person) and that it would not be in the public interest for this information to be disclosed.

77. ACCESS POOLING UPDATE

The Committee considered a report on the ACCESS Asset Pooling project.

It was resolved unanimously to note the update.

Chairman