

## MINUTES OF THE CAMBRIDGESHIRE LOCAL PENSION BOARD

**Friday 23rd February 2018**

*Members of the Board in attendance:*

*Employer Representatives – Councillor S King and Councillor D Payne*

*Scheme Member Representatives – D Brookes (Vice-Chairman) and B O’Sullivan*

*Officers in attendance:*

*M Oakensen –Governance Officer*

*J Walton – Governance and Regulations Manager*

*R Yule – Democratic Services Officer*

*Time: 10.20am. to 11.50am*

*Place: Kreis Viersen Room, Shire Hall, Cambridge*

### **16. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were received from John Stokes. There were no declarations of interest.

### **17. MINUTES AND ACTION LOG – 27 OCTOBER 2017**

The minutes of the meeting of 27th October 2017 were approved as a correct record and signed by the Chairman.

The Board raised a number of questions in relation to actions from the last meeting, and noted that:

- the introduction of the improved online benefits estimate system, planned for January 2018, had been postponed to February or March 2018 because problems had been identified with the screen interface for mobile devices. The Chairman requested that two items be added to the Action Log, one for the introduction of this system, and the other to resolve the question of enabling the online system to forecast post-retirement age benefits, a problem identified at the last meeting **Action required**
- the draft Pension Matters newsletter was expected to be available for circulation to Board members by 2 March, with distribution planned for 16th March 2018
- progress had been made with arranging liability insurance cover for Board members. A provider (Aon Hewitt) had been identified and the question of the amounts to be paid by Cambridgeshire County Council (CCC) and by the Pension Fund had been resolved; the CCC Chief Finance Officer had now been asked to approve the expenditure, and it was expected that cover would be in

place by the end of the financial year. Members asked that details of the cover provided be circulated to them once it had been arranged. **Action required**

## **18. LGSS PENSIONS SERVICE ADMINISTRATION PERFORMANCE REPORT**

The Board received the Service Administration Performance Report, which focussed on the work undertaken regarding the administration of the Pension Scheme. Members expressed a wish to examine the analysis of late payment of employer and employee contributions contained in the report's confidential Appendix 1.

It was resolved to:

exclude the press and public from the meeting for the following discussion on the grounds that it would contain exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed: information relating to the financial or business affairs of any particular person (including the authority holding that information).

Discussing the detail of Appendix 1, members noted that persistent late payments and submission of accompanying payment schedules were monitored closely, and officers worked in close liaison with scheme employers and third party payroll providers to resolve issues, in accordance with the Payment of Employee and Employer Contributions Policy.

Two employers who had persistently been paying late had been reported to the Pensions Regulator in the last quarter; performance had improved and the Regulator had asked that any further problems be reported. The Fund had charged employers for administration and interest during this period.

Members requested that there be a consistency of reporting period in future reports, and that reports include information on amounts outstanding in the past year as well as in the last quarter, to aid them in monitoring performance.

It was resolved to note the Administration Performance Report.

It was resolved to readmit the public to the meeting.

## **19. GOVERNANCE AND LEGISLATION REPORT**

The Board received a report advising it of issues concerning the governance of the Local Government Pension Scheme (LGPS) and of potential, new, amending and overriding legislation that would have an impact on the management of the Scheme and on members' benefits.

Discussing the report, Board members

- sought further information about 'Tier 3 employers' and noted that this appeared to be a novel, unique expression for these types of bodies
- in relation to the High Court judgement in the case of *Elmes v. Essex*, noted that the only information that officers had so far received was a description from the Ministry of Housing, Communities and Local Government (MHCLG); only when

the transcript of the decision was received would officers be able to assess its significance for the Pension Fund, but it seemed likely that it would mean that it would be obliged to pay a pension to the partner of a deceased member who died without completing a nomination form between April 2008 and March 2014. A further issue for the Fund would be that child pensions had been paid at a higher rate than would have applied had a pension been being paid to the partner

- asked that the Elmes v. Essex judgement and its implications for the Fund be placed on the agenda plan for the Board's next meeting **Action required**
- noted that a skills and knowledge training day on governance issues was due to be held on 9 May 2018 at Wyboston Lakes.

It was resolved to note the content of the report.

## **20. STATUTORY AND NON-STATUTORY POLICIES AND STRATEGIES RELATING TO THE OPERATION, MANAGEMENT AND GOVERNANCE OF THE CAMBRIDGESHIRE PENSION FUND**

The Board received a report setting out an overview of statutory and non-statutory policies and strategies relating to the operation, management and governance of the Cambridgeshire Pension Fund. Members noted that the page of the LGSS Pensions Service website on which the policies and strategies were published was about to be updated, and the Pension Committee was due to consider the policies on Conflicts of Interest, Record Keeping, and the Data Quality Improvement Plan at its meeting in March 2018; the Board would be looking at the Conflicts of Interest policy in April.

Discussing the report, Board members

- noted that their understanding of the position on responsibility for policies was correct; the Board was an advisory body and the Pensions Committee made decisions on policy, but the Board had a role in ensuring that there was a policy and that it was up to date
- enquired whether there was a mechanism for Board members to record scheme members' comments and queries to them about policies. Officers advised that Board members were welcome to report such matters to the Governance and Regulations Manager or the Governance Officer by email at any time. Policies were routinely reviewed annually, but if a Board member reported that a fundamental point had been raised, the policy could be reviewed earlier than planned, or if only a minor amendment was required, officers would note it for the next routine review.

The Chairman asked that a table be drawn up showing the policies, both statutory policies and those which were non-statutory but good practice, and that the table include the date when each policy was due for review. He also asked that the agenda plan include a standing item on policy monitoring. **Action required**

## 21. GENERAL DATA PROTECTION REGULATION

The Board received a report updating it on the work undertaken to achieve compliance with the General Data Protection Regulation. Members noted that this work was hampered by the general nature of much of the published guidance, and a lack of clarity about how it applied to pension schemes; for example, obtaining an expression of wish form from a scheme member involved collecting data on a person not in the scheme, which could be sensitive if the person did not know they had been nominated. Paper records were covered as well as digital ones, and it was necessary to specify what data was being held and the reason for holding it.

Discussing the report, Board members

- commented that the sending of a privacy notice to a nominee could be seen as informing them that they had been nominated and data was being held on them
- enquired what progress had been made on appointing the Data Protection Officer. Officers advised that there were in general two schools of thought on whom to appoint, either somebody already working in the Council's Information Governance Team, or somebody whose role would be explicitly that of a formal Data Protection Officer
- noted that, though considerable progress had been made towards compliance, work was still required in various areas, including corporate contracts. Printing and postage of communications such as pension newsletters and payslips had not got GDPR compliance, though that was a matter for the employing councils rather than the Pension Fund
- congratulated the Governance and Regulations Manager on the work done to date to achieve GDPR compliance.

The Chairman expressed the Board's thanks to staff for their work on GDPR.

It was resolved to note the contents of the report

## 22. FORWARD AGENDA PLAN

The Board considered its forward agenda plan, reiterating the earlier request to include a standing item on policies. Members also asked that the Pensions Board report be brought to the April meeting if possible.

**Action required**

It was resolved to note the agenda plan and additions made at the meeting.

## 23. EXCLUSION OF PRESS AND PUBLIC

It was resolved to:

Exclude the press and public from the meeting for the following item of business on the grounds that it contained exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed: information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **24. OVERSEAS PENSIONERS PROOF OF EXISTENCE EXERCISE**

The Board received a report on the effectiveness of an exercise to obtain proof of existence from pensioners resident overseas. Members noted that figures released in January 2014 by the Department of Work and Pensions had indicated that international pension fraud had cost the UK taxpayer around £50m in 2012-13, and that Internal Audit had recommended that such an exercise be conducted as members of the Fund living overseas were not included in the biennial National Fraud Initiative conducted by the Cabinet Office.

Discussing the report, members considered the methodology of the exercise, and enquired whether there would be any cost to pensioners arising from the need to provide proof of existence. Officers advised that the intention was that there should not be a cost.

Officers undertook to provide a further update on the exercise once it had been concluded.

**Action required**

It was resolved to note the contents of the report.

## **25. PROCUREMENT OF ACTUARIAL, BENEFITS AND GOVERNANCE CONSULTANCY SERVICES**

The Board received a report setting out the results of the procurement exercise for the supply of Actuarial, Benefits and Governance Consultancy Services. Members noted that the exercise had been conducted in consultation with LGSS Procurement, who had ensured that due process had been followed.

It was resolved to note the update for the procurement of Actuarial, Benefits and Governance Consultancy Services.

## **26. ASSET POOLING UPDATE**

The Board received a report updating it on progress on the asset pooling project, under which the Cambridgeshire Pension Fund has been working collaboratively with ten other Funds in the ACCESS pool to jointly meet the Government's published criteria on asset pooling within the Local Government Pension Scheme universe.

In discussion, members sought further information about aspects of the report, which officers noted and undertook to supply.

**Action required**

It was resolved to note the contents of the report.

Chairman