

MINUTES OF THE CAMBRIDGESHIRE LOCAL PENSION BOARD

Friday 20th April 2018

Members of the Board in attendance:

Employer Representatives – County Councillor S King (Chairman) and

Parish Councillor D Payne

Scheme Member Representatives - D Brooks, B O’Sullivan, and J Stokes

Officers in attendance:

M Oakensen –Governance Officer

M Rowe – Democratic Services Manager (for agenda item 3)

J Walton – Governance and Regulations Manager

M Whitby - Head of Pensions

R Yule – Democratic Services Officer

Time: 10.00am to 12.00pm

Place: Shire Hall, Cambridge

27. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Councillor Manning. There were no declarations of interest.

28. MINUTES & ACTION LOG – 23 FEBRUARY 2018

The minutes of the meeting of 23 February 2018 were approved as a correct record and signed by the Chairman.

The Action Log was noted. In relation to minute 6, on arranging liability insurance for Board members, officers advised that the Section 151 Officer had approved the insurance offered. The Head of Pensions said that he was required to sign for each member that they were not aware of any breaches. All Board members confirmed that they were not aware of any breaches.

The Governance and Regulations Manager undertook to forward the policy terms and conditions to members as soon as she received them.

Action required

Officers were thanked for the prompt issue of the Pensioner Matters newsletter, which had been received by pensioners in March.

29. CAMBRIDGESHIRE PENSION FUND BOARD ANNUAL REPORT 2017-18

The Board received an early draft of its Annual Report for comment and approval. Members noted that the guidance received when local boards were being established included that it was good practice for the Local Pension Fund Board to publish an annual report on its activities. The report would go to Council in October, so there was time for the Board to suggest changes, both at the present meeting and by email subsequently.

Board members were asked whether they were content for their email addresses to be included in the report. All members confirmed that they were happy for their email addresses to be published in the report.

Commenting on specific aspects of the report, Board members

- pointed out that not all Councillor members of the Board were County Councillors
- identified a few omissions from the training record
- pointed out that there were problems with securing payment from only a very small number of academies, not from all
- raised the question of how far back the training record should go, and the need to find a balance between reassuring fund members that the Board was properly trained, and having an excessively long list of entries for long-serving Board members.

Officers undertook to make the amendments identified above, and to consider setting out the training record differently for the 2018/19 report.

On behalf of the Board, the Chairman thanked the Democratic Services Manager for drafting a good report which accurately reflected the Board's activities.

It was resolved unanimously to:

approve the Pension Fund Board's Annual Report 2017-18, subject to the changes set out above and the inclusion of the 20 April 2018 meeting within the report.

30. 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 there had been some improvement in payments by a previously persistent late payer, though the employer still needed reminding that payment was due.

There was some general discussion about the difficulty of securing prompt payment from a small number of academies. Members noted that, if difficulties with any one academy persisted, it would be possible to bring the matter to the attention of the Schools Commissioner.

It was resolved unanimously to note the Administration Performance Report.

31. 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

- requested an update on the 'Elmes versus Essex County Council' case at its next meeting, as the detail of the ruling was still not available
Action required
- noted that work on the Overpayments of Pension Policy was continuing. It was hoped to present the completed draft policy to the Pension Fund Committee in May, and bring it to the Board for comment in July 2018
- were advised that the only other delayed policy item was the Cash Management Strategy; the delay had been caused by the introduction of new County Council systems, but work on it was expected to be completed by December 2018.

It was resolved unanimously to note the content of the report.

32. CAMBRIDGESHIRE PENSION FUND CONFLICTS OF INTEREST POLICY

The Board received the Conflicts of Interest Policy for approval. Members noted that this had been drawn up to meet the requirements of the Pensions Regulator's code of practice relating to conflicts of interest for pension board members. Members noted that it was the responsibility of each individual covered by the Policy to identify any potential conflicts of interest.

Discussing the policy, members

- drew attention to an apparent discrepancy between the list of persons to whom the policy applied in policy paragraph 1.2 and that in 6.2
- asked that Board members be notified by Democratic Services when the Policy came into effect, be provided with a copy of the Policy, and be required to complete a Declaration of Interest **Action required**
- noted that the wording of the Policy drew on best practice elsewhere; many board would have a similar document in place
- received confirmation that there would be no requirement to declare a conflict of interest at a meeting of the Board if that conflict had already been identified in the register of conflicts of interest.

It was resolved unanimously to approve the Conflicts of Interest Policy.

33. INTERNAL AUDIT REPORT 2017-18

The Board received a report setting out the findings of Internal Audit work during 2017-18. Members noted that the year-end employer and employee contributions reconciliation for the previous year (2016-17) had not been finalised at the time the Internal Audit Report had been written, but was now close to completion. One target date had been set for the reconciliations to be completed for both years, as the auditor had confirmed that both years would be examined at the same time.

The Chairman thanked Pension Fund officers and the internal auditors for their work on the audit report.

It was resolved unanimously to note the Internal Audit work during 2017-18.

34. REVIEW OF THE EFFECTIVENESS OF THE LOCAL PENSION BOARD

The Board received a report providing feedback on the results from the effectiveness review survey which had been carried out in January 2018. Two members gave reasons for not completing the survey; one had been travelling abroad in January, and the other had only joined the Board recently so had not felt qualified to comment on its effectiveness.

Discussing the report and feedback, Board members

- noted that the actions identified in the previous year's survey had all been completed
- commented that the survey had been straightforward to complete, but queried the use of 75% and 25% for replies from three people, and noted the percentages should be 66% and 33%
- said that it was important to keep the process as straightforward as possible, to minimise the demands of the survey on officers' time

- suggested that the survey might usefully consist of 12 questions focussed on specific areas, changing from year to year, rather than 24 wider questions every time; members could be relied upon to tell officers if they thought something not covered by the questions was seriously amiss
- commented that the real test of the effectiveness of the survey would be whether, in the next annual survey, improvement could be demonstrated in the areas identified for improvement in the present survey.

Officers undertook to review the selection of questions for the 2018/19 survey of effectiveness. The Chairman said that in his view, the Board functioned well and was well-supported by officers and Board members.

It was resolved unanimously to

note the feedback and approve the plan of action to improve the effectiveness of the Local Pension Board in the areas identified.

35. GENERAL DATA PROTECTION REGULATION

The Board received a report updating it on the work undertaken to achieve compliance with the General Data Protection Regulation (GDPR). Members noted that since writing the report, officers had been able to adapt the template privacy notice and Memorandum of Understanding (MOU) for the Cambridgeshire fund. The Contract Procedure Rules set out in the Council's Constitution had been revised to incorporate requirements related to GDPR, and had been updated on the Council's website.

In answer to questions, members noted that

- the Council was in the process of appointing a Data Protection Officer, who would be responsible for ensuring compliance with GDPR
- Pension Fund officers were changing their practice to minimise the amount of data held; they already only collected information that they needed, but would need to be particularly careful about using and sharing contact details
- in the case of people who left the scheme without any liabilities, skeleton records would be kept indefinitely, because past scheme members could approach the Fund to enquire about their pension position many years after leaving the scheme; as the amount of information held reduced, it could become more difficult to respond fully to any such enquiries
- pressure on physical space had already caused officers to reduce to a minimum the paper records held; GDPR required that a retention date be put on all information held.

Members raised the question of receiving training to help them in their role of checking that the administering authority was complying with GDPR, and enable them to know what questions they should be asking. Officers advised that it was the County Council's responsibility to ensure that its

systems were compliant, and suggested that an item on monitoring compliance be placed on the agenda for the Board's next meeting.

Action required

It was resolved unanimously to note the contents of the report.

36. FORWARD AGENDA PLAN

The Board approved its forward agenda plan, subject to the inclusion of items identified in the course of the meeting.

In relation to the election of Chairman/woman and Vice-Chairman/woman, due to take place at the Board's next meeting, the Democratic Services Officer was asked to seek clarification of Standing Order 2, 'A Chairman/woman and Vice-Chairman/woman will be appointed by the employer and member representatives of the Board from among their own number but not from the same sector of representatives', to be read in conjunction with the preceding statement that 'The Chairman/woman and Vice-Chairman/woman of the Board shall be elected by the Pension Fund Board.'

There were two questions, whether the whole Board took part in the elections, and whether it was a requirement, or merely a convention, that the sector of representatives from which the Chairman/woman was drawn alternated each year.

Action required

The Chairman expressed the Board's thanks to the outgoing Democratic Services Officer, Ruth Yule, for her work supporting the Board's meetings to a high standard. He wished her well in retirement, and welcomed Rob Sanderson, Democratic Services Officer, as a worthy successor.

37. EXCLUSION OF PRESS AND PUBLIC

It was resolved to:

Exclude the press and public from the meeting for the following items of business on the grounds that they 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)).

38. PENSION FUND ANNUAL BUSINESS PLAN AND MEDIUM TERM STRATEGY 2018-19 TO 2020-21

The Board received a report presenting the Annual Business Plan and Medium-Term Strategy detailing the Fund's key areas of activity over the period 2018/19 to 2020/21. The report was considered in private because the discussion touched on the appended confidential Memorandum on efficiency improvements in the delivery of pension services.

In the course of discussion, members

- noted that the plan was specific to the Cambridgeshire fund, though it included the appointment of four additional staff to support administration of the Northamptonshire and the Cambridgeshire funds; the costs of these posts would be shared by the two funds
- queried whether the full costs of the four new posts were reflected in the report, and were reminded that accommodation costs had been accounted for elsewhere in the document
- noted that, although the structure depicted in the staff diagram included two team leaders and five pensions officers, one of the team leaders actually concentrated on technical work rather than managing staff.

It was resolved unanimously

to approve the Business Plan and Medium-Term Strategy.

39. 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. The Chairman thanked officers for the report and oral update, and congratulated them on the production of a comprehensive project overview chart.

It was resolved to note the update on asset pooling.

40. MINUTES OF THE PENSION FUND COMMITTEE 29 MARCH 2018

It was resolved to note the minutes of the Pension Fund Committee held on 29 March 2018.

Chairman