

Local Pension Fund Board Minutes

Date: Friday 29 April 2022

Time: 10am -12:32pm.

Venue: Virtual Meeting

Present: Employer Representatives: Parish Councillor Denis Payne [Chair]; County Councillors Simon King, Philippa Slatter

Employee Representatives: Val Limb, Barry O'Sullivan [Vice-Chair]

38. Apologies for Absence and Declarations of Interest

Apologies were received from Martin Dachs. No declarations of interest were received.

39. Local Pension Fund Board Minutes – 28 January 2022 and Action Log Pension Fund Committee Minutes – 24 March 2022

The minutes of the meeting held on 28 January 2022 were agreed as a correct record and would be signed by the Chair when the meeting was next held in person. The action log was noted.

The minutes of the Cambridgeshire Pension Fund Committee held on 24 March 2022 were also noted.

40. Administration Report

The Board received a report which demonstrated the Fund's consistently good administration performance for the period December 2021 to February 2022. The report noted: payment of 99.6% of employee and employer contributions between January and February, three compliments, six internally managed complaints, details of the missed KPI in March, immaterial and material breaches, and risk management. The officer reported that since publishing the two unpaid contributions had been paid.

While presenting the report, the officer gave further detail of the administrative breaches. Of the four non-material breaches within the internal dispute resolution procedure, two of which were granted extensions and two of which were partially upheld.

The single material breach totalled 70 data breaches affecting 145 scheme member records. An apology had been issued to the affected scheme members and the member of staff responsible had undertaken training and been reminded of GDPR procedure.

In response to the report Members:

- Clarified that the material data breach had been low level and caused by the distribution of data mailed to members on double sided paper. Postroom checks and printing checks were already in place to mitigate this, and now spot checking would also occur.
- Noted that, prior to formal reporting, the Fund worked with employers to remind them of their statutory obligation for payment.
- Established that safeguards in place included mandatory core data protection and data breach reporting training for staff, a data breach log, and data breach reporting to the Authority and Information Commissioners Office [ICO]. Further checks would be implemented following the move to hybrid arrangements.
- Requested that, in future, the appendix of employer contributions noted an approximate schedule of payment in instances where the exact amount was unknown. **Action.**
- Clarified that the data breach in section 7 of the report had been reported through the internal process and logged with the ICO as an information item only.

It was resolved to note the report.

41. Governance Compliance Report

The Board received a report which provided information on: statistics from the Department for Levelling Up, Housing and Communities on the English and Welsh Fund; Scheme Advisory Board representation in asset pools; the UN Letter regarding investments in the Israeli settlement economy; the completed Pensions Dashboards Regulations consultation and proposed staging deadline of April 2024, scam reporting; the introduction of 'Pensions Wise' guidance; skills and knowledge opportunities; and a link to the policy and strategy document.

On 7 March 2022, the ACCESS Joint Committee agreed to allow representation of one scheme member and one asset member at committee meetings. This would be reviewed in 2023. Following implementation, the constitution, governance and compliance statement and inter-authority agreement would be changed to reflect this.

In response to the report, Members:

- Noted that the Head of Pensions had not been made aware that the UN special reporter letter was sent to Cambridgeshire and that further investigations into the claims were being made at a national level.
- Agreed that Barry O'Sullivan could attend ACCESS Joint Committee meetings as one of two member representatives.

- Confirmed that scams prevention methods included: red flagging within the transfer system, additional sign offs for large transfers, scam awareness correspondence with members, partaking in the pensions regulator scam informing service, the prohibition of significant value third party transactions, lengthy transfer periods, residency checks, statements from the member, and reporting to the pensions regulator.
- Noted that dates for the Investment and Pensions summit were not yet confirmed.
- Acknowledged that 5% of assets were in the Local Foresight Regional Fund which invested in local businesses, the Cambridge & County Bank jointly owed with Trinity Hall, and Cambridgeshire Building Society.

It was resolved to note the contents of the report.

42. Pension Fund Business Plan Update

The Board received an update on the progress made to key activities of the Pension Fund for the period up to the end of the financial year.

Completed actions included: investment and custody procurements, customer service excellence accreditation, employer covenant monitoring, and a performance reporting and benchmarking review.

Ongoing actions included: cyber resilience, the McCloud project (the Government deadline for which was extended), the Responsible Investment Strategy, and Climate Action Plan.

Rescheduled or suspended actions included: the Pension Fund Committee's agreement not to proceed with PASA accreditation, the code of practice (rescheduled due to government delays), the suspension of liability reduction exercises, the decision not to proceed with multiple investment strategies, and the rescheduled property strategy review.

Financial information would be finalised in the Annual Report of Accounts and incorporate information from the final quarter. However, staffing within administration expenses was underspent due to vacancies.

In response to the report, officers informed members that regulatory changes and work processes were reviewed by the Quality Assurance Board. Completion of PASA accreditation may be reviewed in future but was unlikely to become mandatory.

It was resolved to note the Business Plan Update to the end of the financial year.

43. Pension Fund Annual Business Plan and Medium-Term Strategy 2022/23 to 2024/25

The Board received a summary of the Annual Business Plan and Medium-Term Strategy which detailed the Fund's key areas of activity over the period 2022/23 to 2024/25. The strategy remained largely the same, however investments and accounting had been amalgamated under one manager, and a systems and projects manager had been formally inserted into the structure. Financially, the triennial valuation would impact 2022/23 consultancy fees, as it did every three years, and there had been a reasonable increase in Council overhead recovery due to the reassessment of ERP system costs.

Business activities included: procurement, the Pension Dashboard, the streamlined processing of undecided leavers (target net decrease: 2,500pa), responsible investment through decarbonisation and stewardship reporting, a new investment webpage, work on the Task Force for Climate Related Financial Disclosures, and stewardship code application.

In response to the report, Members:

- Noted that North and West Northamptonshire councillors had undergone a presentation on responsible investment, which could also be delivered to Cambridgeshire councillors.
- Impressed the importance of trusting officers to carry out their roles on behalf of the Council.
- Acknowledged that councillors sitting on the Pension Fund Board and Committee were acting in a fiduciary capacity in the best interests of scheme members, rather than constituents.

It was resolved to note the contents of the Business Plan and Medium-Term Strategy.

44. Agenda Plan

Officers agreed to provide notice of the dates of Committee meetings attended by cyber valuation specialists. **Action.**

It was confirmed that a joint 'conflicts of interest' policy for the Pension Fund Board and Committee would be included in the Governance Review.

The agenda plan was noted.

45. Exclusion of Press and Public

It was resolved that the press and public be excluded from the meeting on the grounds that the agenda contained exempt information under Paragraphs 1 & 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 any individual, and information relating to the financial or business affairs of any particular person (including the authority holding that information).

Chair