

Local Pension Fund Board Minutes

Date: Friday 1 July 2022

Time: 10:03am – 12:10pm.

Venue: Virtual Meeting

Present: Employer Representatives: Parish Councillor Denis Payne [Chair]; and
County Councillors Simon King.

Employee Representatives: Barry O’Sullivan [Vice-Chair]

49. Apologies for Absence and Declarations of Interest

Apologies were received from Martin Dachs, Val Limb, and Councillor Philippa Slatter.

No declarations of interest were received.

With the agreement of the Board, the Chair postponed the election of the Chair and Vice Chair for the municipal year 2022-23, until the Local Pension Board meeting on 4 November 2022. This was on the grounds of reduced attendance for the 1 July meeting.

50. Local Pension Fund Board Minutes – 29 April 2022 and Action Log Pension Fund Committee Minutes – 10 June 2022 Pension Fund Investment Sub-Committee – 26 May 2022

The minutes of the meeting held on 29 April 2022 were agreed as an 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 10 June 2022 and of the Pension Fund Investment Sub-Committee held on 26 May 2022 were also noted.

51. Administration Report

The Board received a report which demonstrated the Fund’s consistently good administration performance for the period 1 March 2022 to 31 May 2022. The report noted that all key performance indicators bar two met targets; an average payment of 99.6% of employee and employer contributions over the year; a single non-material breach relating to internal dispute resolution procedure determination deadlines; and a significant pension overpayment of £14,103.69. The significant pension overpayment had occurred as a result of a UK resident dying while overseas in which circumstance it was the responsibility of the next of kin to notify the authority as there was no way of identifying deaths that occur overseas. The overpayment had been returned in full.

In response to the report, members:

- Clarified that there was an automated task management system in which casework was logged. Performance against the key performance indicators are established using the system reporting.
- Noted that stage 1 IDRP complaints were reviewed by the Head of Pensions who verified whether maladministration had occurred and whether the complainant should receive financial redress for distress and/or inconvenience caused. Should an individual be awarded compensation and be unhappy with the amount they had been awarded (as was the case with this dispute), the concern could be escalated to stage 2 (the monitoring officer) with recourse to the Ombudsman if they remain unsatisfied with the determination of stage 2. However, the Ombudsman often awarded less than the complainant's desired amount.

It was resolved to note the report.

52. Governance Compliance Report

The Board received a report which provided information on: the Scheme Advisory Board; approval of the Data Improvement Policy and Plan by the Pension Fund Committee; the use of i-Connect for data collection; progression towards the launch of the Pensions Dashboard Programme, for which the service had commenced initial delivery work; and skills and knowledge opportunities for Board members. A letter had been sent to Chairs of the Pension Fund and Pension Fund Committee outlining Prudential performance concerns and potential resolutions. Appendix 1 contained a full policy/strategy cycle review with planned resolutions and revised deadlines.

In response to members' questions, officers explained that:

- The Annual Report was presented to the Pension Fund Committee for noting in July and to the Audit Committee for sign off; the deadline for the Statement of Accounts was in the autumn and the date would be confirmed following the meeting. **Action.**
- There were no significant implications for the slipped review dates (highlighted in bold on the report) all of which had policies in place and would be reviewed within the financial year.
- The Overpayment of Pensions Policy required a review, but policy reviews were subject to sufficient resourcing and therefore the policies scheduled for review were prioritised. Following the meeting, officers would evaluate the policy list to establish that their urgency was adequately ranked. **Action.**

The Chair expressed his contentment with the full cycle review at Appendix 1, including the change from annual to bi-annual review.

It was resolved to note the contents of the report.

53. Data Improvement Strategy and Plan

The Board received an update on revisions to the Data Improvement Strategy and Plan for post-scrutiny. The Plan had been rewritten to impress the importance of high quality, accurate data gathering through annual and cyclical activities. Specific data plans had been drawn up, including a data cleanse for the triennial valuation and McCloud.

In response to members questions, officers clarified that:

- Fines would be levied in the eventuality that a scheme employer continued to fail to provide timely, accurate data. This occurred generally in relation to the annual data submission. Reminders were sent to employers regarding the need to provide data and the consequences of failure to do this. A member suggested including the consequences in the next iteration of the Data Improvement Strategy and Plan.
- Data from a few months ago established that 98% of membership was covered by i-Connect.
- McCloud had gathered data from employers in two phases, with the second phase targeting larger employers. Most employers had submitted data and this was ready for uploading, but some remained outstanding – predominantly where there were discrepancies with service breaks.
- Other beneficiaries referenced on page 66 could include payments to a third party that may not be a relation to the deceased.
- The Fund would extend the end of year process to reduce the tight year-end deadline. The end of year process applied to employers who sent information monthly or annually.
- That a data score of over 95% suggested that the service was receiving high quality data from employers. The largest problem in data scoring came from acquiring and maintaining deferred member addresses. Common and conditional scores for Cambridgeshire would be circulated following the meeting. **Action.**

It was resolved to note the Data Improvement Strategy & Plan.

54. Reporting Breaches of the Law to the Pensions Regulator Policy

The Pensions Regulator's new singular Code of Practice was scheduled for release in November 2021, but had been delayed. However, it was expected changes to reporting breaches of the law would not be significant. The Fund had scheduled a full review based on the current code and would re-evaluate this once publication of the new code had occurred. In the meantime, the Fund's Reporting Breaches of the Law to The Pensions Regulator had been reviewed and changes thus far included updated contact

numbers, incorporation of an 'effective date' table to show review history, and potential Pensions Regulator measures in the event of a material breach in the law.

In response to the report, members:

- Complimented the use of a traffic light system.
- Noted that certain policies were flagged to new members of staff and thanked officers for offering to speak to colleagues regarding how new Members of staff could be better trained to recognise breaches of the law. **Action.**
- Suggested grammatical or formatting changes to the paper including reviewing the flow chart on paragraph 8.2 and the use of the definite and indefinite article when referencing reporters. It was also requested that Section 10.6 used examples to clarify what was meant by the term 'if appropriate'. **Action.**

It was resolved to review the Reporting Breaches of the Law to the Pensions Regulator Policy.

55. Valuation Update

The Board received a report on the valuation. All pre-valuation activities had been completed, including data cleansing, covenant assessments with the highest risk employers, committee approval of financial demographic assessments, and employer data collection. Ongoing and future activities included: the uploading of employee data scheduled in two weeks; an actuarial consultation on the Funding Strategy Statement, scheduled for 12 July 2022; and contribution strategy guidance for individual Local Authorities on their desire to freeze or reduce contribution rates by <1% per annum.

In response to member's questions, the officer reported that there were currently no concerns regarding project progression. He specifically noted the positive influence of i-Connect on data gathering.

It was resolved to note the Valuation Update.

56. Agenda Plan

The agenda plan was noted.

Some Members showed concerned about attending in person for meetings, rather than training sessions. Reserve meetings were suggested as a method to reduce meeting time if agendas did elongate in future.

Mandatory training had been completed, and the training schedule going forward would be reviewed to ensure it was varied and appealed to as many individuals as possible.

57. 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