

Agenda



AGENDA for a meeting of the LOCAL GOVERNMENT PENSION SCHEME PENSION BOARD to be held in the COMMITTEE ROOM B, County Hall, Hertford on TUESDAY, 20 MARCH 2018 AT 10.30AM

MEMBERS OF THE BOARD (8) - QUORUM (4)

Employer Representatives - D Ashley, G Clay, D Graham, P Neville (Chairman),

Member Representatives - M Collier, J Digby (Vice Chairman), K Harding, K O'Daly, C Roberts

STANDING SUBSTITUTE MEMBERS

Employer Representatives - J Anderton, M Green, J Hurley, T Hone

Member Representatives - Vacant

Meetings of the Board are open to the public (this includes the press) and attendance is welcomed. However, there may be occasions when the public are excluded from the meeting for particular items of business. Any such items would be taken at the end of the public part of the meeting and listed under "Part Two ('closed') agenda".

Committee Room B is fitted with an audio system to assist those with hearing impairment. Anyone who wishes to use this should contact main (front) reception.

Members are reminded that all equalities implications and equalities impact assessments undertaken in relation to any matter on this agenda must be rigorously considered prior to any decision being reached on that matter.

Members are reminded that:

- (1) if they consider that they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting they must declare that interest and must not participate in or vote on that matter unless a dispensation has been granted by the Standards Committee;
- (2) if they consider that they have a Declarable Interest (as defined in paragraph 5.3 of the Code of Conduct for Members) in any matter to be considered at the meeting they must declare the existence and nature of that interest. If a member has a Declarable Interest they should consider whether they should participate in consideration of the matter and vote on it.

AGENDA

1. MINUTES

To confirm the Part I minutes of the meeting held on 8 December 2017 (attached).

2. LOCAL PENSIONS PARTNERSHIP PRESENTATION ON GENERAL DATA PROTECTION REGULATIONS (GDPR)

Presentation of the LPP

3. PENSION FUND GOVERNANCE AND RISK MANAGEMENT REPORT

Report of the Director of Resources

4. LOCAL PENSIONS PARTNERSHIP LOCAL GOVERNMENT PENSION FUND ADMINISTRATION REPORT

Report of LPP

DATES OF FUTURE MEETINGS

The Board is invited to note the dates of future meetings, as follows:

18 July 2018: 10.00 AM

EXCLUSION OF PRESS AND PUBLIC

The Chairman will move:-

“That under Section 100(A)(4) 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 involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

PART II (‘CLOSED’) AGENDA

1. MINUTES

To confirm the Part II minutes of the meeting held on 8 December 2017 (attached).

2. CEASED EMPLOYERS IN THE FUND WITH OUTSTANDING LIABILITES

Report of the Director of Resources

3. COST OF INVESTMENT MANAGEMENT 2016/17

Report of the Assistant Director – Finance

4. ACCESS UPDATE

Report of the Director of Resources

**5. PART II ('CLOSED') AGENDA
PENSION FUND – FUNDING AND INVESTMENT REPORT (Formerly
PERFORMANCE REPORT) AS AT 31 DECEMBER 2017**

Report of the Director of Resources

If you require further information about this agenda please contact Theresa Baker, Democratic Services Officer, on telephone no (01992) 556545 or by e-mail to theresa.baker@hertfordshire.gov.uk

Agenda documents are also available on the internet at:

<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings.aspx>

For further information about the issues covered in these reports please contact Patrick Towey on 01992 555148.

Minutes



To: All Members of the Pensions Board LGPS, Chief Executive, Chief Officers, All officers named for 'actions'

From: Legal, Democratic & Statutory Services
Ask for: Theresa Baker
Ext: 26545

PENSION BOARD LGPS 8 DECEMBER 2017

ATTENDANCE

MEMBERS OF THE BOARD

Employer Representatives: D Ashley, G Clay, P Neville (Chairman)

Member Representatives: K Harding, C Roberts

STANDING SUBSTITUTE MEMBERS

Employer Representatives: J Anderton, M Green, T W Hone,

Member Representatives: Vacant

Upon consideration of the agenda for the Pensions Board LGPS meeting on 8 December 2017 as circulated, copy annexed, conclusions were reached and are recorded below:

Chairman's Announcements:

The Board were advised that David Devereux had resigned from his position as an Employee Representative to take up a post with Bedfordshire branches of UNISON.

Note: No conflicts of interest were declared by any member of the Board in relation to the matters on which conclusions were reached at this meeting

PART I ('OPEN') BUSINESS

1. MINUTES PART 1

- 1.1 The Minutes (Part I) of the LGPS Pensions Board meeting held on 20 September 2017 were confirmed as a correct record and signed by the Chairman.

2. PENSION FUND GOVERNANCE AND RISK MANAGEMENT REPORT

[Contact: Jolyon Adam, Finance Manager (Tel: 01992 555 078)
Antony Kindell, Accountancy Officer (Tel: 01992 556895)]

- 2.1 The Board received the quarterly report on governance and risk

management of the Pension Fund for 1 July to 30 September 2017 which also encompassed the Administering Authority Report on Performance Indicators for the Administration Strategy; specific Scheme Employer matters; and details of reports presented to the previous meeting of the Pension Committee which were not on the Pension Board agenda, including its response to feedback or comments from the Board.

2.2 Members heard that following publication of the agenda and in particular the funding and investment report, an error was found in the actuarial report which had led to overstated fund asset returns and an overstatement of the funding level of the Fund. Consequently erroneous actuarial reports had been sent to in excess of 100 academies, colleges and the University who used these reports in preparation of their financial accounts. The affected employer bodies all had a financial year end of July/August.

2.3 The error had arisen because asset return numbers supplied to the actuary had not been reviewed and signed off by senior officers. In mitigation, once the error had been identified, officers worked with the actuary to commission revised reports and issue them to the impacted bodies as soon as possible in order that they could accordingly amend their financial statements. Officers highlighted that controls were now in place to ensure a senior officer in the team would review and sign off the returns, and that an accompanying audit trail would be supplied to the actuary to evidence the returns for the period concerned. The Leader of the Council and the Chairman of Pension Committee had already been made aware of the incident and a report would be presented to the Pension Committee.

2.4 Members heard that the additional audit and accountancy costs incurred by the affected bodies would be reimbursed, however no decision had as yet been reached on whether the Pension Fund itself or the Administering Authority should bear the cost of reimbursement.

2.5 In light of the incident and discussion on quarterly refreshing of the Risk Register, the Board heard that officers were reviewing Administering Authority areas where controls were necessary and critical; officers would work with internal auditors to direct them to areas of concern and any audit findings would subsequently be reported to the Board.

J Adam

2.6 Following discussion of employers with unrecoverable funding deficits officers agreed to bring a comprehensive report on the issue to the March 2018 meeting of the Board.

J Adam

Conclusion:

2.7 The Board commented on and noted the content of the report.

3. LEGAL ADVICE ON ADMISSION PROCESS

[Officer Contact: Jolyon Adam, Finance Manager
(Tel: 01992 555078)]

- 3.1 The Board received an overview report on a number of proposed measures, submitted for comment to the Fund's legal consultants Squire Patton Boggs (SPB), which sought to expedite the admissions process for new employers entering the fund and to address the backlog of admission cases.
- 3.2 Officers highlighted the issues behind outstanding Admission Agreements (AA), the resultant liability on the scheme employer arising from outsourced contracts where there was a TUPE transfer of staff from a scheduled body who were currently members of the LGPS, officer's proposals for vehicles to encourage employers to pursue timely completion of their AA and Squire Patton, Boggs' assessment of these options.
- 3.3 Officers clarified that Hertfordshire's LGPS was one of only a few funds to commission such as assessment and, on the basis of equitable sharing of knowledge, would share the findings with the other funds in ACCESS. A Member commented that they would like to know what the other funds were doing.
- 3.4 Members noted:
- The proposed timescale of 6 months to have an AA in place, after initial outsourcing of the contract, before charging for delay began;
 - The administration charge was a vehicle for recovering the cost of any work involved in the process;
 - The penalties would be backdated to the inception of the contract as an incentive;
 - The fund members had not yet been informed of the proposals;
 - That officers would share the legal advice with the Fund's actuary to understand the practical implementation of the process and that this would be presented to Pensions Committee for approval.
- 3.5 A Member commented that intuitively the body paying the worker's wages should pay the pensions contributions from the outset.

Conclusion:

- 3.6 On the basis of Squire Patton Boggs' advice the Board recommended that officers take the proposal for the introduction of a premium contribution rate, in the form of a secondary contribution rate set out in a 'Rates and Adjustments Certificate' (RAC), and the charging of additional administrative expenses, to the Fund's actuary, Hymans Robertson, to seek their views on its practical implementation.

J Adam

**4. LOCAL PENSIONS PARTNERSHIP
LOCAL GOVERNMENT PENSION FUND ADMINISTRATION
REPORT**

[Contact: Taryn Mutter – Head of Client Delivery (LPP)]

- 4.1 Members received the quarter two 2017/18 update from the Local Pensions Partnership (LPP) on the delivery of the pensions fund administration services in relation to statistics and key performance indicators, progress on projects and key activities and an update on regulatory changes including potential scheme changes.
- 4.2 John Crowhurst (Deputy Director of Pensions LPP) presented the report.
- 4.3 Members expressed disappointment at the LPP's (61%) quarterly overall level of performance against Service Level Agreement (SLA) and Volumes, in particular for deferred benefits and deaths. J Crowhurst clarified that the backlogs stemmed from increased staff turnover in the LPP, retirement of experienced staff leaving relatively inexperienced contract staff that were unable to deal with the full range of tasks, staff sickness and pre booked summer leave. In addition the influx of death cases for review to the work flow had impacted the SLA.
- 4.4 Members received assurance that, as part of improving resilience, the LPP's new business model incorporated contingency processes to ensure that the backlog did not reoccur including implementation of a target operation report; recruitment and training of 4 new staff on death benefits and support of London staff by the Preston office.
- 4.5 The LPP Engagement Team's focus on making the system fit for purpose, ensuring that employers knew how to use it, would improve processing throughout the year including the peaks of deferred benefit cases resulting from the end of the school period.
- 4.6 The LPP Engagement Team would approach employers with large staff numbers for details of any major restructuring/redundancies; the Board supported this approach.
- 4.7 The data for Performance against SLA for October and November was tabled and provided as evidence of improvement and can be viewed at:
[LGPS Pension Board - 8 December 2017- LPP Performance against SLA for October & November 2017](#)
- 4.8 Members requested that the LPP include the Service Level Agreement (SLA) in future reports.

T Mutter
J Crowhurst

T Mutter
J Crowhurst

- | | | |
|------|--|-------------------------|
| 4.9 | Members heard that the LPP contract included penalties for not adhering to the SLA and key performance indicators (KPI's), and that the authority was considering enforcement for deferred benefits cases. Officers clarified that LPP currently were charging a reduced rate for other work in lieu of penalties. The Board requested a report on the contractual penalties for deferred benefit cases processed outside of SLA. | J Adam |
| 4.10 | The Board heard that the County Council did not have the resources to bring the pension fund administration in house, that the LPP's contract was due to end in 2019 with an option to extend for 2 years and that officers were investigating the possibility of a shared services contract. Officers agreed to review the LPP's current SLA when the contract came up for renewal and bring a report on the findings to the Board. | J Adam |
| 4.11 | In view of the large amount of sensitive personal data held on Scheme Members by LPP, and the imminent need for their storage and handling to comply with the General Data Protection Regulation (GDPR), the Board requested that the LPP bring a report on its approach to preparation for it. | T Mutter
J Crowhurst |

Conclusion

- 4.12 The Board noted the contents of the report.
- 4.13 The Chairman moved the meeting into PART II (Closed Session) and passed the decision at paragraph 4.14.
- 4.14 That under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The LPP staff left the room.

PART II ('CLOSED') AGENDA

1. MINUTES

The Minute of this item of business is set out in the separate Part II Minutes.

2. ACCESS – PASSIVE PROCUREMENT AWARD

The Minute of this item of business is set out in the separate Part II Minutes.

3. ACCESS – OPERATOR PROCUREMENT

The Minute of this item of business is set out in the separate Part II Minutes.

4. PENSION FUND – FUNDING AND INVESTMENT REPORT (Formerly PERFORMANCE REPORT) AS AT 30 SEPTEMBER 2017

The Minute of this item of business is set out in the separate Part II Minutes.

4.15 Following discussion on the Part II reports on the items referred to at 4.14 above and Recommendations, the Chairman moved the meeting back into Part I (Open Session).

The Board requested that on future agendas the dates for future meetings were listed directly after the Part I items and include the timings for the meeting.

T Baker

DATES OF FUTURE MEETINGS

The Board noted the dates of future meetings as follows:

- 20 March 2018: 10.00-13.00hrs
- 18 July 2018: 10.00-13.00hrs

The Chairman moved to close the Part I agenda.

OTHER PART I BUSINESS

There was no other PART I business.

**KATHRYN PETTITT
CHIEF LEGAL OFFICER**

CHAIRMAN _____

**CHAIRMAN'S
INITIALS**

.....

HERTFORDSHIRE COUNTY COUNCIL

LGPS PENSION BOARD

20 MARCH 2018 AT 10:30AM

Agenda Item
No:

2

LOCAL PENSIONS PARTNERSHIP

**PRESENTATION ON GENERAL DATA PROTECTION REGULATIONS
(GDPR)**

Presentation of LPP

Author: James Ahlberg – Information Governance Manager, (LPP)

Purpose of the presentation:

Following the Board's request at its meeting on 8 December 2017 for a report from the LPP on its approach to preparation for GDPR, this presentation (Appendix 1) provides an overview of the background to the General Data Protection Regulations, its importance, key changes that will affect the LGPS, first steps towards compliance and an update on the LPP's progress.

Recommendations:

That the Board notes the contents of the presentation

General Data Protection Regulations (GDPR)

Presented by James Ahlberg
Information Governance Manager

What I will be covering...

- Background to the General Data Protection Regulation
- Why is it important?
- Key changes that will affect the LGPS
- First steps towards compliance
- Update on LPP's progress



Background to General Data Protection Regulation (GDPR)

- What is it?
 - An EU regulation which will replace current EU Data Protection Directive 95/46/EC and the UK Data protection Act 1998
 - It provides a new legal framework setting out rules for processing personal data across the EU
 - Reinforces the existing law – Data Protection Act 1998 but:
 - Much more prescriptive
 - Higher penalties for non-compliance
- When does it come into force?
 - 25th of May 2018
 - Brexit to have little or no impact

25th May, 2018

Why is it important?

Giant leap in penalties – up almost 4000%!

- Fines of up to greater of 4% annual worldwide turnover or €20 million for breaching key principles:
 - Data Security
 - Fair & Lawful processing
 - Transferring data outside the EU
 - Data subjects rights i.e. right of access, rectification, erasure
- Lower tier fines up to greater of 2% of annual worldwide turnover or €10 million for breaching lesser principles:
 - Failing to notify a data breach on time
 - Failing to have correct contract with service provider



Why is it important?

Claims for compensation & other remedies

- Individuals can claim compensation for material and non-material damage i.e. Distress
- Not-for-profit bodies can bring representative actions on behalf of individuals
- New liability for data processors (pension administration service providers, IT providers etc) but data controllers (Administrating Authorities) remain primarily liable



- Additional wide powers:
 - Investigative i.e. demand information/ audits
 - Obtain access to premises, equipment etc
 - Warnings, temporary/ permanent bans on data use, order suspension of data flows

Key changes that will affect the LGPS

Data Mapping/ Records of processing activities (article 30)

- Name and contact details of controller and DPO
- Purpose
- Categories of data and data subjects
- Categories of recipients
- Transfers to third countries, and documentation of safeguards
- Where possible, time limits to erasure
- Where possible, description of security measures
- Make available to Supervisory Authority on request



Key changes that will affect the LGPS

Data Protection Officer (Article 37-39)

- Mandatory because a public authority
- Potentially could be one DPO for several authorities
- Basis of appointment
 - Professional qualities
 - Expert knowledge of data protection law
 - Ability to perform required services
- Must be actively involved in all issues relating to personal data
- Must report directly to most senior management

Key changes that will affect the LGPS

Enhanced Privacy Notices – more information in a shorter notice!

- All existing privacy notices need to be revised to include new mandatory information (Articles 14 & 14a)
- Must be concise and intelligible, so more information but shorter text!
- Solutions:
 - Layering - Short summary of key/unusual data uses, plus link to fuller privacy notice
 - Just in time notices i.e. when sign up to a new service
 - Privacy dashboards – meaningful choices about data uses
 - Videos or animations
- Stricter limits on use/effectiveness of consents



Key changes that will affect the LGPS

Privacy Impact assessments? (Article 33)

- Required where "high risk" to rights and freedoms of individuals, including:
 - Systematic and extensive evaluation based on automated processing, including profiling, that significantly affects individuals; or
 - Large scale processing of sensitive personal data

Conducting
privacy impact
assessments

ico.



Agenda Pack 20 of 68

LPP

Local Pensions Partnership

Key changes that will affect the LGPS

Privacy by Design and Default

- Requires right level of data protection to be embedded in life cycle of applications, taking account of
 - available technology
 - cost
 - risks
- To include data minimisation and pseudonymisation
- Default settings must ensure that only the specific personal data needed for the purpose is processed i.e. amount of data, extent of processing, period of storage and accessibility.
- Increased importance of limiting amount of data collected and what is shared



Key changes that will affect the LGPS

Mandatory data breach notification – Robust data breach policy essential

- Must notify ICO of data breach unless unlikely to result in risk to individuals (i.e. some damage, or even loss of control of data)
- **Without undue delay** and where feasible within 72 hours after having become aware of the breach
 - Full details of the breach i.e. nature, categories and number of individuals affected, likely consequences and measures to address/mitigate the breach
- 72 hours = very short timescale – effective data breach handling procedure essential
- A *processor* shall notify the *controller* without undue delay
- A notification to the data subject **without undue delay** is also mandatory if breach likely to result in a high risk (not if encrypted so unintelligible)
- Controllers must document data breaches

Agenda Pack 22 of 68

LPP

Local Pensions Partnership



Key changes that will affect the LGPS

Service provider agreements – renegotiation & redrafting

- Expanded list of mandatory clauses to be included in every agreement that starts or continues after 25 May 2018
- For first time, direct obligations on processors, including
 - Security measures
 - Records of processing activities
 - Compliance on cross-border transfers
 - Co-operation with controller on compliance
- Big change in risk profile for processors
 - So likely to look to limit liability/seek indemnities

Key changes that will affect the LGPS

And don't forget...

- Data Security – Will remain critically important
- Subject Access Requests – Will continue/increase in frequency
- Transfers Outside EEA – Will continue to need special terms/justifications
- Profiling/Automated Decision-making – Restrictions have been strengthened
- Right to be Forgotten - Expanded



First Steps Towards Compliance

STEP 1 – Data Mapping & Gap Analysis

- Audit current position & identify major gaps in compliance
- Create/update records of personal data processed
- Develop & implement a compliance plan

STEP 2 – Data Privacy Officer

- Agree appropriate structure & roles for DPO(s)
- Develop job specification
- Recruit/appoint DPO(s)

STEP 3 - Data Protection Policies & Procedures

- Identify & review existing policies/procedures
- Update and add to these as required

First Steps Towards Compliance

STEP 4 – Review data security & breach handling processes

- Review and update data security systems, processes & procedures
- Prepare and/or update data breach response plans

STEP 5 – Service Agreements

- Identify and prioritise existing agreements for review/renegotiation
- Revise standard templates to include new mandatory provisions

STEP 6 - Privacy Notices

- Update to insert mandatory content
- Consider layering notices

STEP 7 - Check you can 'demonstrate' compliance

LPP

Local Pensions Partnership

Agenda Pack 26 of 68



Update on LPP's progress

Step	LPP Progress
1	<ul style="list-style-type: none">• High level & detailed gap analysis completed• Data mapping for admin business completed, other areas of the business ongoing
2	<ul style="list-style-type: none">• DPO in place and a new Information Governance Manager appointed to head up GDPR implementation
3	<ul style="list-style-type: none">• All policies and procedures identified and in the process of being updated
4	<ul style="list-style-type: none">• A new process and system to report data breaches has been implemented• A detailed staff training plan for all staff is underway for roll out in March
5	<ul style="list-style-type: none">• All service agreements have been identified and are in the process of being reviewed to ensure compliance by May 25th• Legal have drafted the supplemental agreement which is currently being reviewed
6	<ul style="list-style-type: none">• LPP's Fair Processing Notice (FPN) is in draft format ready for review• Other privacy notices for the business are under review
7	<ul style="list-style-type: none">• All decisions made are being recorded so LPP can demonstrate compliance to the ICO in case of audit or we have a data breach



Any questions?



Source information for presentation gathered from Information Commissioners Office, Squires Patton Boggs & Dilys Jones Associates Ltd.

PENSION FUND GOVERNANCE AND RISK MANAGEMENT REPORT

Report of the Director of Resources

Authors: Jolyon Adam, Finance Manager (Tel: 01992 555 078)
Antony Kindell, Accountancy Officer (Tel: 01992 556895)

1. Purpose of the Report

- 1.1 To provide a quarterly report on governance and risk management of the Pension Fund covering the period 1 October to 31 December 2017.

2. Summary

- 2.1 This report is set out in four parts:

- Part 1 provides a report on governance and risk management of the Pension Fund;
- Part 2 provides the Administering Authority Report on Performance Indicators for the Administration Strategy;
- Part 3 reports on specific scheme Employer matters; and
- Part 4 provides details of any reports that were presented to the previous meeting of the Pension Committee that are not on the Pension Board agenda. It also provides details of the Pension Committee's response to any feedback or comments from the Pension Board.

- 2.2 A separate quarterly report is provided by the Local Pensions Partnership (LPP) commenting on the performance of the contracted pension's administration service.

3. Recommendations

- 3.1 The Pension Board is invited to comment on and note the content of this report.

PART 1: GOVERNANCE AND RISK MANAGEMENT

4.1 Risk Register

The Risk Register sets out risk control mechanisms that aim to either avoid or reduce the probability and/or impact of any risk event in relation to the Pension Fund.

The quarterly Risk Register monitoring report provided in Appendix A details any activity or event during the quarter that impacts on the risk areas. The risk areas and key events and activities are summarised below:

- ACCESS investment pooling developments – these will be updated on in a separate paper to the Board;
- Officers have been carrying out significant transition work over the Winter in order to rebalance the investment portfolio in line with proposals agreed at the November Pension Committee meeting;
- The internal audit of Pensions Administration has taken place during Q3, and the draft audit report provides Substantial Assurance over controls in place. This report will be presented in a future report to the Pension Board once the final version is available. Initial timetabling for the 17/18 external audit has begun, to ensure that faster close deadlines will be met for the production of final accounts; and
- Proposals for measures which could be introduced to support the fund in dealing with employers who are not completing admission agreements are being developed with the actuary and the Fund's internal and external legal advisors. A further update on this is provided in section 4.2.

4.2 Employer risk monitoring

A separate risk monitoring exercise is carried out on a monthly basis to measure the trend and current status of risk associated with scheme employers where their covenant may have a detrimental impact on the Pension Fund.

Further detail on the risk criteria being measured is provided in Appendix B.

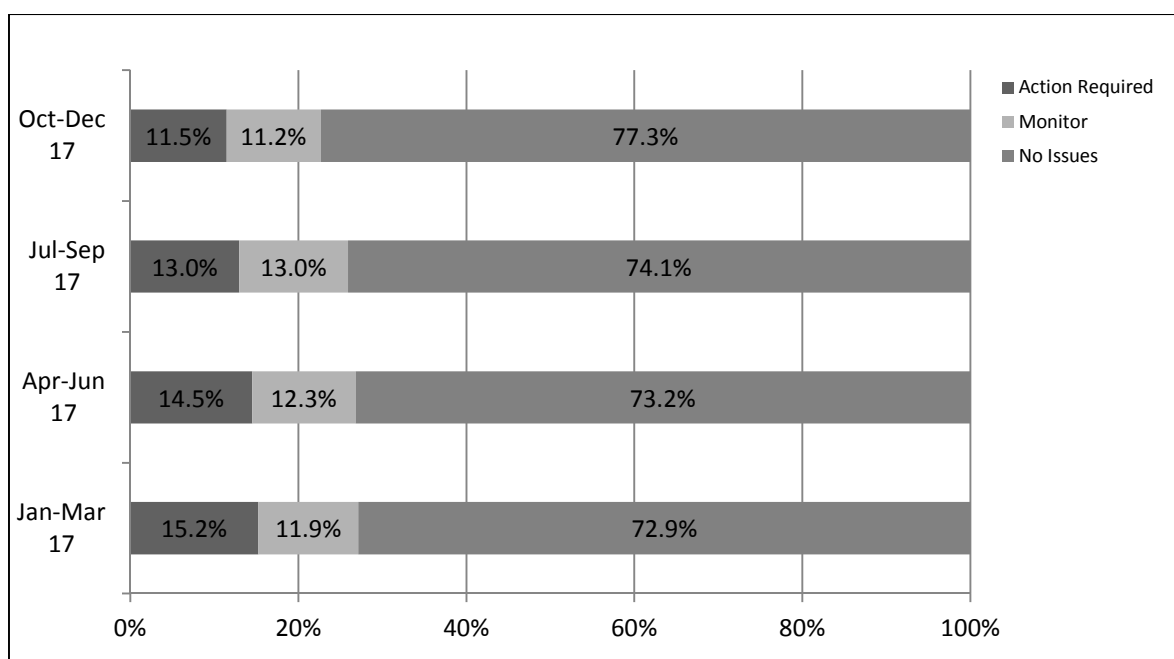
Current Status

Scheme employers are rated as:

- RED (Action required) - high risk: This indicates that action is required to mitigate the risks to the Pension Fund where there is a high risk of a scheme employer defaulting on its obligations to the Fund.
- AMBER (Monitor) - medium risk: This indicates that the scheme employer requires review or ongoing monitoring to determine whether any actions need to be taken to mitigate the risks identified.
- GREEN (No issues) - low risk: This indicates that there are no immediate issues or actions to be taken.

Table 1 provides a summary of the current position with comparative data for previous quarters.

Table 1: Employer Risk Monitor – Current Trend and Status



As at 31 December 2017 there were 375 scheme employers monitored; this is an increase of 20 compared to the last report produced at 30 September 2017 (355). This increase is largely due to academy conversions/admissions in the quarter.

Table 2 provides analysis of the number of scheme employers in each risk category together with the value of net assets and liabilities.

Table 2: Analysis of Scheme Employers by Risk Category

July – September 2017					Risk Category / Risk Score	October – December 2017				
Scheme Employers		Net Assets/ (Liabilities)		Risk Score ¹		Scheme Employers		Net Assets/ (Liabilities)		Risk Score ¹
No.	%	£ m	%		No.	%	£ m	%		
46	13.0	4.5	(1.3)	12.7	Red (9+)	43	11.5	3.6	(1.1)	12.7
46	13.0	(66.5)	19.8	4.8	Amber (4-8)	42	11.2	(65.1)	19.3	4.4
263	74.0	(274.5)	81.6	0.6	Green (0-3)	290	77.3	(275.0)	81.7	0.6
355	100.0	(336.5)	100.0	2.7	Total	375	100.0	(336.5)	100.0	2.4

¹ Calculated as an average of the individual risk scores across all employers within the category and in total

Red Risk Category

Since the last quarter, the number of employers monitored in the 'red' risk category has decreased from 46 to 43. This movement has been detailed below:

- 4 Scheme employer's ceased membership in the Fund and no longer have any monitored risks;
 - 1 Scheme employer with Admission Agreement now signed-off; and
 - + 2 Scheme employer's yet to be formally admitted with outstanding Admission Agreements.
-
- 3

Net assets/liabilities within the 'red' risk category are a £3.6m surplus. As at the 2016 valuation the employers within the 'red' category had, collectively, moved into a surplus position.

Of the 43 scheme employers in the 'red' risk category, as at 31 December 2017, 19 related to scheme employers with Admission Agreements in progress following the TUPE transfer of staff from existing scheme employers. The table below shows the age profile of these Admission Agreements relative to the start date of each service contract.

Time period since transfer	Q4 Jan-Mar 2017	Q1 Apr-Jun 2017	Q2 Sep-Jul 2017	Q3 Oct-Dec 2017
0-6 months	3	0	1	2
6-12 months	7	7	1	1
Over a year	16	18	16	16
Total	26	25	18	19

Outstanding Admission Agreement Action Plan

The Pensions Team is working closely with the County Council's Legal Services to reduce the current number of outstanding Admission Agreements, particularly those which have been outstanding for the longest period.

Ideally, Admission Agreements (AA) would be in place prior to the commencement of service contracts, however this is not often possible, as employee details (for transferring staff) can only be confirmed at the point the contract commences; this means that there will likely always be a number of Admission Agreements outstanding. The targeted time for clearing and processing new admissions is six months from service commencement. The Hertfordshire County Council's Legal Services are currently working with the Pensions Team to seek to create a revised system, allowing more admission work to be addressed prior to the start of the service contract, reducing the time taken post contract commencement for the AA to be signed.

A targeted action plan has been developed, attached at Appendix D, outlining the status and current actions being taken to resolve older outstanding Admission Agreements.

Update on New Measures Regarding Admission Agreements:

Further to the legal advice received, which was presented to the December 2017 meeting of the Board, outlining the implementation of a 'premium contribution rate' (PCR), a contrasting proposal has been put forward by the Fund's Actuary – highlighting the unfortunate ambiguity of the current regulations.

Officers have worked with Hymans Robertson to test the idea of a PCR, however Hymans have questioned the risk involved to the Pension Fund of acting *ultra vires*, or outside its powers. Hymans have highlighted that the actual risk sits with the ceding employer, who (under the Best Value Authorities staff Transfers (Pensions) Direction 2007) are responsible for ensuring pension protection for transferring employees in a TUPE situation. It is the responsibility of the outsourcing body to determine the choice of 'pension protection' offered – this is usually admission into the LGPS, but could be an 'equivalent' pension scheme. If an admission is not completed, there is a risk to the ceding employer of legal challenge from the transferred employees.

It is reasonable to suggest that the Fund has a moral obligation to support and facilitate these transfers in the interest of the members concerned, and therefore will be taking a firmer stance with the internal Legal Services of ceding employers to highlight the risk to them whilst they are not meeting their obligations. The Fund effectively has three options in this regard which will now be enacted in order, in the case of outstanding Admission Agreements:

1. Robustly communicate to the Chief Legal Officer (or equivalent) of ceding employers that their organisation is not meeting its legal obligations. The above analysis highlights that non-compliance represents a legal risk, sitting with ceding employers, rather than financial risk sitting with the Fund.
2. The Fund could process transferring members as deferred (i.e. transferring employees will receive a notification stating that they left the scheme at the date of contract commencement). This will obviously create a level of consternation at outsourcing employers, however is objectively the correct treatment – until the AA is in place, the employees are not members of the Fund.
3. The Fund could potentially take the step to report the employer to the Pensions Regulator if there is continued inaction.

Amber Risk Category

These scheme employers have been identified as requiring review to determine whether any actions need to be taken to mitigate the risks

identified. Over the quarter, the overall number of employers in this category increased from 46 to 42 the detail for which is provided below:

- 2 Scheme employer contracts extended; and

- 2 Scheme employer bonds renewed.

-4

Net liabilities in the 'amber' risk category are £65.1m representing 19.3% of total net liabilities.

Green Risk Category

The overall number of scheme employers in the 'green' risk category is 290. Net liabilities for the 'green' risk category are £275m representing 81.7% of total net liabilities.

PART 2: ADMINISTERING AUTHORITY REPORT

5. Administering Authority Report on Administration Strategy Performance Indicators

5.1 The performance of the Administering Authority and scheme employers in managing and administering the Pension Fund is measured against performance indicators set out in the Administration Strategy.

5.2 Appendix C provides a summary of the performance indicators and performance against the following:

- the Administering Authority;
- scheme employers; and
- the contracted pension administration service provided by LPP.

Details of events and activities impacting on the performance indicators are also provided in Appendix C with commentary on progress to mitigate any issues.

PART 3: SPECIFIC SCHEME EMPLOYER MATTERS

6. Specific scheme employers

6.1 New employers

1 Admission Agreement has been concluded this quarter in relation to the TUPE transfer of staff under a service contract for the following scheme employer:

- Hertfordshire County Council outsourced services (The Provision of Children's Centre Lead Agency Services) to Barnardo's.

The Admission Agreements set out surety arrangements to secure the Pension Fund from any pension's liabilities that are not met by the contractor. In the event the surety is not sufficient to cover all liabilities then these fall back to the ceding employer according to LGPS regulations.

6.2 Terminating employers

During the quarter, four scheme employers ceased participation in the Fund. In the event of a cessation, in accordance with the Pension Fund's Funding Strategy Statement and Cessation Policy, a valuation will be carried out and if a liability is identified then a payment will be required in order to ensure there are enough assets to cover the future benefits of the scheme employer's employees.

PART 4: PENSION COMMITTEE

7.1 There were no actions arising from the December 2017 meeting of the Pension Board which required a response from the Pension Committee.

APPENDIX A RISK REGISTER

The Risk Register provides an update on the current risk score compared to the initial risk assessment carried out in April 2014. Risks were scored and then classified in accordance with the Council's Risk Management criteria set out in the following table.

Risk Level	Risk Score Range	Description
Severe	32 - 80	The consequences will have a severe impact on the delivery of a key priority and comprehensive management action is required immediately.
Significant	12 - 24	The consequences of the risk materialising would be significant, but not severe. Some immediate action is required plus the development of an action plan.
Material	5 - 10	Consequences of the risk are not significant and can be managed through contingency plans. Action plans can be developed later to address the risk.
Manageable	1 - 4	Consequences of the risk are considered relatively unimportant. The status of the risk should be reviewed periodically.

This report provides commentary about events that have occurred in the key risk areas with detail provided against the individual control mechanisms. The status column in the table below shows the movement in the overall risk rating in the quarter, according to the key below.

▲	An increase in risk score since last report
◀▶	Risk score has remained unchanged since last report
▼	A decrease in risk score since last report

Risk	Current Risk Rating				Target Score	Status	Quarterly Activity Summary	
	2016 Q3	2016 Q4	2017 Q1	2017 Q2				
A	The Pension Fund Investment Strategy does not deliver the long-term projected investment returns and does not comply with legislation.	16	16	16	16	16	◀▶	<p>A procurement processes has been completed to select an Operator for the pool – and an announcement on the successful bidder will be made publicly in the coming weeks. A detailed update on ACCESS, is provided in a separate paper to this Board.</p> <p>Officers have been carrying out significant transition work over the winter in order to rebalance the investment portfolio in line with proposals agreed at the November Pension Committee meeting, summarised as:</p> <ul style="list-style-type: none"> • De-risking 10% of the investment portfolio from equities to index-linked bonds, in preparation of developing a real assets allocation. • Transitioning passively managed assets from the current manager to the ACCESS pool passive manager. • Making new allocations to private equity in order to maintain the Fund's 5% allocation to this asset class.
B	The funding level of the Pension Fund deteriorates.	16	16	16	16	16	◀▶	<p>A quarterly update on funding is being presented to the Board which shows the funding position changing from 91% at the last valuation to 96% as at 31 December 2017. The deficit at this date has therefore fallen to £172m.</p> <p>The 2017 investment strategy is seeking to de-risk the fund away from equities, and move to protect the high funding level. As detailed above, de-risking is currently underway to reduce the Fund's exposure to equities into less volatile asset classes.</p>
C	Scheme employers default on meeting their obligations to the	16	16	16	16	8	◀▶	<p>The 16/17 Annual Benefit Statement exercise was completed in August, with all active members receiving their ABS statements by the deadline of 31 August.</p>

	Pension Fund and LGPS.								A review of 16/17 ABS exercise is underway to highlight employers who have not communicated changes in their members' circumstances to the LPP in a timely manner. The fund is in the process of contacting and working with these employers through the year in order to reduce the strain on LPP at year end
D	The Pension Fund and its third party providers do not comply with regulations, statute or procedure.	4	4	4	4	4	◀▶		Separate reports are being presented to the Board to update on the current status of asset pooling. Officers are currently working with legal advisors and the Actuary to establish processes to ensure the resolution of cases of outstanding admission agreements for outsourced contracts.
TOTALS		52	52	52	52	44			

The following table provides a detailed list of the control mechanism and their status. Commentary is also provided about any risk events that have occurred in the last quarter and progress to implement those controls that are under development.

Risk Control Mechanisms		Control Status	Update
A. The Pension Fund Investment Strategy does not deliver the long-term projected investments returns and does not comply with legislation			
A.1	Ensure the strategy complies with the Local Government Pension scheme regulations, Principles and Investment Management Agreements.	Implemented	An update on the Asset Pooling is provided in a separate report to the Pensions Committee and Board meetings.
A.2	Diversify investment across asset classes and markets to reduce the impact of financial market volatility, including setting a limit on the proportion of Fund's assets held in illiquid asset classes such as private equity and property.	Implemented	Officers have been carrying out significant transition work over the winter in order to rebalance the investment portfolio in line with proposals agreed at the November Pension Committee meeting.
A.3	Monitor and provide a quarterly report to the Pensions Committee on Investment Manager's performance against benchmark.	Implemented	Performance reports are provided as a separate agenda item to quarterly Pensions Committee and Board meetings.

Risk Control Mechanisms		Control Status	Update
A.4	Monitor Investment Managers compliance with the investment restrictions and limits laid out in the Pension Fund's Investment Strategy and Investment Management Agreements and report any cases of non-compliance.	Implemented	No issues to report.
A.5	Set the Investment Strategy in light of the risk and return objectives of the Pension Fund and review at regular intervals to ensure the Strategy is still appropriate.	Implemented	A new Investment Strategy has been approved by the Pensions Committee, effective from 1 April 2017, in line with the new requirements of the LGPS (Management and Investment of Funds) Regulations 2016.
B. The funding level of the Pension Fund deteriorates			
B.1	Set investment out-performance targets at the triennial valuation with reference to the Pension Fund's current investment strategy and on a relatively prudent basis to reduce the risk of under-performing against anticipated returns. At the same time, review and agree the other actuarial assumptions such as salary increases, discount rates, longevity etc.	Implemented	No issues to report.
B.2	Provide the Pensions Committee with quarterly actuarial reports that monitor the funding position of the Pension Fund and the sensitivity of this to changes in general market conditions.	Implemented	The latest update from the actuary states that the funding position as at 31 December 2017 was 96%
B.3	Undertake annual data validation checks to identify any discrepancies or errors in the data with our third party administrator.	Implemented	The process for the 16/17 Annual Benefit Statement exercise has been completed, with all active members being sent a statement by the deadline of 31t August 2017. A data validation exercise is undertaken as part of this process.
B.4	Monitor and ensure scheme employers pay the extra capital/strain cost of non-ill-health retirements following each individual decision and in the year the decision is made.	Implemented	No issues to report.

Risk Control Mechanisms		Control Status	Update
B.5	Monitor each scheme employer's ill-health experience on an ongoing basis against the "ill health budget" set for each scheme employer at the triennial valuation and require them to make additional contributions to the Fund where budgets are exceeded.	Implemented	No issues to report.
B.6	Monitor cash flows at a whole fund level and individual scheme employer level and certify cash deficit contributions for those with reducing payrolls as identified at the triennial valuation.	Implemented	The cash flow position of the fund is monitored regularly in conjunction with the actuary, and whilst the fund is in the process of maturing it will be some years until the investment strategy needs to be amended to allow for this. The Pension Committee are now receiving periodic analysis of the cash flow position.
B.7	At each triennial valuation, assign any liabilities relating to ceased transferee admission bodies to the original ceding scheme employer.	Implemented	The ceding scheme employers for any transferee admission bodies that have ceased since the last valuation have been identified as part of the 2016 Valuation. The liabilities of these ceased employers were pooled with those of the ceding employer for the purpose of setting employer contribution rates.
B.8	Monitor the 'characteristics' and individual funding position of pool members to ensure pooling is still appropriate. Require members of the Schools or Parish and Town Council Pool to sign a pooling agreement which sets certain conditions and requirements for scheme employers' participation in the Pool.	Implemented	Triennial Valuation results for both the Schools and Academies Pool and Town and Parish Council Pool were issued in December 2016. Scheme employers had minimal queries regarding the contribution rate proposed for the following three years from 1 April 2017.
B.9	Monitor the covenant of scheme employers and review their ability to meet ongoing liabilities.	Implemented	No issues to report.
B.10	Set deficit recovery plans after taking into account the particular characteristics of each type of scheme employer and the future working lifetime of its employees. Use shorter deficit recovery periods for organisations with a limited "life" in the Pension Fund or without statutory tax raising powers.	Implemented	The maximum time horizons for recovering deficits has been reviewed as part of the 2016 Valuation and are set out in the 2017 Funding Strategy Statement.

Risk Control Mechanisms		Control Status	Update
C. Scheme employers default on meeting their obligations to the Pension Fund and LGPS			
C.1	Develop further data quality controls with the Pension Fund's third party pension's administration service to monitor membership data submitted by scheme employers to ensure it is accurate and up to date.	Implemented	No issues to report.
C.2	Develop a risk evaluation approach to identify covenant risk, categorising scheme employers as low, medium or high. Establish a set of risk criteria and monitor scheme employers against this. Engage with scheme employers at an early stage to address funding issues.	Implemented	Employer Risk Monitoring framework implemented and quarterly reports provided to the Pension Committee and Board.
C.3	Monitor contributions to ensure that scheme employers are paying the correct employer contribution rate.	Implemented	No issues to report.
C.4	Do not allow unsupported employers to be admitted to the Pension Fund. Require all community admission bodies and transferee admission bodies to obtain a bond or guarantor from the scheme employer. Revalue bonds every three years to ensure the risk cover is still appropriate.	Implemented	A risk-based approach was adopted for the 2016 Valuation with scheme employers categorised as low, medium or high risk. Ratings will be used to set the funding target for each employer given a minimum level of probability. Unsupported scheme employers allocated a higher risk rating therefore giving rise to higher required contributions which are now in force for the new valuation period.
C.5	Carry out regular financial checks on participating employers, especially non-tax raising bodies.	Implemented	Employer Risk Monitoring framework implemented and quarterly reports provided to Pension Committee and Board.
C.6	Carry out an annual employer survey to identify any changes in funding stream for scheme employers.	Implemented	New surveys have been developed so they are tailored to the type of employer body. The LPP Admin report provides an update on responses to the survey.
C.7	Pool the contributions for scheme employers with similar characteristics to enable sharing of risk	Implemented	Implemented for the Schools Pool and Parish & Town Council Pool during the 2016 Valuation.
C.8	Carry out cessation valuations on a more prudent gilts basis to ensure the payment calculated when a scheme employer's liabilities are crystallised is sufficient to meet	Implemented	No issues to report.

Risk Control Mechanisms		Control Status	Update
	the future payment of benefits made by the Pension Fund.		
D. The Pension Fund and its third party providers do not comply with regulations, statute or procedure			
D.1	Review the Custodians and Investment Managers internal control report to identify any concerns over controls and processes in place.	Implemented	Relevant fund managers have been challenged around their internal control reports provided for the 16/17 accounts, and assurances have now been received from the relevant fund managers regarding improvements in controls for the 2017/18 Financial Year.
D.2	Ensure the Custodian undertakes monthly reconciliations with the Pension Fund's Investment Managers to ensure all assets are correctly accounted for and holdings agree.	Implemented	No issues to report.
D.3	Allow only authorised personnel, as set out on the authorised signatory list, to authorise payments to and out of the Fund.	Implemented	No issues to report.
D.4	Require all large scheme employers in the Pension Fund to provide an Annual Assurance Certification that payroll systems are compliant and have been tested by the scheme employers' internal auditors	Implemented	Received as part of the 2016/17 financial year end process. Preparations are being made to send out requests for the 2017/18 Year End.
D.5	Engage internal and external audit reports to regularly test that appropriate controls are in place over the payment of benefits and expenses and collection of contributions and that they are working.	Implemented	The draft results of the 2017 internal audit of Pensions Administration have now been received, and provide substantial assurance over the controls in place. Once this report is finalised it will be made available to the next meeting of the Pension Board. Timetable planning is underway for the annual external audit to ensure that the faster close deadlines, (which will be in effect for the 17/18 year end), for the preparation of final accounts are met.
D.6	Work in conjunction with the Strategic Procurement Group to ensure all procurements are carried out in accordance with HCC contract and EU regulations.	Implemented	An update on ACCESS, is being provided to the Board as a separate paper. Pensions, legal and procurement officers have been working with ACCESS on the procurement of an operator for the pool, and the update will cover progress to date.

Risk Control Mechanisms		Control Status	Update
D.7	Review the Pension Fund SORP and Code of Practice in preparing the Statement of Accounts to ensure compliance and engage external audit to review the Pension Fund accounts each year.	Implemented	No issues to report.
D.8	Manage performance of the Pension Fund's third party administration service through a service level agreement and monitor against Key Performance Indicators.	Implemented	LPP Performance provided as separate agenda item to quarterly Pensions Board meetings.
D.9	Work closely with the Pension Fund's third party administration service to ensure it complies with current regulations and is alert to and can implement any changes to scheme benefits.	Implemented	No issues to report.
D.10	Ensure the Pension Fund's third party administration service has a robust programme in place to test controls on the membership benefit system and that they are fully compliant and up to date.	Implemented	Internal audit of Pensions Administration will test the controls in place around the membership system and database operated by the LPP.

APPENDIX B SCHEME EMPLOYER RISK MONITORING

Table 3 provides details about all of the risk criteria being monitored and the total number of scheme employers that fall into each criterion. These criteria have been allocated a risk level of 'red', 'amber' or 'green' depending on their potential impact and whether immediate action is required.

Scheme employers are assessed and allocated a score against each risk criterion. Their total score is then used to determine an overall classification of 'red' (high risk), 'amber' (medium risk) or 'green' (low risk).

Scheme employers will therefore be classified as high risk either by falling into at least one of the 'red' risk criteria outlined below, or by having multiple risk criteria at the 'amber' level which overall raises concern over the scheme employer's ability to meet their obligations to the Pension Fund.

Table 3: Summary of Risk Criteria Monitored

Risk No.	Risk Criteria	Risk Level (Score)	Description
REVIEWED QUARTERLY			
1	Contract end date within 12 months	Amber (4)	<p>These risks relate to scheme employers who provide service contracts to scheduled bodies (normally Councils or Schools) where the service contract is due to cease within twelve months. When the contract ends, the employer will cease membership in the Fund and the Actuary will be instructed to undertake a cessation valuation to determine if there is any outstanding deficit due for payment.</p> <p>At 31 December 2017, there were 24 scheme employers that had been contacted to determine their future participation in the Scheme.</p>
2	No active members	Amber (4)	<p>Where a scheme employer does not have any active members they are contacted to clarify their future membership in the Fund.</p> <p>At 31 December 2017, there were 2 scheme employers that had been contacted to determine</p>

Risk No.	Risk Criteria	Risk Level (Score)	Description
			their future participation in the Scheme.
3	Non-payment of contributions and lump sums	Red (9)	<p>Scheme employers are monitored for non-payment of contributions and deficit lump sums. Where incidences are identified, action will be taken in accordance with the Fund's Administration Strategy and, where significant, reported to The Pensions Regulator in accordance with the Fund's policy on reporting breaches of the law.</p> <p>At 31 December 2017, there were no issues to report.</p>
4	Bond expiring within 12 months	Amber (4)	<p>Any scheme employers with a bond expiry falling within the next twelve months are monitored under this risk.</p> <p>At 31 December 2017, there were 5 scheme employers that had been contacted to confirm bond renewals were being sought.</p>
5	Deficit recovery period	Red (9)	<p>This risk relates to scheme employers who either have no active members contributing to the Fund (where work is in progress to agree lump sum payments in lieu of contributions, cessation repayment plans) or active scheme employers where repayment plans have been agreed but which are outside of the standard deficit recovery periods set out in the Fund's Funding Strategy Statement. These plans have been negotiated with scheme employers in the interests of affordability but there is an increased risk that the Fund will not recover all outstanding liabilities.</p> <p>At 31 December, 10 employers are in this risk category.</p>
6	Outstanding Admission Agreement	Red (9)	<p>Employers marked against this risk are yet to sign their Admission Agreement. The Admission Agreement is a contract between the scheme employer, ceding employer (if any) and Administering Authority which details the scheme employers' legal responsibilities, financial liabilities, indemnity arrangements and staff eligible to join the Scheme.</p> <p>At 31 December 2017, 19 Admission Agreements were in progress.</p>

Risk No.	Risk Criteria	Risk Level (Score)	Description
7	No indemnity	Red (9)	<p>Employers without a current and adequate indemnity arrangement will be marked against this risk. There is a requirement in the LGPS regulations for all employers to have an indemnity in place (such as a guarantor or bond). Where the employer has no indemnity their unmatched liabilities would fall to the ceding employer initially and in instances where there is no ceding employer they would fall to the Fund.</p> <p>At 31 December 2017, 20 employers were identified as having no form of indemnity.</p>
REVIEWED ANNUALLY			
8	Payroll -10% or more	Amber (4)	<p>Monitoring of changes in payroll may identify scheme employers at risk of worsening their funding level or increasing their pension liabilities during inter-valuation periods.</p> <p>At 31 December 2017, 25 scheme employers were identified as having had a material change in payroll since the last Valuation.</p>
9	Ill Health (cumulative annual budget inter-Valuation exceeded)	Amber (4)	<p>At each Valuation, scheme employers are allocated an annual Ill Health budget which is reflected in the contribution rate for that employer. Where a scheme employer's ill health retirement 'strain' cost exceeds their budget, they will be required to make additional contributions to cover this.</p> <p>At 31 December 2017, 7 scheme employers had exceeded their cumulative Ill Health budgets for financial years 2017/18, 2018/19 and 2019/20.</p> <p>Scheme employer's ill health experience over the inter-valuation period was reviewed as part of the last Valuation and reflected in scheme employers' individual funding positions, contribution rate and 'strain' costs for ill health retirements.</p>
REVIEWED TRIENNIALLY			
10	Funding Level (<80%)	Amber (4)	<p>This is the funding level the Fund has determined to be suitable to identify employers at risk as at the last Valuation. 11 scheme employers had a funding level of less than 80% as at the last Valuation with net pension liabilities of £10m.</p>

Risk No.	Risk Criteria	Risk Level (Score)	Description
			<p>A further 81 scheme employers had funding levels of less than 80% but are considered to be long-term secure employers and under regulation are required to provide access to the LGPS for their employees, for example the County Council and Academies. These employers have been assessed as having a strong employer covenant and therefore their overall risk score has been adjusted to reflect this and consequently this group has moved to a 'green' risk rating.</p>
11	Active Member Age Profile	Amber (4)	<p>This indicator suggests that an employer (assuming 'closed' membership status in the Fund) may be approaching cessation at the point its last active member retires.</p> <p>At 31 December 2017, 4 scheme employers were being monitored under this risk.</p>

APPENDIX C ADMINISTERING AUTHORITY REPORT ON ADMINISTRATION STRATEGY PERFORMANCE INDICATORS

1 Administering Authority Performance Indicators

The Administering Authority's performance is measured against compliance with statutory requirements placed on administering authorities for the administration of pension funds. This is measured by:

- Periodic internal audit reviews and the annual external audit carried out by Ernst and Young; and
- The number of complaints and internal disputes raised against the Administering Authority.

1.1 Audit Reviews

The annual (internal) administration audit of the Pension Fund's systems and processes was carried out in December 2017. This audit focused on the administration and systems largely operated by LPP. The draft audit report has provided 'Substantial Assurance' around the effective controls in operation for risk management processes.

Whilst the draft Annual Report & Accounts 2016/17 were completed by 31 May 'faster close' deadline (coming into force formally for the 2017/18 financial year), Officers have been working with the External Auditor to significantly bring forward the timetables around the audit of the Statement of Accounts to ensure the final accounts are available for sign off by the Audit Committee prior to the 31 July 2018 deadline.

Preliminary timetabling and dates have been agreed with Ernst & Young such that they will commence their audit on 21 May – around three weeks earlier than in previous years. To ease year-end work pressures, EY have begun early audit testing, completing on-site testing in December and have further work planned for February.

1.2 Complaints and Internal Disputes

During the quarter there were three new LPP service complaints.

1. A complaint was received from a member with regards to the delays in processing of a transfer in. Further investigation into the case has highlighted discrepancies in information supplied by the previous provider which were queried and revised information was provided. The member changed her decision to not transfer in her previous pension to the Hertfordshire Pension Fund.
2. A complaint was received regarding recovery of an overpayment and the distribution on an incorrect payslip. The pension payment had been recalled

and the correct amount paid via an emergency payment, however the payslip showing the original amount had already been distributed which was misleading to the member. The Payroll Manager issued a letter of apology detailing the amendments to the pension record and any possible tax adjustments.

3. A complaint was received regarding delays in recalculating a pension. The error was due to a historical arrangement around what constitutes pensionable pay for two members of the pension scheme and was unknown by LPP. The case was expedited and revised information was securely emailed to the member with an apology.

IDRP:

During the quarter to 31 December 2017, one new IDRP was raised against the Administering Authority.

- The stage 2 appeal submitted against the Administering Authority was regarding the overpayment of pension due to re-employment. The member was previously awarded £500 compensation and part of the overpayment was deemed unrecoverable. However, the member is appealing that decision requiring him to repay some pension back to the Hertfordshire Pension Fund. Hertfordshire County Council have partially upheld the appeal and awarded a further £400 compensation.

2 Scheme Employer Performance Indicators

Scheme employer performance is measured against compliance with performance targets for the administration of the LGPS which are set out in the Administration Strategy. This is measured by the number of:

- charges levied against scheme employers; and
- scheme employers who fail to make payment of contributions by the 19th of each month.

2.1 Penalty Charges

There were 8 penalty charges raised for the period to 31 December 2017 against 5 scheme employers for late payment of contributions or late return of monthly contribution forms.

2.2 Late Payments

There were 6 incidents of late payment by scheme employers in the quarter to 31 December 2017. Details of these late payments are reported in the LPFA's quarterly Administration Report which is a separate item on this meeting's agenda. Not all late payments will result in penalty charges (outlined in 2.1) if the employer can demonstrate that they were the result of exceptional circumstances, and were rapidly resolved.

3 LPFA Administration Service Performance Indicators

3.1 Performance of the LPFA's administration service is measured against compliance with performance targets set out in the Service Level Agreement for the service. This is monitored as part of the contract management arrangements and measured by two key indicators:

- the number of complaints raised against the LPFA; and
- the efficiency of the service against Service Level Agreement targets.

3.2 The LPP's quarterly Administration Report provides detailed information about performance against service level targets and details of any complaints. The Report is presented as a separate item on this meeting's agenda. Key issues that are impacting on the service are:

- Officers are working with the LPFA to address the backlog of Deferred Benefit cases, and progress the action plan already in place to continue to reduce this backlog in light of the one-off increases arising from year-end processes. Updates on the progress against this plan are provided in the LPP Administration Report. As at February 2018 the backlog of Deferred Benefit cases outside of SLA had been cleared; and
- Local Pensions Partnership have suffered significant performance impacts over Q2 driven by a number of factors, principally the combined impact of turnover of staff earlier in the year resulting in a newer and more inexperienced workforce that is then less resilient to loss or absence of the remaining experienced staff members. This has been particularly evident over the summer period when collective pressures driven by summer leave are more pronounced. Officers are working closely with LPP to ensure that the expected standard of performance against the SLA is restored and minimise any impact on members. These issues were largely resolved by November/December – however still impact the Q3 performance. Normal levels of performance against SLA are expected in the Q4 17/18 reporting.

APPENDIX D OUTSTANDING ADMISSION AGREEMENT ACTION PLAN (AS AT 31/12/17)

No.	Risk category	Reason for delay	Summary of current position	Action plan
<u>DELAY IN ADMISSION BODY PROVIDING INFORMATION</u>				
1-2	1 Year +	Delay in admission body providing information	HCC Legal liaising with employer to progress Admission Agreement and Bond however there is a lack of response from the admission body	HCC Finance have escalated with the contract manager who has chased the contractor but with no response. This will now be escalated further with the ceding employer and admission body
<u>DELAY IN ADMISSION BODY SECURING INDEMNITY</u>				
3	1 Year +	Delay in admission body securing bond	Employer enquiring about an alternative form of indemnity, a cash deposit for the bond value placed with HCC in escrow. The Actuary has advised there is no issue with accepting this	HCC Finance looking at potential to accept this form of indemnity before providing response to employer
4	1 Year +	Delay in admission body securing bond	Bond options have been provided by HCC Finance and employer is currently seeking a provider before Finance is able to pass to HCC Legal to formalise admission	Awaiting confirmation of sourced bond from employer before continuing to progress Admission Agreement with HCC Legal
5	1 Year +	Delay in admission body securing bond	HCC Finance have responded to all queries from the employer regarding the bond value and are awaiting a response	Awaiting confirmation of sourced bond from employer before continuing to progress Admission Agreement with HCC Legal
6	1 Year +	Delay in admission body securing bond	Requirement to have a bond in place questioned by employer, HCC have responded and awaiting response	Awaiting confirmation of sourced bond from employer before continuing to progress Admission Agreement with HCC Legal

No.	Risk category	Reason for delay	Summary of current position	Action plan
<u>DELAY IN ADMISSION BODY RETURNING SIGNED DOCUMENTS</u>				
7	1 Year +	Delay in admission body returning signed documents	Bond agreement signed-off and returned. Waiting on returned signed copy of Admission Agreement	Bond agreement signed-off and returned. Waiting on returned signed copy of Admission Agreement
8	1 Year +	Delay in admission body returning signed documents	7 Local Authorities party to Admission Agreement, HCC Legal sent copies out to all for sign-off and received 4 out of 7 to date	4 out of 7 signed copies of the Admission Agreement returned, awaiting return of the rest
<u>DISPUTE OVER CONDITIONS OF ADMISSION</u>				
9	1 Year +	Dispute over conditions of admission	Hymans calculated employer contribution rate which is high and has been queried by the employer	HCC Finance (in liaison with HCC Legal and the Actuary) are looking at a 'pass through' arrangement in such events where the contribution rate is so high in order to progress
10	1 Year +	Dispute over conditions of admission	Hymans calculated employer contribution rate which is high and has been queried by the employer	HCC Finance (in liaison with HCC Legal and the Actuary) are looking at a 'pass through' arrangement in such events where the contribution rate is so high in order to progress
11	1 Year +	Dispute over conditions of admission	Legal opinion to be sought by HCC from Squires	HCC Finance and Legal to draft e-mail
12	1 Year +	Dispute over conditions of admission	Talking with ceding employer to establish whether the two staff that TUPE'd are still working on the contract, if not there may not be a need to pursue completion of an Admission Agreement	HCC Finance waiting for response from the ceding employer to establish facts around whether admission is required.
<u>THIRD PARTY DELAY</u>				
13	1 Year +	Delays in the actuarial calculations due to a backlog following the 2016 Triennial	Admission Agreement was awaiting sign-off however the last active member left in August and the AA may not need to be completed	HCC Finance to check that last active employee had opted out of pension and therefore no contributions were required to be collected. If so, this entry can be removed

No.	Risk category	Reason for delay	Summary of current position	Action plan
		Valuation		
14	1 Year +	Third party delay	Reports now obtained from the actuary which will be shared with employer. Assuming no disputes it will then be progressed by HCC Legal	Reports to be shared with employer and assuming no disputes will then be progressed to HCC Legal
15	1 Year +	Third party delay	Admission and Bond Agreements sent out to employer waiting for confirmation of bond sourced and return of signed documents	HCC Finance chasing employer for a response
16	1 Year +	Third party delay	There was some delay in making indemnity arrangements but now this is with HCC Legal to draft Admission Agreement	With HCC Legal to draft Admission Agreement and once complete will be shared with parties for sign-off
17	6-12 Months	Delay in the actuarial calculations due to a backlog following the 2016 Triennial Valuation	Contribution Rate and Bond calculated. Information passed to HCC Legal to draft Admission Agreement	With HCC Legal to draft Admission Agreement and once complete will be shared with parties for sign-off
18	0-6 Months	Third party delay	With HCC Legal to draft Admission Agreement	With HCC Legal to draft Admission Agreement and once complete will be shared with parties for sign-off
19	0-6 Months	Third party delay	With HCC Legal to draft Admission Agreement	With HCC Legal to draft Admission Agreement and once complete will be shared with parties for sign-off

TOTAL: 19 OUTSTANDING ADMISSION AGREEMENTS

HERTFORDSHIRE COUNTY COUNCIL

LGPS PENSION BOARD

20 MARCH 2018 AT 10:30AM

**Agenda
Item No:**

4

**LOCAL PENSIONS PARTNERSHIP
LOCAL GOVERNMENT PENSION FUND ADMINISTRATION REPORT**

Report of LPP

Author: Taryn Mutter – Head of Client Delivery (LPP)

Purpose of the report

This report is provided by the Local Pensions Partnership (LPP) giving a quarterly update on the delivery of the pensions fund administration services in the following sections.

- Section 1: Statistics and key performance indicators
- Section 2: A progress report on projects and key activities
- Section 3: An update on LGPS regulatory changes, including the latest news on the potential scheme changes

Recommendations

That the Board notes the contents of this report.

SECTION 1 STATISTICS AND KEY PERFORMANCE INDICATOR

1.1 Pensions Fund Statistics

Scheme Membership: The following graph provides an analysis of total membership to the Scheme which shows active membership has increased by 1,184, deferred members have increased by 1,089 and, pensioners have increased by 221. Overall membership increased by 2,494. The increase in active membership is likely to be due to the beginning of the academic year and clearance of deferred benefit cases will have increased the deferred membership.



The below table shows how the membership of the fund has evolved since 2005, with 2011 included as the date the administration transferred to London Pension Fund Authority.

Membership Type	31/01/2005	31/03/2011	31/03/2017
Actives - current contributing member	25,184	27,949	34,522
Deferred - no longer contributing, hold membership within the fund and not yet in receipt of their pension	14,492	25,088	38,511
Pensioners - currently in receipt of their pension or dependant pension	18,352	20,743	25,912
Sub total	58,028	73,780	98,945
Undecided - contributions have ceased and work is in progress	904	1,651	744
Frozen Refund - not reached vesting period and refund of pension contributions not claimed	5,489	5,098	5,388
Third Tier Cessation -Third Tier III Health pensions that have ceased	0	0	9
Total	64,421	80,529	105,086

Scheme Employers: The total number of active scheme employers in the Pension Fund has increased by 5 in the last quarter. There are currently 280 active employers and a further 155 employers with deferred and pensioner liabilities.

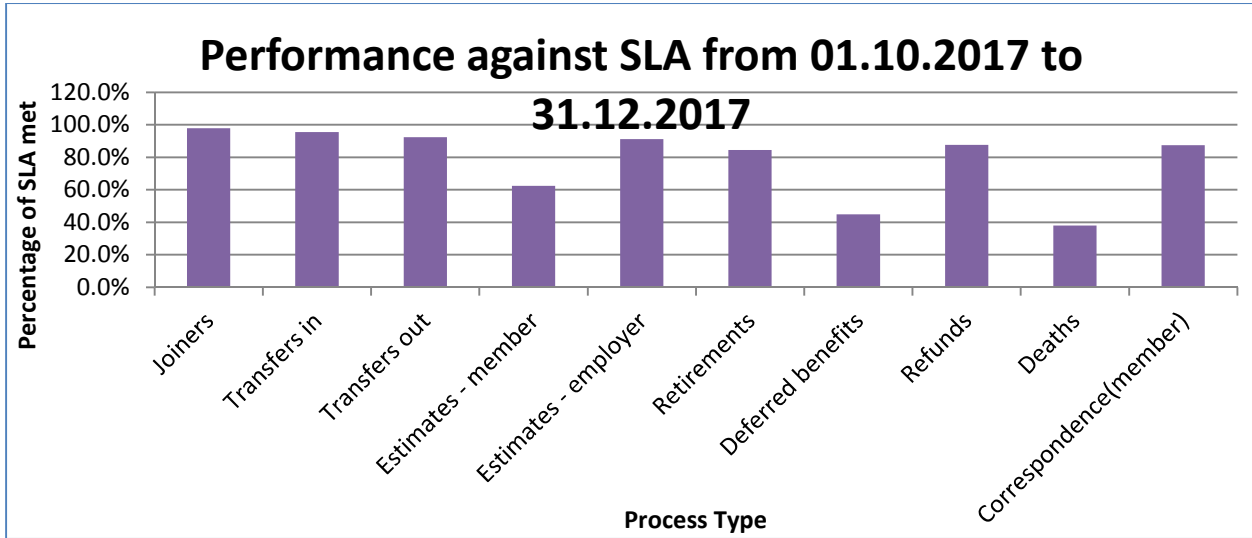
1.2 Performance Indicators

Performance of the Pension Fund is measured in the following key areas:

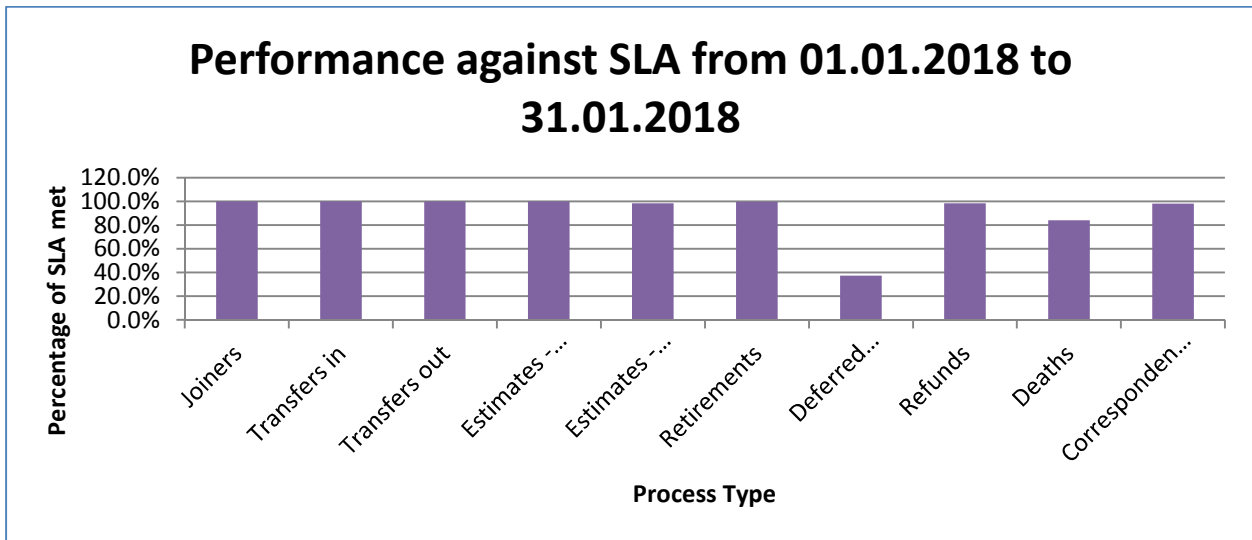
- The LPP Pensions Administration Services is measured against key performance indicators that measure compliance, efficiency and effectiveness of the service. See Section 1.3.
- Scheme Employers performance is measured against requirements set out in the Administration Strategy. See Section 1.4; and
- The Pension Fund is measured against statutory requirements and the effectiveness of its management and governance of the Fund. Separate quarterly reports providing commentary on key governance and risk management issues are provided to the Pensions Committee summarising performance in the Risk and Performance Report, with a detailed report provided to the Pension Board in the Governance and Risk Management Report.

1.3 Performance for the LPP Pensions Administration Service

Service Level Agreement and Volumes: The following graphs provide a quarterly review of key areas and performance achieved. Performance overall during the period was 72.94%, compared to 62.71% at the end of Q2.

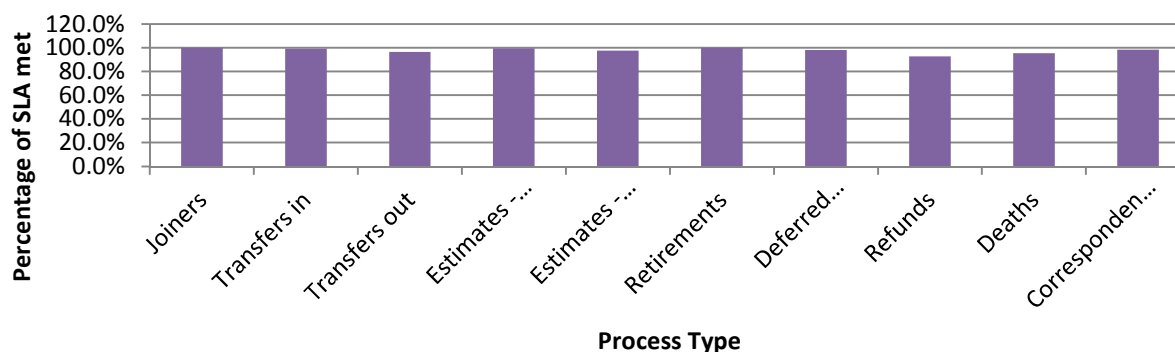


The level of performance has increased significantly against key processes during January and February as shown in the tables below:



Overall Top 10 case type performance 82.7%.

Performance against SLA from 01.02.2018 to 28.02.2018



Overall Top 10 case type performance 98.4%.

The overall level of cases completed in the previous four quarters is shown in the following table. The variation across the quarters reflects normal annual volume fluctuations across all case types except for deferred, joiners and refunds where additional cases have been identified through year end processing discussed in section 1.1.

Key Processes Completed	SLA	01.01.2017 to 31.03.2017	01.04.2017 to 30.06.2017	01.07.2017 to 30.09.2017	01.10.2017 to 31.12.2017
Joiners	6 work days	646	859	807	700
Transfers in	5 work days	439	287	428	781
Transfers out	5 work days	396	258	460	356
Estimates - member	5 work days	701	787	620	622
Estimates - employer	5 work days	155	200	97	114
Retirements	5 work days	869	927	791	784
Deferred benefits	20 work days	1,588	982	1,874	1979
Refunds	5 work days	436	500	495	346
Deaths	5 work days	177	167	170	373
Correspondence	5 work days	821	940	1,250	1,148
Total Completed		6,228	5,907	6,992	7,203

The table below shows processing activity on deferred benefits over the past year and forecasts the year ahead. New cases added do not fall evenly therefore the profile of last year's cases received has been repeated. We have also worked on the basis that 600 cases per month will be cleared from July.

The table shows that there is likely to be a spike in deferred benefits arising from year end processes. This is caused by leavers at the end of school terms and employers not submitting leaver data throughout the year.

	Actual figures from previous year											
	30-Jun-16	31-Jul-16	31-Aug-16	30-Sep-16	31-Oct-16	30-Nov-16	31-Dec-17	31-Jan-17	31 Feb 17	31-Mar-17	30-Apr-17	31-May-17
B/F	2360	2471	1774	1427	1814	1507	1725	1385	1495	1159	926	1416
Added	765	352	505	1151	115	780	66	662	304	193	728	88
Cleared	654	1049	852	764	422	562	406	522	640	426	238	387
C/F	2471	1774	1427	1814	1507	1725	1385	1495	1159	926	1416	1117
Outside of SLA*												409
	Actual & projected figures for the year ahead											
	30-Jun-17	31-Jul-17	31-Aug-17	30-Sep-17	31-Oct-17	30-Nov-17	31-Dec-17	31-Jan-18	31 Feb 18	31-Mar-18	30-Apr-18	31-May-18
B/F	1117	1630	1591	1930	1403	1315	1015	776	548	252		
Added	870	561	957	129	530	431	394	327	304			
Cleared	357	600	618	656	618	731	633	555	600			
C/F	1630	1591	1930	1403	1315	1015	776	548	252			
Outside of SLA*	922	883	1222	695	607	513	375	0	0	0	0	0

* This line shows that there are no deferred benefits out of date. They are either on hold awaiting further information or have not yet reached their action date.

LPP Pensions Administration Service Complaints: The quality and effectiveness of the service is, in part, measured against the number of complaints received about the pension administration service. The following chart provides a summary of the status of complaints and those that are now being reviewed under the Internal Dispute Resolution Procedure (IDRP).

In the quarter 7,203 cases were completed and 3 new complaints were received against LPP's service.

Complaints and Internal Dispute Resolution Procedures	Jan – Mar 2017				Apr – Jun 2017				Jul – Sep 2017				Oct – Dec 2017				Carried forward
	BBF Previous Quarter	New	Completed - Upheld	Completed - Not Upheld	BBF Previous Quarter	New	Completed - Upheld	Completed - Not Upheld	BBF Previous Quarter	New	Completed - Upheld	Completed - Not Upheld	BBF Previous Quarter	New	Completed - Upheld	Completed - Not Upheld	
LPP Service Complaints	1	2	1	2	0	3	2	1	0	3	3	0	0	3	3	0	0
Administering Authority Complaints	1	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0
Administering Authority IDRPs	0	1	0	0	1	1	1	0	1	1	0	1	1	0	1	0	0
Total	2	3	1	2	2	4	3	2	1	4	3	1	1	3	4	0	0

LPP Service Complaints:

- A complaint has been received from a member with regard to the delays in processing of a transfer in. Further investigation in to the case has highlighted discrepancies in information supplied by the previous provider which. These were queried and revised information was provided which led the member to change her decision to not transfer in her previous pension to the Hertfordshire Pension Fund.
- A complaint was received regarding recovery of an overpayment and the distribution on an incorrect payslip. The pension payment had been recalled and the correct amount paid via an urgent same-day payment, however the payslip showing the original amount had already been distributed which was misleading to the member. The Payroll Manager issued a letter of apology detailing the amendments to the pension record and any possible tax adjustments.
- A complaint was received regarding delays in recalculating a pension. The error was due to a historical arrangement in what constitutes pensionable pay for two members of the pension scheme and was unknown by LPP. The case was expedited and revised information was securely emailed to the member with an apology,

Administering Authority Complaints:

- None

Administering Authority IDRPs:

- A stage 2 appeal has been submitted against the Administering Authority regarding overpayment of pension due to re-employment. The member was previously awarded £500 compensation and part of the overpayment was deemed unrecoverable. However, the member is appealing that decision requiring him to repay some pension back to the Hertfordshire Pension Fund. Hertfordshire County Council have partially upheld the appeal and awarded a further £400 compensation.

1.4 Scheme Employer Performance Indicators

The Administration Strategy sets out the quality and performance standards expected of the Pension Fund and its scheme employers. The Strategy also sets out the potential sanctions that will apply in the event of failure to comply.

Penalties for Late Payment of Contributions: There were 6 instances of late payments being made by employers during the period October 2017 to December 2017 out of approximately 1000 payments due, and details are provided in the attached table at Appendix 1. A summary of payment performance over the last 6 months is also included showing the total instances of late payments, together with cumulative totals for days late and amount payable for all relevant employers.

The team continues to take a proactive approach to monitoring late payers and officers at Hertfordshire County Council are provided with a monthly report of late payers so that penalties may be applied where applicable.

SECTION 2 PROJECTS AND KEY ACTIVITIES

1 Employer Covenant

The LPP and Hertfordshire County Council Pension Team meet on a monthly basis to monitor the progress of Scheme Employer admissions and terminations. This includes a risk review of Scheme Employers and imminent changes that may affect their funding position or ongoing admission to the Pension Fund. Risk monitoring for Scheme Employers is in place via risk scoring, and seeks to provide a mechanism for early identification of issues. An update is provided to the Pensions Committee as part of the quarterly Risk and Governance Report.

The annual employer surveys were recently reviewed and have been made more thorough to ensure that they will highlight all risks that the fund needs to be made aware of.

Response to the employer surveys is shown in the table below:

Employer Type	Amount Sent	Date Sent	Date Due	Rec. by Due Date	Rec. Post Due Date	O/S	Chase Dates
Admitted Bodies	72	30/05/17, 02/06/17 & 05/06/17	16/06/17	25	21	26	11/08/17 14/08/17 14/11/17 08/01/18
Resolution Bodies	36	06/06/17	20/06/17	21	12	3	14/08/17 14/11/17 08/01/18
Academies	104	31/05/17 & 01/06/17	14/07/17	50	41	13	14/08/17 14/11/17 08/01/18
Scheduled Bodies	17	10/07/17	24/07/17	4	13	0	14/08/17 14/11/17 08/01/18
Totals	229			100	87	42	

In total, 229 employers were sent surveys. Chasers were sent to all 129 employers that did not respond by the due date and this resulted in a further 87 surveys being returned and there are currently 42 surveys that remain outstanding.

2 GMP Reconciliation

There are two outstanding pension revisions which are being reviewed with Hertfordshire County Council. Both cases are similar in that the issue with their pension predates the available payroll information so we cannot be sure on the total amount of pension that the members have been paid since retirement.

A Project Initiation Document has been submitted for sign off to allow work to commence on the final phase of the reconciliation exercise. This will incorporate the analysis of the active membership, a refreshed analysis of the deferred and pensioner membership, the resolution of any new discrepancies identified and the resolution of the queries raised with HMRC in the previous phase of the reconciliation.

SECTION 3 LGPS REGULATIONS AND SCHEME CHANGES

1 Department for Communities and Local Government renamed

In January 2018, the Department of Communities and Local Government (DCLG) became the Ministry of Housing, Communities and Local Government (MHCLG). Following the cabinet reshuffle Rishi Sunak MP became the new parliament Under Secretary of State (Minister for Local Government) taking over from Marcus Jones.

2 Recent court ruling

High Court judgement in the case of Elmes v Essex

This case concerns Nicola Elmes versus Essex County Council with an interested party of (MHCLG). This is a similar case to that decided upon in the Supreme Court on 8 February 2017 concerning Denise Brewster versus NILGOSC (Northern Ireland LGPS).

The case of Nicola Elmes versus Essex County Council was heard before the High Court on Tuesday 18 January 2018 and declared that:

“The requirement to nominate a person under regulations 24 and 25 of the LGPS (Benefits, Membership and Contributions) Regulations 2007 is incompatible with Article 1 of the first Protocol to, and Art 14 of, the European Convention on Human Rights and must therefore be disapplied”.

It is our understanding that the outcome of this case effectively removes the requirement for a nomination form from regulations and enables an LGPS administering authority to pay a partner's pension, to the partner (who meets the definition of co-habiting partner set out in schedule 1 of the LGPS Regulations 2013) of a deceased member who died without completing a nomination form, and who left active membership on or after 1 April 2008 and prior to 1 April 2014.

The MHCLG are aware that all other public-sector pension schemes face the same issues on how to comply with this ruling within current regulations and are keen to work with colleagues within the Civil Service to ensure a consistent approach is taken. In the meantime, we are carrying out work to identify likely cases, which we expect to be minimal.

2 Exit Payments

Exit Payment Cap and exit payment recovery

Following the update on exit payment reform provided in the last update, LPP have received confirmation that a revised consultation on draft regulations governing the exit payment cap and exit payment recovery is due to take place. We would expect the consultation to be over a 12-week period, however, this has still not been released but we still believe it is the Government's intention.

3 Legislation

The Financial Guidance and Claims bill 2017-19

The above legislation is working its way through the house covering defined contribution (DC) schemes, this will have an impact on the LGPS scheme in the following ways:

- Merge the Money advice Service, the Pensions Advisory Service (TPAS) and Pensions Wise into one body – as yet unnamed
- Gives the Government the power to ban cold calling in respect of pensions (we believe this would be enacted very soon after the bill is passed)
- Require the Government to set regulations to require confirmation that members have obtained guidance/advice- we see this will affect transfers of AVC's (which are treated as a DC scheme).

We have commenced work in devising a Risk warning disclaimer which we believe will cover this requirement.

4 Amendment regulations

The LGA have also confirmed that they still expect amendment regulations in due course, however the DCLG have warned that only essential pension legislation will be placed in front of the house whilst Brexit is being debated. This has not changed in the last quarter.

5 Pensions Increase on GMP (Consultation outcome on indexation and equalisation of GMP in public service pension schemes)

The government consulted on the indexation and equalisation of GMP between 28 November 2016 and 20 February 2017. This consultation was regarding how the government should continue to meet their obligations to index (price protect) and equalise (make equal payments to men and women) the pension entitlements of a certain group of public servants with an occupational pension known as a GMP.

This consultation received 62 responses, broadly in favour of the government's objectives in continuing to ensure the GMP continues to be indexed and equalised. Between 6 April 2016 and 5 December 2018 an "interim solution" has been implemented; this solution has been extended for a further two years and four months to cover members of public pension scheme with a GMP who reach state pension age on or after 6 December 2018 and before 6 April 2021. During this period, the government will investigate the possibility of an alternative long-term methodology, known as "conversion".

Employers not Meeting Statutory Payment Deadlines

Scheme Employer	Jul-17		Aug-17	
	Days	£	Days	£
Goldborough				
Elstree UTC				
Colney Heath Parish council				
John O'connor	25	£2,441.03		
Croxley Green			2	£1,837.12
C A Service in Three Rivers	2	£1,464.29		
Thrive Homes Limited				
Hatfield Town Council			6	£9,242.17
Stanstead Margaret Parish Council				
Hertsmere Leisure				
Crime Reduction Initiative				
Barnados (Hoddesdon)				

APPENDIX 1

Sep-17		Oct-17		Nov-17		Dec-17	
Days	£	Days	£	Days	£	Days	£
		16	£145.99				
						3	£443.73
				17	£11,356.58		
1	£347.44						
		3	£473.14				
						4	£142.34
						26	£1,619.93