

Minutes



To: All Members of the Pension 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 20 MARCH 2018

ATTENDANCE

MEMBERS OF THE BOARD

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

Member Representatives: J Digby (Vice Chairman), K Harding

STANDING SUBSTITUTE MEMBERS

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

Member Representatives:

Upon consideration of the agenda for the Pension Board LGPS meeting on 20 March 2018 as circulated, copy annexed, conclusions were reached and are recorded below:

Chairman's Announcements:

- i. *This was Kim Harding's final attendance as an Employee Representative; a change of employer had necessitated her resignation from the Board.*
- ii. *Mike Collier (Assistant Director Environment, Strategic Finance and Performance) had been appointed as an Employee Representative on the Board and would succeed K Harding immediately upon the conclusion of this meeting.*
- iii. *Kevin O'Daly (Hertfordshire County Council Acting Branch Secretary Unison) had been appointed as an Employee Representative on the Board and succeeded D Devereux.*

Note: T W Hone declared a disclosable pecuniary interest as his wife draws a pension from the Hertfordshire County Council LGPS Pension Fund. He remained in the room but did not participate in the debate and vote.

PART I ('OPEN') BUSINESS

1. MINUTES PART 1

- 1.1 The Minutes (Part I) of the LGPS Pension Board meeting held on 8 December 2017 were confirmed as a correct record and signed by the Chairman.

1.2 A member suggested that progress on actions would benefit from associated dates.

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

[Contact: James Ahlberg – Information Governance Manager, (LPP)]

2.1 The Board received an overview presentation of the background to the General Data Protection Regulations (GDPR), its importance, key changes that will affect the LGPS, first steps towards compliance and an update on the LPP's progress. The presentation can be viewed at: [Pension Board \(LGPS\)-20 March 2018- Item 2a-GDPR Presentation](#)

2.2 Officers clarified that one privacy notice was issued on behalf of both the LPP and Administering Body. The Local Government Association (LGA) had issued two templates: a summary one to members and a detailed one to employers; Squire Patton Boggs, the Fund's external lawyers, had prepared these templates for the LGA. As the Administering Authority, the County Council would manage the compliance of GDPR for the Fund.

2.3 Officers clarified that any breaches of compliance with the new GDP regulations would be reported in the LPP and Administering Authority report that came before the LGPS Pension Board.

Conclusion:

2.4 The Board noted the contents of the presentation

3. PENSION FUND GOVERNANCE AND RISK MANAGEMENT REPORT

[Officer Contact: Jolyon Adam, Finance Manager (Tel: 01992 555078)
Antony Kindell, Accountancy Officer (Tel: 01992 556895)]

3.1 The Board received the quarterly report on governance and risk management of the Pension Fund for 1 October to 31 December 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.

3.2 In relation to employer risk monitoring and potential measures to encourage employers to pursue timely completion of outstanding admission agreements (AA), officers highlighted that the actuary had proposed an alternative to implementing a 'premium contribution rate' as the latter carried the possibility of the Pension Fund acting outside

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its powers.

- 3.3 The Board heard that as the outsourcing body (ceding body) was responsible for determining the choice of 'pension protection' offered (e.g. admission to LGPS or 'equivalent' pension scheme), employees could legally challenge the ceding employer if the admission agreement was not completed. As such the Fund had a moral obligation to facilitate such transfers for members and would undertake the following three options in order: (i) Robustly communicate to the Chief Legal Officer of the ceding employer that their organisation was not meeting its legal obligation; (ii) Process transferring members as "deferred" - until an AA is in place the employee is a deferred member of the Fund; (iii) Report the ceding employer to the Pensions Regulator for inaction.
- 3.4 Members highlighted the difficult position of the ceding employers, whom the actuary had identified as having the responsibility for getting the admission agreement in place. Officers clarified that there was no time limit to complete the admission process and, employers were instructed to deduct contributions which could be backdated.
- 3.5 Officers confirmed adherence in all cases to the regulation requiring a bond/guarantor, to ensure that an employer's liabilities did not fall to other employers.
- 3.6 Officers clarified that the LGPS had no exposure to the newly formed Herts Living Ltd and that the Fund invested in property via its property manager.
- 3.7 Officers agreed to address in PART II questions around the 20 employers who lacked indemnity and whether the ceding employers were aware of their liability and the volume of the liability.
- 3.8 Due to the increasing volume of work in the area of pensions, the team would be expanded to manage the increasing work load particularly in the governance area.

Conclusion:

- 3.9 The Pension Board commented on and noted the content of the report.

4. LOCAL PENSIONS PARTNERSHIP LOCAL GOVERNMENT PENSION FUND ADMINISTRATION REPORT

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

- 4.1 Members received the quarter three 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

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indicators, progress on projects and key activities and an update on regulatory changes including potential scheme changes.

4.2 Members' attention was drawn to the 1,184 increase in scheme membership, the increase in deferred membership due to clearance of deferred benefit cases and the new table of how the membership had evolved since 2005. The Board noted the improvement in Performance against Service Level Agreement in Q3.

4.3 Members requested that the LPP charts also display percentages

T Mutter
J Crowhurst

4.4 Improvement in Key Performances Indicators stemmed from the fact that the LPPs new operational model was now in place, so work could be undertaken as required by trained administration staff at any of the sites thus decreasing the likelihood of backlogs. Recruitment of more LPP staff had further increased LPP's resilience.

4.5 In view of the increase in Correspondence during 2017 (Key Processes Completed table) LPP agreed to provide in the next report a breakdown of the nature of the correspondence, as well as the number of scheme members who signed up to self-service.

T Mutter
J Crowhurst

4.6 Officers clarified that the penalties for late submission of data and employer returns were imposed by both the LPP and the Administering Authority.

4.7 As there were currently no penalties for non-completion of the annual employer surveys, the Board suggested renaming it as a 'Data Survey' and getting employers to sign up to their responsibilities. Officers also suggested that this could be included as part of the employers' obligations to the Funds.

T Mutter

P Towey
J. Adam

4.8 LPP used CODEX to ensure completeness of data on deferred members (e.g. to identify errors / omissions) and provided the fund with this information. LPP agreed to provide this data in the next report to the Board.

T Mutter
J Crowhurst

4.9 A member commended the LPP for taking up the issues raised at the Board meetings and the resilience shown in addressing them.

Conclusion:

4.10 The Board noted the contents of the report.

DATES OF FUTURE MEETINGS:

The Board noted the dates of future meetings as follows:

18 July 2018: 10.00AM (Preceded by training);
21 September 2018: 10.00 AM;

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10 December 2018: 10.00 AM;
19 March 2019: 10.00 AM;
19 July 2019: 10.00 AM

- 4.11 There being no further PART I business the Chairman proposed and the Board resolved to move the meeting into PART II (Closed Session) and passed the decision at paragraph 4.12.
- 4.12 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.
- 4.13 The Chairman accordingly moved the meeting into PART II (Closed Session).

PART II ('CLOSED') AGENDA

1. **MINUTES** of the "PART II" items of LGPS Pension Board meeting held on 8 December 2017.

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

2. **CEASED EMPLOYERS IN THE FUND WITH OUTSTANDING LIABILITES**

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

3. **COST OF INVESTMENT MANAGEMENT 2016/17**

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

- 4 **ACCESS UPDATE**

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

5. **PENSION FUND – FUNDING AND INVESTMENT REPORT (Formerly PERFORMANCE REPORT) AS AT 31 DECEMBER 2017**

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

- 4.14 There being no further Part II business, the Chairman thanked Kim Harding for her service on the Board and closed the meeting.

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**KATHRYN PETTITT
CHIEF LEGAL OFFICER**

CHAIRMAN _____

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