



To: Members of the Local Pension Board

***Notice of a Meeting of the Local Pension Board***

**Friday, 19 January 2018 at 10.30 am**

**Room 3 - County Hall, New Road, Oxford OX1 1ND**

A handwritten signature in black ink that reads "PG Clark".

Peter G. Clark  
Chief Executive

January 2018

Committee Officer: **Julie Dean**  
Tel: 07393 001089; Email: [julie.dean@oxfordshire.gov.uk](mailto:julie.dean@oxfordshire.gov.uk)

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**Membership**

Chairman – Mark Spilsbury

**Scheme Members:**

Alistair Bastin	Stephen Davis	Sarah Pritchard
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**Employer Members:**

Councillor Bob Johnston	David Locke FCA	District Councillor Sandy Lovatt
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**Notes:**

- **Date of next meeting: 20 April 2018**

## Declarations of Interest

### The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

### Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

### What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned.....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

### List of Disclosable Pecuniary Interests:

**Employment** (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines.

<http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Glenn Watson on **07776 997946** or [glenn.watson@oxfordshire.gov.uk](mailto:glenn.watson@oxfordshire.gov.uk) for a hard copy of the document.

**If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.**

# AGENDA

1. **Welcome by Chairman**
2. **Apologies for Absence**
3. **Declarations of Interest - see guidance note opposite**
4. **Petitions and Public Address**
5. **Minutes (Pages 1 - 6)**

To approve the minutes of the meeting held on 20 October 2017 (**LPB5**) and to receive information arising from them.

6. **Employer Management (Pages 7 - 12)**

This report (**LPB6**) is the latest in the series of reports to the Pension Fund Committee and this Board on the Fund's approach to employer management. It sets out the key issues discussed with the Pension Regulator from the meeting held in London during December and includes a copy of the latest improvement plan which looks to ensure we can meet our regulatory requirement to issue annual benefit statements to all active and deferred scheme members by 31 August 2018.

***The Board is invited to note the latest position on employer management and the current improvement plan and to offer any comments to the Pension Fund Committee.***

7. **Review of the Annual Business Plan (Pages 13 - 16)**

In line with the previous request of the Board, this item allows the Board to review the quarterly progress report against the Annual Business Plan. A copy of the latest report to the Pension Fund Committee on 1 December 2017 is attached at **LPB7**.

***The Board is invited to review the attached report and to offer any views back to the Committee.***

8. **Risk Register (Pages 17 - 26)**

This is the latest Risk Register as presented to the Pension Fund Committee on 1 December 2017 (**LPB8**). It includes the changes made following the comments of the Board at the last meeting.

***The Board is invited to review the report and to offer any further views back to***

*the Committee.*

## **9. Brunel Pension Partnership**

There will be an oral report on the latest position in respect of the development of the Brunel Pension Partnership, including an update on the development of the new investment portfolios.

## **10. General Data Protection Regulations (GDPR) (Pages 27 - 34)**

At the last meeting, the Board requested that it be kept up to date on the project to manage the implications of the new General Data Protection Regulations which come into effect from 25 May 2018.

***The Board is invited to consider the progress report (LPB10) which was submitted to the 1 December 2017 Pension Fund Committee and to offer any comments to the Committee.***

## **11. EXEMPT ITEM**

***The Board is RECOMMENDED that the public be excluded for the duration of item 12 in the Agenda since it is likely that if they were present during this item there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective item in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.***

**THE REPORT RELATING TO THE NEXT EXEMPT ITEM HAS NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS STRICTLY PRIVATE TO MEMBERS OF THE BOARD AND OFFICERS ENTITLED TO RECEIVE IT.**

## **12. Employer Covenants (Pages 35 - 58)**

At the last meeting, the Board requested that a report on employer covenants, which was submitted for consideration by the 1 December 2017 meeting of the Pension Fund Committee, be included on the Agenda for this meeting. The report is attached at **LPB12.**

*The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:*

***3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that the information is supplied in commercial confidence.***

*The Board is invited to review the report and offer any comments back to the Pension Fund Committee.*

**READMISSION OF THE PRESS AND PUBLIC**

**13. Items to include in the Report to the Pension Fund Committee**

The Board is invited to confirm the issues it wishes to include in its latest report to the Pension Fund Committee.

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## LOCAL PENSION BOARD

**MINUTES** of the meeting held on Friday, 20 October 2017 commencing at 10.30 am and finishing at 12.35 pm

**Present:**

**Voting Members:** Mark Spilsbury – in the Chair

Alistair Bastin  
Stephen Davis  
Councillor Bob Johnston  
David Locke FCA  
District Councillor Sandy Lovatt  
Sarah Pritchard

**Officers:**

Whole of meeting Sean Collins, Service Manager (Pensions); Sally Fox, Pensions Manager; Julie Dean (Resources)

*The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports copies of which are attached to the signed Minutes.*

**36/17 WELCOME BY CHAIRMAN**

(Agenda No. 1)

The Chairman welcomed all to the meeting. In particular he welcomed new member of the Board, District Councillor Sandy Lovatt.

**37/17 MINUTES**

(Agenda No. 5)

The Minutes of the meeting held on 21 July 2017 were approved and signed as a correct record.

**38/17 EMPLOYER MANAGEMENT**

(Agenda No. 6)

The Board had before them the Employer Management report (LPB6) which was the latest in a series of reports to the Pension Fund Committee and this Board on the Fund's approach to employer management. It covered the latest position in respect of Oxfordshire's regulatory requirement to issue annual benefit statements to all active

and deferred scheme members by 31 August 2017; the plan to issue the outstanding statements; and the key learning points and actions going forward.

The Board was invited to note the latest position and the proposed actions to address the issues; and also to offer any comments to the Pension Fund Committee.

During the general discussion, the Board established the following:

- The Pensions Team were still short of three members of staff. Training of new members of staff impacted on performance;
- The Diocese had successfully completed a test run on their computer system, with direct assistance from Sally Fox. This had necessitated an £44k input in software development;
- UNISON reiterated their offer of assistance with liaison between employees who had not yet received their Annual Benefit Statements and with the poorer performing employers. David Locke also offered to broker a meeting if needed;
- Employers had been asked to give any issues which they wished to have discussed at the quarterly Employers Group meeting;
- The Pensions Team was pushing to correct any system errors earlier so that iconnect, when introduced, could assist with establishing, on a monthly basis, what was outstanding thus allowing issues to be resolved earlier and in advance of the following month's return;
- The Pensions Team were now meeting with the Chief Executives/Chief Finance Officers of Employer organisations to discuss any issues or action that needed to be taken;
- The organisations in the Employers Group who were not engaging were very resource intensive for the Pensions Team;
- A number of authorities had sent their benefit statements out on time but this had been achieved by the use of additional staff and overtime and leave embargos. It was also clear that a number operated less stringent checks on the data included in published statements and did not report performance across the complete pool of active members, so boosting the percentage of statements issued. The matter was on the Agenda for the new Southern Area Pension Group to review;
- Introducing a standard approach to employer returns was restricted because both nationally and locally Pension Funds and Scheme employers were required to set discretionary policies under the Regulations which resulted in different requirements.

At the conclusion of the discussion, the Board **AGREED** noted the current position and to inform Pension Fund Committee:

- (a) that the Board welcomed the potential actions to discuss with employers as set out at paragraph 9 of the report;
- (b) that the Board welcomed the positive feedback on interventions made by the Team to encourage better returns from employers; and

- (c) to acknowledge that the Pensions Team required time to plan new projects which would require a number of pieces of work for submission to the Board and to Committee.

### **39/17 REVIEW OF THE ANNUAL BUSINESS PLAN - 2017-2018**

(Agenda No. 7)

At its 15 September 2017 meeting, the Pension Fund Committee had received its first report to review progress against the five key service priorities included in the report for the Pension Fund, 2017/18 (LPB7). As many of these priorities directly linked to the mitigation plans for the key risks within the Fund's Risk Register, the report provided more detail on the status of these risks.

With reference to paragraph 13 of the report regarding cash flow modelling, the Board asked what the cash flow position was in a typical month. Mr Collins responded that it amounted to £750k more in cash collected each month in respect of members' benefits than the amounts paid out by way of current pensions.

The Board also asked about potential changes in academy structures with schools moving between Funds where all were part of a Multi-Academy Trust and the potential cash flow implications. Sean Collins responded that this would require Secretary of State permission. He added that any significant out-sourcing, such as that planned by Oxford City Council and West Oxfordshire District Council could seriously affect cash-flow. Modelling work was taking place on the impact of these changes, should a number of scheme members be transferred.

Mr Collins assured the Board that independent legal advice was provided to the Committee.

Cllr Bob Johnston, who regularly attended Pension Fund Committee meetings as an observer, and who often acted as the Board's representative, presenting the Board's Minutes and report, stated that, in his opinion, the level of expertise amongst Committee members was better than expected, given that the Committee comprised mainly of new members. He expressed a confidence that the new Committee would carry out its responsibilities effectively.

With regard to the Committee's management approach to the environment, social and governance (ESG) risks associated with the Fund's investments, Sean Collins stated that the law was clear and that the Committee had a fiduciary duty to make decisions in the best interests of the stakeholders. Advice received had indicated that decisions could be made on ethical grounds as long as there was no detrimental impact on this duty. The Oxfordshire Pension Fund's stance was not to screen investments allowing decisions to be made on a case by case basis. The Committee's first Investment Strategy Statement, agreed at the March 2017 meeting, made it clear that this Committee expected its fund managers to integrate the consideration of all ESG risks, including climate change, into their investment decisions.

The Board **AGREED** to note the report and that there were no points within the report that they wished to flag up to the Committee.

#### **40/17 RISK REGISTER**

(Agenda No. 8)

The Board considered the report LPB8 which had been submitted to the last meeting of Pension Fund Committee on 15 September 2017 and that had included the comments from this Board made at its July meeting. The Committee had been invited to consider the current risk ratings in respect of the risks queried by the Board (ie. risk scores 4, 8 and 10).

In relation to Risk 10, Sean Collins confirmed that the contract for the provision of external resource had now been finalised and work was ongoing.

In response to various questions in respect of the work of the Fund Actuary from the Board, Sean Collins explained that a number of issues would be built into the tender documentation for the new actuary, the appointment of which was due in December of this year. He added that all points made by the Committee in September had been picked up. The Chairman had wanted the dates for completion of action to remain and not be allowed to slip. This would give the Committee and the Board a clearer picture in order to understand the Business Plan properly and to be able to re-examine the risks, if required.

In response to a query about the resilience of the Pensions Team, and if succession planning was taking place, Sean Collins responded that training for more junior staff was provided, but this was a double-edged sword in that if vacancies within Oxfordshire did not materialise, they could be encouraged to seek promotion elsewhere. He was of the view that sometimes a fresh perspective was a positive alternative.

Sean Collins was asked if risks associated with Brexit had been given any consideration. He responded that the key issue was that the LGPS was a long-term scheme and so the key risk to this was if the Government made changes to policy, the worst possibility being if the Government was to close the LGPS. The implications of Brexit would largely be short-term and therefore did not need specific inclusion in the risk register.

The Board asked about Oxfordshire's LGPS approach to employer covenant reviews. Sally Fox responded that there was a different approach between funds regarding covenants. Oxfordshire's approach would be for the actuary to do the review and the Committee to look at the ensuing report to decide the approach. Assurance was given that the covenant report would be submitted to the Committee and then to the Board. Sean Collins added that the Committee had ceased admitting community admission bodies and academy covenants were now underwritten by the Secretary of State. The key bodies where significant risk was identified were Oxford Brookes University and the colleges of education, where there was no third party acting as guarantor..

In relation to the outstanding training date for all members (Risk 11) for all members of the Committee and the Board, Sean Collins reported that this had not been overlooked and would take place in the Spring of 2018.

**41/17 BRUNEL PENSION PARTNERSHIP**

(Agenda No. 9)

Sean Collins gave an update on the Brunel Pension Partnership (BPP) stating that:

- Since the formation of the company, key staff had continued to have been appointed, 50% of whom were from LGPS employees, and the other 50% from the private sector;
- The two appointed members on the Oversight Board were both Unison members. Both had attended its last two meetings;
- The main piece of work was the appointment of State Street to the role of administrator/custodian. All funds were to transition to State Street according to a planned approach, Oxfordshire being the first to transition by mid - November;
- Members of the Board would meet the Client Relationship Director and the Shareholder non-executive director would also be present at the event which Oxfordshire was hosting, to which members of the Committee and the Board had been invited on 17 November 2017;
- The offices for BPP would be in central Bristol;
- Expenditure to date was in line with the budget.

In response to a question with regard to the case made by BPP regarding the transfer of assets and stamp duty to the Treasury, Sean Collins stated that this had been discussed by the cross-pool tax working group. Due to the differences in the ways the other pools had been set up, the tax issue had not been a priority for the others. The Government’s view was that the Pension Funds would benefit over the longer term and therefore should be responsible for meeting all short term costs.

**42/17 ITEMS TO INCLUDE IN REPORT TO THE NEXT PENSION FUND COMMITTEE**

(Agenda No. 10)

The Board decided that the following items be included in the Board’s report to the next Pension Fund Committee:

- Project plan to explain the GDPR – and the report, when complete, to include the impact and likelihood of modelling
- Covenant report.

..... in the Chair

Date of signing .....



## OXFORDSHIRE LOCAL PENSION BOARD – 19 JANUARY 2018

### EMPLOYER MANAGEMENT

#### Report by the Director of Finance

##### Introduction

1. This report is the latest in a series of reports to this Board and the Pension Fund Committee on the issues associated with the management of scheme data from the Fund employers.
2. As previously reported, one of the key performance indicators by which we can monitor the quality of scheme data is the number of Annual Benefit Statements issued by the statutory deadline of 31 August 2017. For the 2016/17 financial year we issued just over 77% of the annual benefit statements for active members by the statutory deadline. Whilst this was an improvement on the figures of 0% and 50% for 2014/15 and 2015/16 respectively, it still required us to report a breach of the statutory responsibility to the Pension Regulator.
3. This report updates the Board on the subsequent meeting with the Pension Regulator and the latest improvement plan which aims to ensure we are not in a similar position for the 2017/18 financial year's statements.
4. **Meeting with the Pension Regulator**
5. We were asked to meet the Pension Regulator to discuss the latest position and this meeting took place on 12 December 2017. The Pension Regulator was represented by the Case Management Team Leader the Senior Case Manager and two other colleagues, with Oxfordshire represented by Sean Collins and Sally Fox.
6. The meeting began with an update of the current position which indicated we were on target to issue 90% of the statements by 22 December 2017 (final figure as at 22 December 2017 was 91%). Whilst the Pension Regulator accepted this was a significant improvement on previous years, they expressed a strong concern that we had again failed to meet our statutory responsibility and wished to understand what had caused this failure and what actions we had taken to address the issues.
7. We discussed the difficulties experienced by several of the scheme employers in providing us with timely and accurate data, particularly since the increased complexity of the returns associated with operating both CARE and final salary arrangements for the majority of scheme members, with different definitions of pensionable pay. We highlighted the fact that the growth in Academy schools and the increasing number of out-sourced service providers admitted to the scheme, had also contributed to the problems, with many of these new providers having to instruct new payroll providers in our

requirements, and in some cases having to commission development work to produce the required returns.

8. The Pension Regulator understood these issues but felt that the time scale involved in their resolution was too long, and that scheme employers elsewhere in the Country did not seem to be experiencing similar problems. They were particularly interested in the escalation processes followed by us as the Administering Authority, and why we had not fined individual employers nor separately reported any individual employers to the Pension Regulator for contributing to the statutory failure.
9. We did question what evidence the Pension Regulator had to suggest that the issues in Oxfordshire were significantly out of line with elsewhere (other than the self-reported breach). Our understanding is that at present, the Pension Regulator does rely on self-reporting by Administering Authorities, and an analysis of any complaints from individual scheme members about the non-receipt of annual benefit statements. Whilst this suggests the comparison to other Funds may be unsound, the meeting agreed that this should not deflect from the position in Oxfordshire where it is clear that there has been a material problem over the last three years.
10. We also discussed with the Regulator the financial position facing many of the scheme employers within the Fund and the challenge they faced in identifying additional resources to support the process. On this point, the Regulator simply re-iterated that the issue of annual benefit statements by the end of August was a statutory responsibility, and lack of resources was not a valid excuse for failure.
11. The Regulator asked about the involvement of the Pension Fund Committee and the Pension Board in managing this breach of the regulations. They were pleased to note the engagement to date of the Committee and in particular of this Board, who have had more time to dedicate to this issue. The Regulator wished to understand the level of concern of the Committee and the Board to the reputational and financial risks associated with the issue of an improvement notice or a fine, and the subsequent publicity. The Regulator was also keen to understand the training undertaken by the Members of the Pension Fund Committee and the Pension Board, and the extent which they had used the toolkits available on the Regulators website as a means of assessing their skills and knowledge and any gaps across the Committee and/or Board as a whole.
12. In summary, we understood that the view of the Regulator was that we needed a more robust improvement plan, supported by clear communications and appropriate training to all employers, followed by fines, escalation at senior level and reporting of individual employer breaches to the Regulator where any problems persisted. The Regulator asked for a copy of our latest improvement plan to be submitted before Christmas.

13. The conversation with the Regulator also covered wider data quality issues, and they drew attention to their recently published documents on measuring your data and improving your data. They asked for our latest position on the quality of our “Common Data” and our “Scheme Specific Data”. Common Data are those basic data items used to identify scheme members and should be held by all schemes for all scheme members. Scheme Specific Data are the items key to running a specific scheme i.e. will vary between defined benefit and defined contribution schemes, or between final salary and CARE schemes. We are currently working with our software supplier to produce the latest report on the completeness and accuracy of our data sets, and will report the figure directly to the Board if they are available at the time of the meeting.
14. The Pension Regulator also discussed the implications of the current backlog of work (which is being addressed by our contracts with ITM), and whether there were further statutory breaches of responsibilities associated with this backlog e.g. failures to issue the required information to scheme leavers. Again, an update will be provided to the Regulator and this born once the review of the current position has been concluded.

#### **Latest Improvement Plan**

15. The latest improvement plan submitted to the Pension Regulator is included as an Annex to this report. This plan is targeting the issuing of all 2017/18 Annual Benefit Statements by the statutory deadline of 31 August 2018.
16. A key point made to the Regulator was that although they were concerned with the speed at which the current issues were being dealt with, the work achieved in the publication of the 2016/17 statements would have a considerable knock-on benefit to the issuing of the 2017/18 statements. As only 58% statements were issued in total for 2015/16, it meant that 42% of the records were associated with outstanding issues at the start of the 2016/17 process, which needed to be resolved before work could start on the latest statements. This took a significant resource, which this year can be focussed on just the latest year's data in respect of 91% of the active membership (this figure should increase between now and the end of 2017/18 as we are still working to resolve outstanding queries with the County Council, Brookes University, the Oxford Diocesan Schools Trust and a number of the other Academy Trusts.
17. The process for communicating with scheme employers as part of the 2017/18 statement process has already started. All scheme employers were written to before Christmas to highlight the key points from the meeting with the Regulator, including the fact that the Regulator expected a much more focused escalation process. All scheme employers were asked to confirm the senior person to receive an escalation letter in advance of the issuing of fines and the reporting of a statutory breach by the employer to the Pension Regulator. As part of this process, the Pension Fund Committee also approved a consultation of changes to the Administration Strategy to

streamline the current structure of fines to be in place for the start of the 2017/18 process.

18. All scheme employers were also invited to the Annual Pension Fund Forum on 17 January 2018 where the Pension Regulator had agreed to speak to confirm the responsibilities of the various parties. Any update from the Forum will be reported directly to the Board.
19. We are also looking to set up early meetings before the end of the financial year with those scheme employers identified as presenting the greatest challenges to meeting next year's targets. These meetings will focus on ensuring the scheme employers fully understand their responsibilities, and the implications of any failure to meet them, as well as a discussion on what further actions can be agreed to facilitate the process for 2017/18.
20. The improvement plan includes references to the implementation of i-connect. Whilst the automation of the process should improve the efficiency in future years, it is not seen as a pre-requisite to achieve the 100% target for 2017/18 statements. Similarly, the project to implement Member Self Service for all deferred and active members, so that they can view their statement on-line is seen as a parallel project which will support the issuing of statements if completed in time, but is not a pre-requisite to meeting this year's targets.
21. Other key changes in this year's improvement plan are all targeted to bring forward deadlines from last year, to allow more time to deal with queries following the submission of data. In undertaking this follow up work, we will look to ensure we resolve those issues with our educational establishments in advance of their summer break, so ensuring that key staff are more likely to be available to deal promptly with any queries raised.
22. **The Board is invited to note the latest position on employer management and the current improvement plan, and to offer any comments to the Pension Fund Committee.**

Lorna Baxter  
Director of Finance

Contact Officer: Sean Collins, Service Manager (Pensions), Tel: 07554 103465

January 2018

End of Year 2018	Comments	Owner	Due date	Status	December	January	February	March	April	May	June	July	August	September	October	November	December
Prepare/Review templates	EOY return, recording sheet, query templates	JS	15/01/2018	In Progress													
Get in touch with employers by phone to confirm who our contacts are for the annual return	Chase outstanding - contact forms	Employer team	19/01/2018														
Pension fund Forum - regulator visit	Communicate preparation for eoy process.	SAF/SC	17/01/2018	In Progress													
Annual returns emails to be drafted	Included FAQ information, reminder about AVC's. Employers required to sign to confirm return balances & has all starter & leaver information	JS	16/01/2018														
Returns to be sent between Mid January 2018	Option of data extract given? As at 31/12/2017	Employer team	16/01/2018														
Contact all employers who have had previous issues to check receipt support needed	Telephone call	Employer team	28/02/2018														
Identify unresolved queries - send to employer to include in return	Outstanding x queries to be resolved	Employer	28/02/2018														
Week before the April deadline send a reminder to High level contacts that the data is required by 19 April	CC to any 3rd party payroll providers	Employer team	31/03/2018														
Reconcile returns received and deal with any reconciliation queries - using tolerances agreed 10 days turnaround		employer team/investment	31/05/2018														
Non balanced returns to be sent back (employer deadline 5 days)		Employer	31/05/2018														
Identify no compliance - record breaches	5 days fine warning	JS/JF	01/05/2018														
May - upload returns based on 80% match rate		RS	22/06/2018														
Follow up no compliance	Invoice fine	JS/JF	08/05/2018														
Errors to be recorded between reconcile conts and Pens rem queries	All information on record, 2 task, to pick up if unresolved queries.	Employer Team	15/06/2018														
May - June Queries sent - deadline 1 months	Focus on Schools first - due to holidays	Employer Team	30/06/2018														
July - End of year Query resolutions	Mopping up queries	Employer Team	31/07/2018														
No response issue pens rem query statements	Task to identify	JS	29/06/2018														
ABS production Commences	Back up needed for ABS productions	RS/JS	22/05/2018														
Produce ABS week 1	Target 5 %	RS/JS	25/05/2018														
Progress Meeting		Team	28/05/2018														
Produce ABS week 2	Target 15%	RS/JS	01/06/2018														
Progress Meeting		Team	04/06/2018														
Produce ABS week 3	Target 20%	RS/JS	08/06/2018														
Progress Meeting		Team	11/06/2018														
Produce ABS week 4	Target 25%	RS/JS	15/06/2018														
Progress Meeting		Team	18/06/2018														
Produce ABS week 5	Target 30%	RS/JS	22/06/2018														
Progress Meeting		Team	25/06/2018														
Produce ABS week 6	Target 35 %	RS/JS	29/06/2018														
Progress Meeting		Team	02/07/2018														
Produce ABS week 7	Target 45%	RS/JS	06/07/2018														
Progress Meeting		Team	09/07/2018														
Produce ABS week 8	Target 60%	RS/JS	13/07/2018														
Progress Meeting		Team	16/07/2018														
Produce ABS week 9	Target 70%	RS/JS	20/07/2018														
Progress Meeting		Team	23/07/2018														
Produce ABS week 10	Target 80%	RS/JS	27/07/2018														
Progress Meeting		Team	30/07/2018														
Produce ABS week 11	Target 85%	RS/JS	03/08/2018														
Progress Meeting		Team	06/08/2018														
Produce ABS week 12	Target 90%	RS/JS	10/08/2018														
Progress Meeting		Team	13/08/2018														
Produce ABS week 12	Target 100%	RS/JS	17/08/2018														
Final Progress/review meeting		Team	20/08/2018														
Data Cleansing	send snapshot in preparation for 2019		30/11/2018														
Employer performance rating feedback																	



Division(s):N/A

## **PENSION FUND COMMITTEE – 1 DECEMBER 2017**

### **REVIEW OF THE ANNUAL BUSINESS PLAN 2017/18**

#### **Report by Director of Finance**

##### **Introduction**

1. This report sets out a review of the progress against the key service priorities included in the annual business plan for the Pension Fund for 2017/18. As many of these priorities directly link to the mitigation plans for the key risks within the Fund's Risk Register, the report provides more detail on the status of these risks.

##### **Development of the Brunel Pension Partnership**

2. The first of the five service priorities agreed as part of the annual business plan was to contribute to the successful establishment of the Brunel Pension Partnership such that the first transfer of assets can take place in April 2018.
3. A full update of the overall progress of the development of the Partnership was provided to at the recent Engagement Sessions run by officers from the Client Group and the Brunel Company to which members of both the Committee and Pension Board were invited.
4. There is a specific report on the agenda today which covers items of more local significance to the Oxfordshire Fund, being the transition of custodian to State Street, the budget implications of Brunel's Annual Business Plan for 2018/19 and the latest position on the development of the Brunel portfolios and the implications for Oxfordshire's asset allocation.

##### **Cash Flow Modelling**

5. The second service priority was to develop a more sophisticated cash flow model, and an appropriate future investment strategy to ensure all pension liabilities can be met as they fall due. There were three key aspects to this element of the work plan
  - working with the Fund Actuary to develop a modelling tool to allow future liability patterns to be better understood, and the impact of structural changes proposed by large employers identified
  - working with the major scheme employers to understand any changes in likely scheme membership as a consequence of their strategic plans
  - developing a clear understanding of the investment returns of the various asset classes to provide a better match to the liability profile

6. Much of this work has been delayed due to the pressures of work associated with developing the Brunel Pension Partnership and the need to re-tender the Actuarial contract for the Fund. The requirements for a cash flow modelling tool which allows Fund officers to set parameters to reflect the latest strategic decisions of our major employers was set out in the invitation to tender. This work will be taken forward early in 2018 following the award of the new contract, and will be tied into the work on developing the new Brunel portfolios to ensure the investment strategy does deliver sufficient cash to meet the cost of pension liabilities as they fall due.
7. In the short term, Officers monitor the cash flow position on a monthly basis, and this shows we are still in a healthy position with c£750,000 more resources collected each month in respect of member's benefits than paid out. This, plus the cash reserves held, provides short term protection against the risk that the Fund will have to sell assets at short notice to meet pension liabilities.

### **Managing Pension Fund Data**

8. The third service priority within the 2017/18 business plan was to develop more sophisticated management arrangements to ensure all Pension Fund data is received and stored in accordance with the requirements of the Pension Fund Regulator.
9. The business plan identified four key elements to this work
  - (a) Further training to fully understand the requirements of the Pension Regulator
  - (b) A review of current data collection processes looking to automate these wherever possible, and standardise them in line with best practices across other Funds.
  - (c) Development of more meaningful management reports on data quality
  - (d) Work with scheme employers to ensure responsibilities are fully understood, and to address any key concerns within the current arrangements.
10. As a consequence of the need to report a further breach of the regulations in respect of non-compliance with the requirement to issue 100% of annual benefit statements by 31 August 2017, the Pension Regulator has now asked for a meeting with Fund Officers on 12 December 2017. This meeting will be key to establish whether the current action plan meets the Regulator's expectations and/or what further actions are required.
11. The issue of greater standardisation of scheme employer data returns has now been raised by David Locke, a scheme employer representative on our Local Pension Board with the national Advisory Board. The national Advisory Board have responded positively to the request to explore this further and have invited David to attend one of their meetings early in 2018.

12. The remaining work in this area is impacted by the overall work programme currently facing the Pension Services Team (as identified in the separate Administration Report and appendix of on-going project work).

### **Monitoring Fund Manager Performance against Committee Policies**

13. The fourth service priority was to develop a more robust approach to monitoring the performance of Fund Managers, in respect of their delivery against the Funds responsible investment and stewardship policies. This priority was added to the business plan in light of a number of concerns expressed by scheme members about the lack of transparency of the current arrangements, and in particular the need to measure the success of fund Manager engagements with the companies they have invested in on our behalf.
14. This work continues to be taken forward in our work with our current Fund Managers and with our partners in the Brunel Pension Partnership. As covered elsewhere on the agenda, Wellington have been pro-active in developing new reporting tools to help better understand the success of their interventions on environmental, social and governance issues. This work is being discussed with the new Responsible Investor Officer at Brunel and with State Street in their role as the new Administrator for the Brunel Pension Partnership in order to develop new robust reports which will offer greater transparency on the investment decisions of our Fund Managers.

### **Scheme Member Communications**

15. The final priority identified in the 2017/18 Business Plan was improving scheme member communications through the full implementation of members self-service. This would enable scheme members to log into their own pension account to amend personal data, and view key information in respect of their own pension.
16. Having successfully rolled out member self-service to pensioners within the Oxfordshire Fund, we are now taking forward the project to roll out the facility to active and deferred members.

### **RECOMMENDATION**

17. **The Committee is RECOMMENDED to note the progress against the key service priorities identified in the 2017/18 Business Plan.**

Lorna Baxter  
Director of Finance

Contact Officer: Sean Collins, Service Manager (Pensions) Tel: 07554 103465

August 2017

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Division(s): N/A

## **PENSION FUND COMMITTEE – 1 DECEMBER 2017**

### **RISK REGISTER**

#### **Report by the Director of Finance**

##### **Introduction**

1. At their meeting on 11 March 2016, the Committee agreed that the risk register should form a standard item for each quarterly meeting. A copy of the report also goes to each meeting of the Pension Board for their review. The comments from the Pension Board are included in their report to this meeting and the Committee are invited to consider the current risk ratings in respect of the risks queried by the Board.
2. The risk register presented to the March 2016 Committee meeting was the first produced in the new format, which introduced the concept of a target level of risk and the need to identify mitigation action plans to address those risks that were currently not at their target score. This report sets out any progress on the mitigation actions agreed for those risks not yet at target, and identifies any changes to the risks which have arisen since the register was last reviewed.
3. A number of the mitigation plans are directly linked to the key service priorities identified in the Annual Business Plan, and this report should therefore be considered in conjunction with the report which reviews progress against the business plan elsewhere on this agenda.

##### **Comments from the Pension Board**

4. The Pension Board were pleased to note that the Committee had recognised the potential risks around the new General Data Protection Regulations and the fact that the Committee were due to receive a report on the subject at today's meeting. The Committee may wish to re-visit risk 14 in the attached register in light of their discussion on this agenda item. The Board have asked to review this item at their next meeting.
5. The Board wished to ensure all action plans where the completion date was amended were highlighted to both the Committee and the Board. For this meeting, completion dates have been left unaltered so that the Committee and Board can identify those actions which have fallen behind planned timescales.
6. The Board had a discussion on risk 17 in respect of the changes to the cash flow of the Fund and the knock on investment implications, of any major structural change. The Board accepted that we would be in a better position to review these concerns once the outstanding work on cash modelling was

completed, following the signing of the new Actuarial contract. The Board will wish to review this risk at that time. They also noted that a key element of this risk was Government Policy which could lead to the decision to transfer out academy schools to a single Fund. Other risks associated with Government policy were then discussed, including the risk that the Government could choose to close the scheme as a defined benefit scheme. The Board asked the Committee to consider whether an additional risk associated with Government Policy should be added to the Register.

### **Latest Position on Risks**

7. Of the 17 risks identified within the risk register, 8 are showing at target in the Register. These include risk 14, the risk of a breach of data security. At the last meeting of the Committee, Members asked about the likelihood of a risk from a cyber-attack, and whether such an event would be covered by the Council's insurance arrangements.
8. The Insurance Team have stated that the Council's insurance arrangements do not cover specific cover in respect of cyber-crime, but such an event would be covered under the general liability policy.
9. The likelihood of the Pension Fund's software being vulnerable to cyber-attacks was covered by the most recent ICT audit of the Fund's systems. This included seeking assurance from the software supplier, who in turn provided information about the results of their recent exercise undertaken by an independent penetration test supplier.
10. The tests undertaken by the independent tester identified 9 separate issues of which none were deemed critical, and just one as high, defined as possible financial or legal impact or loss of data. 3 of the remaining issues were categorised as medium – limited or quantifiable impact and the other 5 as low – little or no adverse impact. The software supplier has subsequently taken action to address the issues identified. We have therefore recorded an unlikely score within the risk register.

### **Risks Covered by the Annual Business Plan**

11. Of the remaining 9 risks not at target, the mitigation plan for 6 is covered by the work in delivering the 2017/18 business plan.
12. Risks 1, 2 and 17 are all impacted by the cash flow model. This work has slipped against the initial deadlines set out in the risk register, initially as a requirement to prioritise the work associated with developing the Brunel Pension Partnership, and latterly as a consequence of the need to re-tender the Actuarial contract. These are all long term risks, and there is some mitigation in place in the short term. The results of the 2016 Valuation alongside the on-going cash flow monitoring have indicated that recent investment returns have exceeded those assumed in the valuation, thereby leading to a reduction in the funding shortfall. Cash flow continues to be positive, with a monthly average of just under £0.75m more by way of

contributions than is paid out in benefits, reducing the risk of emergency sales of assets.

13. Risks 3, 8 and 9 relate to the work associated with data quality and are all in progress. Whilst improved monitoring arrangements have been introduced to ensure we are getting timely and accurate data from employers, the impact on resources as a consequence of the work on annual benefit statements and the backlog of queries mean there is a lack of resource to complete all the escalation work necessary to follow up with employers. We also need to develop improved management reports to highlight any issues with the data held by the Fund before we can reduce the likelihood of these risks.

### **Other Risks**

14. Risk 7 is the risk of employer default. This risk is subject to a report elsewhere on this agenda. The Committee are invited in that report to consider if they wish to make changes to the Funding Strategy Statement or if they are happy with the current level of risk. The decision on that report will need to be reflected in the risk register.
15. The other two risks currently not reported at target are risk 10 – staff resources and risk 11 – skills and knowledge of the Pension Fund committee itself. In respect of staff resources, the team is currently operating with three vacancies, and is working with the HR team to seek to bring in specialist agency staff. External resource is now in place to deliver the work on reconciling our Guaranteed Minimum Pension (GMP) data with that held by HMRC, and the backlog of work in respect of leavers and re-employments.
16. On risk 11, officers are currently putting together a full day's training programme for members of both the Committee and Board to increase the levels of skills and knowledge held across the two bodies. This is now likely to be in the Spring of 2018.

### **RECOMMENDATION**

17. **The Committee is RECOMMENDED to:**
  - (a) **note the current risk register;**
  - (b) **consider the comments from the Pension Board; and**
  - (c) **determine any changes to the current risk register.**

Lorna Baxter  
Director of Finance

Contact Officer: Sean Collins, Service Manager (Pensions); Tel: 07554 103465

November 2017

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## Risk Register

### Identification of Risks:

These are the risks that threaten the achievement of the Pension Fund's objectives. Risks have been analysed between:

- Funding, including delivering the funding strategy;
- Investment;
- Governance
- Operational; and
- Regulatory.

### Key to Scoring

Impact		Financial	Reputation	Performance
5	Most severe	Over £100m	Ministerial intervention, Public inquiry, remembered for years	Achievement of Council priority
4	Major	Between £10m and £100m	Adverse national media interest or sustained local media interest	Council priority impaired or service priority not achieved
3	Moderate	Between £1m and £10m	One off local media interest	Impact contained within directorate or service priority impaired.
2	Minor	Between £100k and £500k	A number of complaints but no media interest	Little impact on service priorities but operations disrupted
1	Insignificant	Under £100k	Minor complaints	Operational objectives not met, no impact on service priorities.

### Likelihood

4	Very likely	This risk is very likely to occur (over 75% probability)
3	Likely	There is a distinct likelihood that this will happen (40%-75%)

2	Possible	There a possibility that this could happen (10% - 40%)
1	Unlikely	This is not likely to happen but it could (less than 10% probability)

Ref	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
							Impact	Likelihood	Score			Impact	Likelihood	Score		
1	Investment Strategy not aligned with Pension Liability Profile	Financial	Pension Liabilities and asset attributes not understood and matched.	Long Term - Pension deficit not closed.	Service Manager	Triennial Asset allocation Review after Valuation.	4	2	8	Develop cash flow Model with Actuary. Gain greater understanding of employer changes. Review asset allocation.	September 2017	4	1	4	September 2017	Mitigation Plan delayed beyond initial target
2	Investment Strategy not aligned with Pension Liability Profile	Financial	Pension Liabilities and asset attributes not understood and matched.	Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	4	2	8	Develop cash flow Model with Actuary. Gain greater understanding of employer changes. Review asset allocation.	September 2017	4	1	4	September 2017	Mitigation Plan delayed beyond initial target
3	Investment Strategy not aligned with Pension Liability Profile	Financial	Poor understanding of Scheme Member choices.	Long Term - Pension deficit not closed. Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	3	2	6	Develop Improved Management Reports to benchmark, and monitor opt outs, 50:50 requests etc.	September 2017	3	1	3	September 2017	Improved Reports not yet available
4	Under performance of asset managers or asset classes	Financial	Loss of key staff and change of investment approach.	Long Term - Pension deficit not closed.	Financial Manager	Quarterly review Meeting, and Diversification of asset allocations.	3	2	6			3	2	6		At Target
5	Actual results varies to key financial assumptions in Valuation	Financial	Market Forces	Long Term - Pension deficit not closed.	Service Manager	Moderation of assumptions at point of valuation. Asset allocation to mirror risk. Sensitivity analysis included in Valuation report.	3	2	6			3	2	6		At Target
6	Loss of Funds	Financial	Poor Control	Long Term -	Finan	Review of	3	1	3			3	1	3		At Target

	through fraud or misappropriation.		Processes within Fund Managers and/or Custodian	Pension deficit not closed	cial Manager	Annual Internal Controls Report from each Fund Manager. Clear separation of duties.										
7	Employer Default - LGPS	Financial	Market Forces, increased contribution rates, budget reductions.	Deficit Falls to be Met By Other Employers	Pension Services Manager	All new employers set up with ceding employing under-writing deficit, or bond put in place.	3	2	6	Review all employers where there is no statutory covenant.  Meeting held with actuaries	September 2017	2	2	4	December 2017	Subject to Decisions at December 2017 Committee.
8	Inaccurate or out of date pension liability data – LGPS and FSPS	Financial & Administrative	Late or Incomplete Returns from Employers	Errors in Pension Liability Profile impacting on Risks 1 and 2 above.	Pension Services Manager	Monitoring of Monthly returns	4	3	12	Develop improved management reporting to highlight data issues at an earlier point in time. Develop escalation issues to ensure data issues are resolved at earliest point, including new charges, and improved training/guidance.  Actions in progress	March 2017	3	1	3	December 2017	Improved monitoring in place, but further improvements required in escalation process. Further failure to issue ABS likely to result in further action from the Pension Regulator. Meeting scheduled with regulator on 12 December 2017
9	Inaccurate or out of date	Administrative	Late or Incomplete	Late Payment of	Pension	Monitoring of Monthly	3	2	6	Develop improved	March 2017	3	1	3	June 2017	Improved monitoring

	pension liability data – LGPS and FSPS		Returns from Employers	Pension Benefits.	Services Manager	returns. Direct contact with employers on individual basis.				management reporting to highlight data issues at an earlier point in time. Develop escalation issues to ensure data issues are resolved at earliest point, including new charges, and improved training/guidance. In progress						in place, but further improvements required in escalation process.
10	Insufficient resources to deliver responsibilities- – LGPS and FSPS	Administrative	Budget Reductions	Breach of Regulation	Services Manager	Annual Budget Review as part of Business Plan.	4	2	8	Need to address backlog of work which is impacting on ability of staff to meet statutory deadlines. External resources to be employed.	September 2017	4	1	4	December 2017	Work under contract by external resource currently underway.
11	Insufficient Skills and Knowledge on Committee – LGPS and FSPS	Governance	Poor Training Programme	Breach of Regulation	Services Manager	Training Review	4	2	8	Develop Needs Based Training Programme.	June 2017	4	1	4	September 2017	Training Day to be agreed.
12	Insufficient Skills and Knowledge amongst – LGPS and FSPS Officers	Administrative	Poor Training Programme and/or high staff turnover	Breach of Regulation and Errors in Payments	Services Manager	Training Plan. Control checklists.	3	1	3			3	1	3		At Target
13	Key System Failure – LGPS and FSPS	Administrative	Technical failure	Inability to process pension payments	Pension Services Manager	Disaster Recovery Programme	4	1	4			4	1	4		At Target
14	Breach of Data Security – LGPS and	Administrative	Poor Controls	Breach of Regulation	Pension Services	Security Controls, passwords	3	1	3			3	1	3		At Target

	FSPS				ces Mana ger	etc.										
15	Failure to Meet Government Requirements on Pooling	Governance	Inability to agree proposals with other administering authorities.	Direct Intervention by Secretary of State	Servi ce Mana ger	Full engagement in Project Brunel	5	1	5			5	1	5		At Target
16	Failure of Pooled Vehicle to meet local objectives	Financial	Sub-Funds agreed not consistent with our liability profile.	Long Term - Pension deficit not closed	Servi ce Mana ger	Full engagement in Project Brunel	4	1	4			4	1	4		At Target
17	Significant change in liability profile or cash flow as a consequence of Structural Changes	Financial	Significant Transfers Out from the Oxfordshire Fund, leading to loss of current contributions income.	In sufficient cash to pay pensions requiring a change to investment strategy and an increase in employer contributions	Servi ce Mana ger	Engagement with One Oxfordshire project and with other key projects to ensure impacts fully understood	4	2	8	Work with Fund Actuary to Understand Potential Implications to feed into project and investigate potential changes to investment strategy that can be implemented within required timescales		4	1	4	Septem ber 2017	Employer's engaged. Awaiting cash flow model from Actuary to fully understand implications.

Division(s): N/A
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## **PENSION FUND COMMITTEE – 1 DECEMBER 2017**

### **GENERAL DATA PROTECTION REGULATIONS (GDPR)**

#### **Report by Director of Finance**

##### **Introduction**

1. The current data protection regulations are being replaced by the European General Data Protection Regulations (GDPR) which will automatically take effect in the UK on 25 May 2018 without any action needed by the UK Government. These regulations will be supplemented by a piece of new UK legislation, the Data Protection Act 2018.
2. This legislation aims to reinforce individual rights in the digital / information age and give citizens back control over their personal data and to reduce administrative burdens.
3. There are specific roles set out in the legislation – a glossary of these and other relevant terms is attached at Appendix A
4. The headlines around this legislation say “that it heralds a complete change to the way anyone processing data needs to think”. This coupled with the absence of any phasing in of the requirements and significantly higher sanctions which can be levied for a breach means that all actions to ensure full compliance must be completed by the end of April 2018.

##### **Key Changes**

###### Consent

5. Implied consent from scheme members is no longer sufficient to enable data to be processed. Now data processing will only be lawful if conducted with the explicit consent of the scheme member.
6. In seeking this consent the Data Processor must ensure that it tells data subjects the basis on which data is to be processed in a concise, transparent, intelligible and easily accessible form using clear and plain language. In seeking such consent it also must be clear if the data will be used in different processes, in which case separate consent must be obtained.
7. Consent can be withdrawn at any time.

### Right to be Forgotten

8. Data subjects can exercise their “right to be forgotten” and insist that his/her data is permanently deleted from the Data Controller’s records

### Right to Access

9. Data subjects can request details of any data held about them. This must be provided, at no cost, within 20 working days.

### Data Portability

10. Allows a user to request a copy of personal data in a format usable by them and electronically transmissible to another processing system

### Privacy by Design

11. GDPR requires that systems and processes must consider compliance with the principles of data protection. The essence of privacy by design is that privacy in service or product is taken into account from the inception of the product concept

### Breach Notification

12. Data controllers will be required to report data breaches within 72 hours of becoming aware of the breach. Where the risk to the individual is high then data subjects must be notified.

### Sanctions

13. These will increase from the maximum of £500,000 to between 2% and 4% of turnover (depending on transgression) or 10,000,000 or 20,000,000 Euro.

### **Implications for the Fund**

14. Consent – processing of data by the Fund is necessary for compliance to meet legal obligations, however what actions will need to be taken remain unclear in absence of the Information Commissioner’s guidance.
15. Right to be Forgotten – if left as is then this could cause issues in cases where scheme members take a refund of contributions or transfer out of the scheme, and subsequently make a claim. It is rumoured that the Data Protection Act 2018 will address this issue in respect of pension fund, however this has yet to be confirmed.
16. However, Funds have been advised that legal advice is due to be issued confirming that there is a statutory need for the Fund to obtain and retain information.

17. Pension Funds generally hold a large amount of both current and historical data. This legislation will require a review of what should be retained and retention periods for this information.

### **Timetable and Actions for Implementation**

18. Officers have been in contact with colleagues in ICT to establish what is being done corporately and how that impacts on the proposed implementation for the Fund. The corporate team is running some session which will be attended by the Service Manager for Pensions and are available for advice and guidance but it is down to each team to ensure that they are compliant with the regulations.
19. One point discussed was whether the Fund needed to put a Data Protection Officer in place but advice from the corporate team suggests that the Fund will fall under the remit of the OCC Data Protection Officer which would also mean that the Fund would report any breaches under the OCC arrangements.
20. Below is a timetable for the actions to be taken to ensure that the Fund is compliant by end of April 2018.

<b>Action</b>		<b>Date Due</b>
Information Audit	What data is held; where did it come from; how is it being processed; is it secure; map processes etc. Review Data Retention	January 2018
Privacy Impact Assessment	Assess any processes deemed as high risk – carry out assessment	January 2018
Privacy Notices and Consent	Update all communications so members understand all uses of information; Update Fund Policies; Obtain consent where necessary	February 2018
Service Provider Contracts	Review / Ensure GDPR Compliance	April 2018
New Individual Rights	Establish and implement new procedures so that these rights can be exercised	April 2018
Breach Management	Work under OCC procedure for reporting any breaches	Waiting on OCC
Awareness & Training	Pension Team to be briefed monthly; Engage with Scheme Employers; Update Committee & Board	Regular Briefings

21. The most significant part of this plan for implementation is the information audit. Given the amount of data and the multiple data sources, to do this work properly will be time consuming. On that basis, officers are intending to outsource this part of the process to an external consultant. This is currently being investigated and so no other details are yet available.

### **RECOMMENDATION**

- 22. The Committee is RECOMMENDED to note the report**

Lorna Baxter  
Director of Finance

Contact Officer: Sally Fox, Pensions Manager; Tel: (01865) 323854

November 2017

# GDPR Glossary

**Binding Corporate Rules (BCRs)**- a set of binding rules put in place to allow multinational companies and organisations to transfer personal data that they control from the EU to their affiliates outside the EU (but within the organisation)

**Biometric Data** - any personal data relating to the physical, physiological, or behavioral characteristics of an individual which allows their unique identification

**Consent**- freely given, specific, informed and explicit consent by statement or action signifying agreement to the processing of their personal data

**Data Concerning Health** - any personal data related to the physical or mental health of an individual or the provision of health services to them

**Data Controller** - the entity that determines the purposes, conditions and means of the processing of personal data

**Data Erasure** - also known as the Right to be Forgotten, it entitles the data subject to have the data controller erase his/her personal data, cease further dissemination of the data, and potentially have third parties cease processing of the data

**Data Portability** - the requirement for controllers to provide the data subject with a copy of his or her data in a format that allows for easy use with another controller (more info [here](#))

**Data Processor** - the entity that processes data on behalf of the Data Controller

**Data Protection Authority** - national authorities tasked with the protection of data and privacy as well as monitoring and enforcement of the data protection regulations within the Union

**Data Protection Officer** - an expert on data privacy who works independently to ensure that an entity is adhering to the policies and procedures set forth in the GDPR (more info [here](#))

**Data Subject** - a natural person whose personal data is processed by a controller or processor

**Delegated Acts** - non-legislative acts enacted in order to supplement existing legislation and provide criteria or clarity

**Derogation** - an exemption from a law

**Directive** - a legislative act that sets out a goal that all EU countries must achieve through their own national laws

**Encrypted Data** - personal data that is protected through technological measures to ensure that the data is only accessible/readable by those with specified access

**Enterprise** - any entity engaged in economic activity, regardless of legal form, including persons, partnerships, associations, etc.

**Filing System** - any specific set of personal data that is accessible according to specific criteria, or able to be queried

**Genetic Data** - data concerning the characteristics of an individual which are inherited or acquired which give unique information about the health or physiology of the individual

**Group of Undertakings** - a controlling undertaking and its controlled undertakings

**Main Establishment** - the place within the Union that the main decisions surrounding data processing are made; with regard to the processor

**Personal Data** - any information related to a natural person or 'Data Subject', that can be used to directly or indirectly identify the person

**Personal Data Breach** - a breach of security leading to the accidental or unlawful access to, destruction, misuse, etc. of personal data

**Privacy by Design** - a principle that calls for the inclusion of data protection from the onset of the designing of systems, rather than an addition

**Privacy Impact Assessment** - a tool used to identify and reduce the privacy risks of entities by analysing the personal data that are processed and the policies in place to protect the data

**Processing** - any operation performed on personal data, whether or not by automated means, including collection, use, recording, etc.

**Profiling** - any automated processing of personal data intended to evaluate, analyse, or predict data subject behavior

**Pseudonymisation** - the processing of personal data such that it can no longer be attributed to a single data subject without the use of additional data, so long as said additional data stays separate to ensure non-attribution

**Recipient** - entity to which the personal data are disclosed

**Regulation** - a binding legislative act that must be applied in its entirety across the Union

**Representative** - any person in the Union explicitly designated by the controller to be addressed by the supervisory authorities

**Right to be Forgotten** - also known as Data Erasure, it entitles the data subject to have the data controller erase his/her personal data, cease further dissemination of the data, and potentially have third parties cease processing of the data

**Right to Access** - also known as Subject Access Right, it entitles the data subject to have access to and information about the personal data that a controller has concerning them

**Subject Access Right** - also known as the Right to Access, it entitles the data subject to have access to and information about the personal data that a controller has concerning them

**Supervisory Authority** - a public authority which is established by a member state in accordance with article 46

**Trilogues** - informal negotiations between the European Commission, the European Parliament, and the Council of the European Union usually held following the first readings of proposed legislation in order to more quickly agree to a compromise text to be adopted.

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