

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 8 July 2022 commencing at 10.30 am and finishing at 12.30 pm

Present:

Voting Members: Matthew Trebilcock – in the Chair

Alistair Bastin
Stephen Davis
Angela Priestley-Gibbins
Marcia Slater

Member(s) of Pension Fund Committee in attendance: Councillor Bob Johnston

Officers: Sean Collins (Service Manager Pensions Insurance and Money Management) and Khalid Ahmed (Law and Governance).

The Board 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.

20/22 APOLOGIES FOR ABSENCE

(Agenda No. 1)

An apology for absence was received from Elizabeth Griffiths.

21/22 MINUTES

(Agenda No. 3)

The Minutes of the meeting held on 22 April 2022 were approved.

22/22 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE - 10 JUNE 2022

(Agenda No. 4)

The meeting had before it the draft minutes of the last Pension Fund Committee meeting of 10 June 2022 for consideration. The draft Minutes were noted.

[In relation to Minute No. 20/22 – Report of the Local Pension Board, reference was made to Alistair Bastin being appointed to the Brunel Oversight Board as a Scheme Member representative. The Board congratulated Alistair on his appointment.]

23/22 ANNUAL REPORT OF THE LOCAL PENSION BOARD

(Agenda No. 5)

The Board was provided with a report which set out the work undertaken by the Board during 2021/22 for inclusion in the Annual Report and Accounts of the Pension Fund.

Discussion took place on the content of the Annual Report and it was agreed that details of Local Pension Fund training be included in the report.

The report was noted.

24/22 REVIEW OF THE ANNUAL BUSINESS PLAN

(Agenda No. 6)

The Board was asked to review the position against the Annual Business Plan for 2022/23 which was considered by the Pension Fund Committee on 10 June 2022 and were asked to offer any comments to the Committee.

The Service Manager for Pensions, Insurance and Money Management updated the Board on progress made on key priorities.

- Review and Improve the Scheme's Data

Members were informed that the two amber actions which required improvement to had to be good enough to perform a valuation of the data.

In relation to Cyber Security Policy, the Board was informed that rather than developing a Cyber Security Policy there was a document which covered all risks around cyber security and approaches the Council took to mitigate. This document would be drafted for September Pension Fund Committee.

- Develop a holistic approach to technology across Pension Administration Services

Reference was made to little progress being made on this key priority. The Service Manager for Pensions, Insurance and Money Management reported that support had been secured to work on the project. There was a clear timetable which would enable the Pension Fund to consider whether they would want to re-tender. There would be a further report to the next Pension Fund Committee and the Board.

- Enhanced delivery of Responsible Investment opportunities

The Board was informed that the recruitment of the Responsible Officer would commence later in June. A suggestion was made regarding making the post more attractive by providing a market supplement to the post holder. This would be taken back to the Pension Fund Committee.

- Deliver improved and consistent service performance to scheme members

Discussion took place on the services delivered to SLA Standards consistently throughout the year being on red, in terms of an assessment of progress. Reference was made to there being a backlog of work and a shortage of staff, which was the cause of performance figures being below SLA targets in a number of cases.

The Board was informed that the recruitment and retention of Pension Fund Administration staff was a national issue. The Board was assured that the Pension Fund Committee had provided the resources and had supported officers. Reference was made to the possibility of using resource from other sources to help.

The Board was informed that the new Governance Officer would be attending the next meeting of the Board.

The Board noted the report.

25/22 RISK REGISTER

(Agenda No. 7)

The Board was invited to review the latest risk register as considered by the Pension Fund Committee on 10 June 2022 and offer any further views back to the Committee.

Reference was made to the key issue of the risk of insufficient skills and knowledge amongst the Pension Fund Members of both the Committee and Board. There was difficulty getting Members for both the Committee and Board because of the high skill set required.

Discussion took place on the issue of training and the Board was informed that it was important that there was engagement in training to enable the risk to move to green (Risk does not require any attention in short term). A training plan was important to ensure the required skills and knowledge were being reviewed.

In relation to Risks 16 and 17 - Key System Failure – LGPS and FSPS and Breach of Data Security – LGPS and FSPS the Board was informed that there was not a single policy document on cyber security, however, there were a number of policies in place across the Pension Fund. A Board Member expressed concern as he did not feel this was sufficient.

Action

After discussion, the Board requested that the Pension Fund Committee be asked to consider that there be an overarching single cyber policy for the Pension Fund and the risk should be classified as being a higher risk.

The Board noted the report and the Pension Fund Committee be asked to consider that there be an overarching single cyber policy for the Pension Fund and the risk should be classified as being a higher risk.

26/22 ADMINISTRATION REPORT

(Agenda No. 8)

The Board was asked to review the latest Administration Report as presented to the Pension Fund Committee on 10 June 2022, including the latest performance statistics for the Service.

The Board was informed that there had been another resignation from the Administration Team so there was now another vacancy. This shortage of staff created a challenge to the Team, although performance had improved, which was recognised by the Pension Fund Committee. There would be an impact on work in relation to the Government response to McCloud.

Reference was made to informal complaints received and in particular in relation to scheme members having to give the 3 months' regulatory requirement notice of intention to take pension before they retired.

The Board was updated on the data breach by the fund's AVC provider who had sent the monthly schedule of changes and new contributions to another fund. There had not been a satisfactory response received to this breach.

Discussion took place on the need for a protocol to be in place to ensure the correct process was followed in relation to what to do with a data breach and that this should be tied in with a data security policy for the Fund.

Action

The Board asked that the Pension Fund be requested to consider introducing a protocol/policy on data breaches to the Fund.

The report was noted, and the Pension Fund be requested to consider introducing a protocol/policy on data breaches to the Fund.

27/22 ACTUARIAL VALUATION

(Agenda No. 9)

The Board was invited to review the assumptions paper as agreed by the Pension Fund Committee at their meeting on 10 June 2022.

The Pension Fund Committee agreed with the assumptions recommended by the Fund Officers and Fund Actuary for the 2022 triennial valuation of the Oxfordshire County Council Pension Fund, including the small increase in level of prudence.

The report was noted.

28/22 INVESTMENT MANAGEMENT FEES

(Agenda No. 10)

The Board was invited to review the latest report on the investment management fees paid in respect of the Fund's investment portfolios and the performance of these portfolios and offer any comments to the Pension Fund Committee for their consideration of the value for money obtained from active management in advance of the next Strategic asset review scheduled for March 2023.

The Board was informed that there had been significant increase in fees paid to the Fund's investment managers. Members discussed the detail in the report and expressed the view that more detail was required on trend data and more information on portfolio changes to enable comparisons to be made. In relation to equities, officers were asked to provide disaggregated information in the report which was provided for the Pension Fund Committee.

The Board noted the report and agreed that this report be submitted to the Pension Fund Committee with the changes requested.

29/22 ITEMS TO INCLUDE IN REPORT TO THE PENSION FUND COMMITTEE

(Agenda No. 11)

It was agreed that the following be included in the Board's report to the Pension Fund Committee:-

- An overarching single cyber policy for the Pension Fund and the risk being classified as being a higher risk.
- Report on the Investment Management Fees with more background detail
- Local Pension Fund Annual Report

30/22 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING

(Agenda No. 12)

Items to be included on the agenda for the next meeting of the Board:-

- Introduction of Governance Officer
- Scheme Member Engagement
- Proposed Hyman Robertson Overarching Cyber Security document.

31/22 EXEMPT ITEMS

(Agenda No. 13)

It was agreed that the public be excluded for the duration of the following item on 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.

32/22 PROVISION OF ADDITIONAL VOLUNTARY CONTRIBUTION SCHEME
(Agenda No. 14)

The confidential report set out the latest review of the provision of Additional Voluntary Contribution services to the Pension Fund.

The Board noted the confidential report.

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 such disclosure would prejudice the trading activities of the Scheme Provider involved and would prejudice the Administering Authority in negotiating new commercial arrangements and therefore their ability to properly discharge their statutory duties and their fiduciary duty to scheme members.

..... in the Chair

Date of signing