

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 20 January 2023 commencing at 10.30 am and finishing at 12.30 pm

Present:

Voting Members: Matthew Trebilcock – in the Chair
Alistair Bastin
Stephen Davis
Elizabeth Griffiths
Angela Priestley-Gibbins
Marcia Slater

Members of Pension Fund Committee in Attendance: Councillor Bob Johnston
Steve Moran

Officers: Sean Collins (Service Manager for Pensions, Insurance and Money Management), Sally Fox (Pension Services Manager), Mukhtar Master (Governance & Communications Manager), Rebecca O'Shea (Communications Manager 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.

1/23 MINUTES
(Agenda No. 3/23)

The minutes of the meeting held on 21 October 2022 were agreed as a correct record.

[The Service Manager for Pensions, Insurance and Money Management reported that the vacancy for a Scheme Member representative on the Local Pension Board had been advertised and there had been a good response. Shortlisting and interviews would be taking place and it was hoped the vacancy would be filled.]

2/23 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE - 2 DECEMBER 2022
(Agenda No. 4)

The meeting had before it the draft minutes of the last Pension Fund Committee meeting of 2 December 2022 for consideration. The draft Minutes were noted.

3/23 SCHEME MEMBER ENGAGEMENT

(Agenda No. 5)

The Board was provided with a report which set out the current approach to scheme member engagement and the options for further improvements in the arrangements.

The Board was invited to consider the report and provide advice to the Pension Fund Committee on changes to the Communications Policy to improve scheme member engagement in the future.

The Governance & Communications Manager and the Communications Manager for the Pension Fund introduced the report.

The Board was informed that Member engagement was important for regulatory purpose. Details of what was currently in place was reported and included:-

- Reporting Pensions –quarterly newsletter
- Annual benefit statement plus notes
- Annual Deferred newsletter (in collaboration with other Funds)
- Deferred Annual Pensioner newsletter
- Member talks.
- My Oxfordshire Pension
- Use of Altair email tool
- Use of Gov.UK Notify email tool (Bulk Email)
- Annual activation codes mailing
- Partnership working with other funds – Oxfordshire is represented on: Communications working group (LGA) Joint communications working group
- Translation Services
- Oxfordshire Pension Fund Website

Paragraph 8 of the report contained new ideas to improve engagement.

In response to a question relating to how engagement was measured, the Board was informed that it was difficult to do so now as more training was required on analytics.

The Board was informed that the statistics of how many members were registered for the on-line portal was in line with other funds. There were 56.3% of Active Members registered and using the on-line portal; 49.5% Deferred Members registered and 91.1% of Pensioners who had registered. However, there were many members who had not made the decision to register for the on-line portal or to receive paper statements and communications.

The National and Local Engagement Group was looking at benchmarking.

Reference was made to many members who had not decided to register or receive paper notifications.

Discussion took place on the current methods of communication which relied on employers initiating communication with its employees. There was an issue with employee engagement in relation to how many within each Pension Fund employer had registered.

Reference was made to difficulty in getting new addresses, email addresses and telephone contact numbers for members that had changed their addresses. Annual address chasing exercises do take place.

There were ideas to improve engagement which included introducing QR codes which would take members directly to the correct Pensions page and on letters, newsletters, and leaflets. There would be Webinars on common subjects and improvements would be made to the website to improve access.

The Board agreed that Board Members would provide articles in the newsletter.

A Board Member referred to including information on the website on where the Pension Fund invested members' funds, which would increase engagement and interaction with members. The Service Manager for Pensions, Insurance and Money Management explained that such improvements were being introduced on the website and would be linked to the Fund's Climate policy.

The Board noted and reviewed the outcome of Member Engagement Review carried out by the Governance and Communications Team of the fund and that an amended Communications Policy would be submitted to the next Pension Fund Committee. Board Members would receive a draft of the Communications Policy by email prior to its submission to the Committee.

The Board noted the report.

4/23 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 as considered by the Pension Fund Committee at their meeting on 2 December 2022 and to offer any comments to the Committee.

The report also included the results of the National Knowledge Assessment, and the Board was invited to consider the results and priorities for future training.

Reference was made to data quality scores which were very good. It was hoped that the introduction of the national Pensions Dashboards would increase awareness of pension provision and make it easier for scheme members to keep track of all pension benefits and how to keep their details up to date.

In relation to cyber security, the score had remained as Amber in light of the breaches already reported this year, and the need to strengthen the monitoring arrangements in respect of the wider cyber risks.

Stewardship Code was on Red, in relation to the appointment of a new Responsible Investment Officer. The Board was informed that interviews would be taking place next week so this key measure of success would be carried over.

The Board was informed that Oxfordshire County Council's Staff Climate Action Group had submitted correspondence asking the Pension Fund Committee to consider climate change suggestions. The Board was informed that a response to this request would be reported to the next Pension Fund Committee.

In relation to Scheme Member Engagement Policy, as reported on an earlier agenda item, an Engagement Policy was being developed and implemented.

In relation to the Budget, there was an underspend with the delays in the recruitment of staff across the service being a contributory factor. The underspend will grow if there are any further delays in the recruitment process.

The Board was informed of the National Knowledge Assessment results which had Oxfordshire first out of the sixteen Funds in terms of having a top score of 62.5 and with 100% engagement. The overall score for the Board was higher than that for Pension Fund Committee Members.

Areas of weakness were Pension investment which was understandable for the Board as a regulatory body, and Accounting and Audit Standards which would be concentrated on in terms of training.

The Board asked that Members of both the Board and the Pension Fund Committee continue to be invited to seminars and conferences as there was a correlation between training and scores in the assessment.

Based on the results of this assessment and with individual Committee and Board results, a training plan would be developed which would be presented to the Pension Fund Committee at the March meeting.

The Board noted the report and that Pension Fund Committee had agreed the following:

- (1) That the Committee reviewed progress against each of the key service priorities as set out in the report.
- (2) That approval be given to the further actions to be taken to address those areas not currently on target to deliver the required objectives.
- (3) That the provisional results from the National Knowledge Assessment be noted.
- (4) That approval be given to holding a 2023/24 Business Planning session on the morning of Friday 3 February 2023.

5/23 RISK REGISTER

(Agenda No. 7)

The Board was provided with the latest risk register which had been considered by the Pension Fund Committee on 2 December 2022. The Board was invited to review the report and offer any further views back to the Committee.

Reference was made to Risk 15 in relation to Fund officers having sufficient skills and knowledge to carry out their roles effectively, work was taking place with HR as the Fund was struggling to get the roles adequately graded because of the nuances of working in local government.

It was hoped that there would be an appointment to the Responsible Investment post, but the process took time.

The Board noted the report and the change in risk status for Skills and Knowledge.

6/23 ADMINISTRATION REPORT

(Agenda No. 8)

The Board considered the latest Administration Report which was presented to the Pension Fund Committee on 2 December 2022, including the latest performance statistics for the Service.

The Board was informed that there were still a couple of vacancies in the Team with over 50% of administrators in training and only 25% of the Team fully trained.

In relation to performance statistics, the Team was in a better position, although the clearance of returns was down but there was confidence that this would be up by the end of the financial year. There was a backlog of a number of open tasks which was being managed.

The Benefits Team had been restructured the way it was organised to improve efficiency.

Reference was made to complaints and the Board was informed there was one complaint from a member, over a period of several years, which produced lengthy correspondence. Unfortunately, some of the responses had been incorrect and during 2020/2021 tax year those queries were either not answered or not answered in a reasonable time frame which resulted in the member losing the opportunity to make additional pension contributions and also losing the tax relief associated with this. This resulted in the complainant being awarded a compensatory payment of £1,400 for loss of tax relief and the distress caused by this matter.

In relation to debt management, in the last quarter one overpayment of £10,000 had been recovered by Debt Management.

There had been one data breach during the last quarter where national insurance numbers for four scheme members were sent to the wrong scheme employer. The scheme employer had confirmed that this information had been deleted.

The Director had agreed the release of an ill health pension under delegated powers.

There had been an improvement in Prudential's performance in relation to Additional Voluntary Contributions (AVC).

The Board noted the report and the following recommendations which were agreed by the Pension Fund Committee:-

(1) That the compensatory payment made in line with Scheme of Delegation be noted.

(2) That the release of deferred benefits on grounds of ill-health in line with Scheme of Delegation be noted.

(3) That approval be given to the write off for the last quarter of £23.93.

7/23 EXEMPT ITEMS

(Agenda No. 9)

The Board agreed that the public be excluded for the duration of the following items on the Agenda (during discussion on confidential matters) since it is likely that if they were present during those items 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 items 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.

8/23 CYBER SECURITY

(Agenda No. 10)

The Board was provided with a report which had been considered by the Pension Fund Committee at its last meeting. The report contained details on the security of data held and used by third party providers to the fund.

The Pension Fund Committee had agreed that there would be an annual report submitted on cyber security.

The Board noted the confidential report.

The public was excluded during this item because its discussion in public would likely 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.

9/23 PENSION ADMINISTRATION SYSTEM REVIEW

(Agenda No. 11)

The Board was provided with the final report on Review of Pension Administration System Technology which had been considered by the Pension Fund Committee at its last meeting.

Reference was made to the use of email addresses in relation to the Common Data exercise and the Board agreed that the Chair of the Board would write to the Pension Regulator on the legality of this.

The Board noted the report.

The public was excluded during this item because its discussion in public would likely 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.

10/23 ITEMS TO INCLUDE IN THE REPORT TO THE PENSION FUND COMMITTEE

(Agenda No. 12)

It was agreed that the following be included in the report to the next Pension Fund Committee:

- Correspondence being sent to the Pension Regulator in relation to capturing email addresses as part of the Common Data exercise.
- Member Engagement Report – comments of the Board to be included in the report which will be submitted to the Pension Fund Committee.

11/23 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING

(Agenda No. 13)

The Communication Policy report which will be considered by the Pension Fund Committee.

..... in the Chair

Date of signing