

LOCAL GOVERNMENT PENSIONS BOARD

Wednesday, 31 October 2018

Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 1.45 pm

Present

Members:

Alderman Ian Luder (Chairman up until item 6)	Yvette Dunne
James Tumbridge (Deputy Chairman up until item 6 when he assumed the Chairmanship)	Christina McLellan
Jon Averbs	Martin Newnham

Officers:

Kate Limna	- Corporate Treasurer
Jeff Henegan	- Assistant Pensions Manager
Matt Mott	- Pensions Manager
James Graham	- Group Accountant
Christopher Rumbles, Clerk	- Town Clerk's Department
Neil Wilson	- The Pensions Regulator

1. APOLOGIES

There were no apologies for absence.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations of interests.

3. MINUTES OF THE PREVIOUS MEETING

The Deputy Chairman referred to comments at the last meeting asking for slight amendments to the minutes and asked that all additions be noted and confirmed in the minutes going forward.

Matters arising

Insurance and Indemnities Cover – The Deputy Chairman referred to the ongoing legal issue concerning personal liability for Members of the Board and the need to ensure appropriate insurance cover was in place. It was noted that the City Corporation has various insurance policies, but that there would be certain circumstances (confirmed by Neil Wilson of the Pensions Regulator) where these policies would not offer appropriate cover for the Board.

The Deputy Chairman confirmed to the Board that the Comptroller had agreed to prepare a report recommending that the City Corporation indemnify the Board in the event that the City Corporation's existing insurance policies would not offer sufficient cover.

It was noted that a formal report would be prepared for the next meeting on 7th February 2019 with a view to a report being submitted to Common Council in March 2019.

Term Extension – It was noted that an extension to the Deputy Chairman's term until 2021 had been agreed by Court of Common Council.

RESOLVED – That the public minutes and non-public summary of the previous meeting are approved as an accurate record.

4. **WORK PROGRAMME**

The Board received a report of the Town Clerk that summarised outstanding actions from the previous meeting.

RESOLVED – That the Board notes the report.

5. **PRESENTATION OF THE PENSIONS REGULATOR**

The Board heard a verbal presentation from the Pensions Regulator that provided Members with an overview of the expectations and responsibilities of Local Government Pension Scheme administrators and the Local Government Pensions Board.

The Pensions Regulator advised Members on key areas of focus for Pensions Board Members, particularly, legal requirements, policies to be conversant with, governance requirements, data management, record keeping, Data Protection Regulation and also mitigation against cyber threats.

The Pensions Regulator referred to record keeping, legacy data and the need to adhere to Data Protection requirements that stipulated data was only be stored for as long as it was needed.

The Pension Manager explained that, at the time of drafting privacy notices, a timeline of 15 years had been agreed for retaining records post death as this was the maximum time after death that a legal challenge could be made against the estate of the deceased. It was confirmed that a skeletal record would be retained when any scheme member asks for the right to be forgotten under the Data Protection Act 2018 (DPA 18); sufficient data would then be retained allowing individuals to be identified and showing evidence of exit payments out of the scheme.

The Chairman stressed the importance of agreeing a data retention policy in relation to retention of data for all pension records and asked that a policy be written and brought back to the Board for formal agreement.

The Deputy Chairman commented on the importance of reviewing records and the obligation in law in this regard and suggested there would be certain circumstances where records would need retaining for longer than 15 years.

The Deputy Chairman further highlighted that requests for the right to be forgotten was not an absolute right, as in some instances it may make information difficult to access which would not meet the statutory requirements of the LGPS.

It was agreed that a report will be brought back to the Board setting out a draft retention policy for agreement.

RESOLVED – That the Pensions Regulator be Heard. That a draft policy on retention of records be brought to the next meeting of the Board.

6. **LOCAL GOVERNMENT PENSIONS BOARD - TERMS OF APPOINTMENT**

The Board considered a report of the Town Clerk that presented options for amending the terms of Membership of Scheme Member Representatives that would allow for a staggering of their terms moving forward.

The Chairman noted the appointment of Scheme Member Representatives on four-year terms during the Board's inception, with these all now due to expire in 2020. It was stressed that there was a need to retain knowledge and expertise on the Board and to allow for staggered rotation of Scheme Member Representatives moving forward.

The Board acknowledged the importance of retaining a level of knowledge and expertise and highlighted the extensive training each Member had undertaken during their time on the Board to allow them to achieve the level required. It was agreed that amendments to the existing terms of appointment would be appropriate for Scheme Member Representatives to allow for a staggering of their terms.

The Board agreed that an immediate extension to terms of Membership to 2020, 2021 and 2022 would be the preferred option and the Scheme Member Representatives agreed to discuss the options outside of the meeting and inform the Town Clerk of their preferred term.

Election of Chairman

At this stage in the meeting, the Chairman took the opportunity to confirm to the Board his intention to stand down as Chairman with immediate effect to allow a smooth transition in the role of Chairman.

The Board proceeded to elect a Chairman in accordance with standing order 29. Mr Tumbridge, being the only Member expressing his willingness to serve, was duly elected as Chairman.

Election of Deputy Chairman

Ian Luder confirmed that he wished to exercise his right as immediate past Chairman to serve as Deputy Chairman and was duly appointed to that role.

RESOLVED, that the terms of Membership of Scheme Member representatives be extended to expire in 2020, 2021 and 2022, reverting to four yearly terms at the time of the next appointment, and that this option be recommended to the Town Clerk for implementation.

7. **THE CITY CORPORATION'S PENSIONS SCHEME - UPDATE**

The Board received a report of the Chamberlain providing information and updates on a range of topics in relation to the City Corporation's Local Government Pension Scheme.

The Chairman referred to the Pension Board's Risk Register and asked that additional information be included in future updates to include any incidents of note along with proposals to amend the register. It was suggested this would make the update more useful to the Board and allow for a fuller discussion when considering updates to the register.

The Board expressed their concern with the data breach in relation to Annual Benefits Statements. It was explained to the Board that the incident occurred as a result of errors at the print company resulting in envelopes being manually filled. Additional printing processes were now in place to prevent a repeat of this incident in future. A key error on the part of the print company was not informing the Pension Office of the issue. A new print contract has been implemented across the Corporation and the Pension Office will use it for the print and distribution of the Pensioner newsletter. They hope to have one point of contact at the print company which is anticipated to reduce the risk of the same problems occurring in future. It has been confirmed that six scheme members annual benefit statements were sent to the wrong member. These were re-issued immediately with a letter of apology. It was confirmed a response was awaited from the Information Commissioner's Office and that the Board would be informed as soon as this was received.

It was explained to the Board that the print company were aware of the sensitivity of the despatch and that it was disappointing that they had not communicated the problem.

The Board stressed the need for an internal mechanism of testing print processes in future and asked officers to provide an update on this at the next meeting. It was also suggested that a message could be included on envelopes in future stating that it be returned to the address shown if wrongly received.

The Pension Manager responded to a question explaining that pension advice was not offered in relation to Additional Voluntary Contributions (AVC) and that Scheme Members would need to seek their own advice. The Assistant Pension Manager explained that insight lunches take place offering information in relation to AVC and that details are available on the training page of City People. It was suggested that information regarding the sessions be circulated at a departmental level also to ensure those without access to City People receive the information.

A Member suggested the wording in relation to buying and taking additional voluntary contributions included in the Annual Benefit Statement was not clear and that it would benefit from a re-ordering of the wording to make it clearer. The Pension Manager acknowledged the importance of information being clear and agreed to update the wording and bring the page back to the next meeting.

Board Members highlighted a number of other additional wording suggestions in relation the information to Scheme Members.

The Chairman remarked on the excellent and clear information given in relation to opting out of the Local Government Pension Scheme that he considered goes as far as it can to highlight the implications of opting out. It was agreed that a summary of membership figures and the number of transfers in and opt outs be included in updates to the Board in future.

A Member questioned the mechanism for Scheme Members reporting issues and the Corporate Treasurer agreed to review options for a stand-alone email address for the Local Government Pensions Board and a way of highlighting this to Scheme Members e.g. including it in newsletters or displaying on screen savers.

The Chairman stressed the need to stop using an acronym in relation to General Data Protection Regulation (GDPR) and suggested wording should now refer to the Data Protection Act 2018 (DPA 18).

The Board noted the Chairman's request that an additional risk be included in the risk register in relation to data protection breaches when dealing with third parties and that this be included as an amber risk. It was agreed that officers would agree the structure of what was included.

The Chairman highlighted an announcement in the budget in relation in to investments by pension funds. The Chairman acknowledged that the Board was not responsible for investments but suggested it would be important for the Board to understand what was happening in this regard and asked that Officers review the position and report back on the impact on the Local Government Pension Scheme.

8. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Chairman conveyed his thanks to the Deputy Chairman for for his time as Chairman and for the experience that he had brought to the Board.

The meeting closed at 1540

Chairman

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