

FLINTSHIRE COUNTY COUNCIL (As Lead Authority for the Clwyd Pension Fund)

CLWYD PENSION FUND BOARD

Minutes of the meeting of the Clwyd Pension Fund Board of Flintshire County Council (as Lead Authority for the Clwyd Pension Fund), held at County Hall, Mold, on Thursday, 2 November 2017 at 9.30am.

THE BOARD:

Present:

Chair: Mrs Karen McWilliam (Independent Member)

Member Representatives: Mrs Gaynor Brooks, Mr Phil Pumford

Employer Representatives: Mr Mark Owen, Mr Steve Jackson

IN ATTENDANCE

Mr Philip Latham (Clwyd Pension Fund Manager and Secretary to the Board)

Mr Alwyn Hughes (Pension Finance Manager)

Mrs Helen Burnham (Pensions Administration Manager)

Actions

1. APOLOGIES/ WELCOME

There were no apologies. The Chair welcomed Mr Phil Pumford (Member Representative) as a new member of the Board.

2. DECLARATIONS OF INTEREST

As an employee of Aon, Mrs McWilliam reminded the group of the ongoing procurement of an operator by the Wales Pension Partnership and highlighted her interest on the basis that Aon has submitted a bid for the tender.

Mr Pumford confirmed that he had completed a declaration of interest form.

3. MINUTES AND MATTERS ARISING

The minutes of the meeting held on the 2 November 2017 had previously been confirmed as a correct record by all Board members via e-mail.

Actions

There were no matters arising.

Completed and/or outstanding actions were considered as part of agenda item 4 Action Tracker.

4. ACTION TRACKER

The Chair introduced this item explaining that the document was designed to track all action points identified by the Board, identify completed or outstanding actions and also ensure that none are overlooked.

The contents of the Action Tracker were discussed. As previously discussed, it was agreed that completed actions should be removed from the Action Tracker once reported as completed to the Board.

The following points were made in relation to the Action Tracker:

- The Chair asked the Secretary to add a new column numbering the rows for easier reference.
- 3rd action (Cost transparency for Wales Pensions Partnership) – The Board Secretary confirmed he would ensure this was picked up.
- 4th action (Cost transparency in the Annual Report) – although the fund manager names were not included, there was narrative about how the Fund adheres to cost transparency. Agreed to mark as complete.
- 10th action (TPR – evidence of on-line modules) – now complete.
- 14th action (asset pooling business plan) – although the action is now complete, it was agreed we should monitor to ensure the business plan is prepared and so a new action should be added.

RESOLVED:

The Board noted the *action tracker which is to be updated* as agreed.

5. ADMINISTRATION UPDATE

Mrs Burnham shared the latest key performance indicators

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Secretary

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(KPIs) and highlighted the impact of annual leave and new staff on performance. Additional training to alleviate the bottleneck around Death Benefits was being undertaken. Mr Owen requested clarification on the number of deaths and what were Mrs Burnham's main areas of concern. Mrs Burnham responded that the death case numbers had increased overall and that her concerns were death and retirement cases. The concerns are being addressed by additional training and changing the balance of work undertaken between teams.

The Chair noted the increase in caseload which was causing further pressures but noted she was pleased with the improvements implemented and the progress being made. Work is to be undertaken around legal timescales to see if further improvements can be made. The Chair noted that some legal timescales would not be met which might then be reported to The Pensions Regulator. Mr Jackson asked whether the increase in volume of cases was manageable. Mrs Burnham responded that there was sufficient staff but there was a significant training impact. Mrs Burnham also explained that some caseload peaks were seasonal but others were due to changes within the employers such as transfers of staff to new companies. The work undertaken to implement iConnect within Flintshire CC and Wrexham CBC would help. They had been able to fast track some Flintshire CC paid employers onto iConnect which would be extremely beneficial when transitioning Flintshire CC itself.

Mrs Burnham shared the new on-line workload dashboard with the Board which summarises cases depending on whether overdue, due today or open. She also highlighted the large proportion of tasks belonging to the Employer Liaison Team (ELT). Mrs Burnham also gave an update on the aggregation and GMP projects together with their likely impact on caseload. Mr Jackson commented that this appeared to be a powerful tool and asked whether it was used for monitoring at a more detailed level. Mrs Burnham replied that the dashboard did not have the facility to drill down into more detail, however teams do have detailed task lists showing tasks due, outstanding etc. Mrs Burnham also commented that Mrs Kerry Robinson and Mrs Sandra Beales had attended the last all Wales meeting and shared the Fund's progress on, for example, KPIs, monitoring timescales against regulations and work on aggregation. They were able to report back that the Fund was praised by the LGA for the quality of their processes.

Mr Richard Lloyd was then invited into the meeting and gave a presentation on the Fund's new website and the Member Self Service (MSS) facility. Mr Pulford asked about the safeguards in

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place for preventing fraudulent changes to member details. Mr Lloyd explained the safeguards undertaken which include the logging of all changes and strict log in security. Mr Latham added that this will be a success only if widely used. Mr Lloyd explained the work undertaken and planned for promoting both the website and MSS. Mrs Burnham added that a further development would be the move to electronic benefit statements from 2018.

Board members were asked to **feed back any changes** that they wished made to the Pension Board page on the website.

Board members

The Board Secretary was also asked to **create an email address for the Pension Board** which could be used by scheme members and employers wishing to feed into the Pension Board and for contact with national organisations. **This should be added to the website too.**

Board Secretary

Mr Lloyd

The Board were very supportive of the work undertaken and Mr Owen suggested that the **KPIs would benefit being shown graphically**. This was agreed.

Mrs Burnham

6. DISASTER RECOVERY UPDATE

Mrs Burnham briefed the Board on the additional disaster recovery test undertaken since the last Board meeting. Overall, this had proven useful and highlighted some issues that were readily remedied. However, the test also highlighted our continued reliance on Flintshire for key systems such as Outlook, creditor payments, payroll and access to hot-desks. The current procedure where all staff take a laptop home will also be reviewed.

Mr Owen was pleased that the test had been undertaken and that it had produced useful information to guide future actions. Mr Owen also asked about future plans. Mrs Burnham replied that if laptops are taken home whether it could be done for specific teams, also the possibility of having a laptop permanently at home for key staff would be considered. ICT's overall concern was regarding security hence their insistence regarding the use of FCC laptops. Mr Latham added that this was a wider Corporate issue and we needed to understand their view regarding these issues. The Chair asked that **further feedback be provided to the Board on the outstanding issues at the next and future meetings** which include the interrelationship with non-pension teams and wider Corporate views.

Mrs Burnham

It was agreed that disaster recovery should be **added to the Board agenda annually** to get updates on further tests.

Board Secretary

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7. CYBERCRIME/ IT SECURITY/ GDPR

The Chair asked Mrs Burnham to lead on this item. Mrs Burnham shared the GDPR plan that had been drafted. She explained the requirements of GDPR and the approach taken within the Fund, noting that the requirements related to the Fund as a whole, not just the administration element. Stage 1 was the completion of an information register detailing what information was being held; Stage 2 looked at how long information was kept and what was held. Data Protection training had been undertaken although guidance was awaited on GDPR and areas such as IT. The Heywood Altair system allowed for restricted access and this was used e.g. staff are unable to access their own records. GDPR would allow a member to write in requesting restricted access to their records. A review is also being undertaken to determine the impact on third party contracts.

The Chair commented that additional work was required around cybercrime and the approach taken. It was agreed that ***a further report would be made to the Board at the next meeting regarding cybercrime.***

Mr Pumford asked about the issue regarding third parties. Mrs Burnham explained that the contracts stipulated how data was held. Discussions had also taken place with key contractors such as Mercer and Equiniti. Mrs Burnham asked whether it would be useful if someone from FCC and Heywood's presented to the Board on Cybercrime and what they were doing to manage the risk. It was agreed that ***Mrs Burnham would arrange for a presentation from both.***

Board Secretary

Mrs Burnham

8. TPR CODE OF PRACTICE – COMPLIANCE CHECK

Mrs McWilliam opened this agenda item by explaining that the intention was to thoroughly review the TPR Code of Practice compliance checklist. This was done and the resulting comments and or action points are listed below.

- *A3 Annual Return to the Scheme Advisory Board* This has been updated to include Mr Pumford as a Board member.
- *C2 Understanding of Pension Board role.* Note included under **Action to be moved to Evidence.**
- *C3 Declarations of Interest.* One declaration remains outstanding (SJ).
- *D2 Pension Board information.* Agreed that **job titles and**

Any checklist updates to be actioned by Board Secretary

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employer would be published on the Fund's website as well as Board Protocol and Terms of Reference.

- *D4 Publicise information regarding Board.* Board minutes are included within the Committee papers but need **linking to the Board page on the website as does the Fund Annual Report.**
- *E Managing risk and internal control.* **Board Secretary to contact Internal Audit Manager** to discuss incorporating a compliance check (E1 – E8) into the Internal Audit plan.
- *F Maintaining accurate member data.* This will never be fully compliant until backlog is fully addressed.
 - *F1 Member records.* **Update evidence and delete Action.**
 - *F9 Data improvement plan.* **Approach/ Evidence needs to be updated. Additional action required.**
- *G1 Maintaining contributions (procedures and processes).* This will be compliant when procedure notes are finalised.
- *G7 Provision of information by employers.* The main issue relates to one employer. **Report back to the Board on progress with resolving this issue.**
- *H1 ABS sent within timescale.* This was achieved for 2017.
- *H4 Deferred statement format.* This is done on an all Wales basis and MSS will alleviate issues. Chair commented that legal requirements not updated and whether remain appropriate.
- *H7 Scheme information provision to new members.* The employee contracts to include wording regarding LGPS. **Wording to be provided to employers.**
- *H10 Is information provided in required format/ methods?* An update was provided (HB) on changes regarding the Prudential AVC and necessary communication with members.
- *H11 Tracing.* An update provided (HB) and the market was being tested for likely cost. Mr Owen commented that there may be some merit in looking at what Housing Benefit/ Council Tax teams were doing as they are likely to be out to procurement and there may be a contract the Fund could be included on. Mr Latham confirmed that we could go to each Authority and ask. Mrs Burnham added that the Fund uses Atmos for mortality/tracing searches. Following a question by the Chair it was **agreed to add this item to the Fund's business plan.**
- *J Reporting breaches of law.* Mr Latham and the Chair are

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meeting to review. It was **agreed that the outcome would be reported to the Board.**

- *K7 Training needs assessment for Board members.* Already on action plan for Board.
- *K12 Training on FOI.* Already on action plan for Board.

In summary Mr Owen commented that the overall position was very positive and that it had been beneficial, as well as necessary, that the Board had reviewed the checklist in detail. The Chair suggested that the actions identified on the checklist should be **summarised into an action plan** for the Officers to work through and for the Board to review on an ongoing basis.

**Board
Secretary**

9. RESULTS OF SAB PENSION BOARD SURVEY AND EFFECTIVENESS OF PENSION BOARD

The Chair introduced the preliminary results of the SAB's survey. A general discussion ensued.

This was followed by a discussion on how the Board viewed their effectiveness which was led by the Chair who asked over twenty questions to probe on areas including the scope of the Board's role, the suitability of information provided and the value added by the Board. On the whole the feedback demonstrated that the Board members felt the Board was extremely effective and was operating well. The Board felt that their role was unusual but they had now very much found their feet and considered they had added value in a number of areas including developing of the KPIs and the formation of the Employer Liaison Team. The Board Secretary (Mr Latham) highlighted how he had appreciated the Board's guidance and advice. The Board also highlighted the value in having an independent and professional Chair.

A small number of areas were highlighted for ongoing consideration:

- There had been a lot of detailed discussion on Administration matters but perhaps this could be cut back in the future as the existing challenges are being dealt with
- There could be more use of graphs or looking for better ways to present detailed information, with any key points highlighted underneath
- There can be a perceived blurring between what are Board issues and management issues.
- Mrs Brooks had concerns that as a scheme member representative she had felt 'out of the loop' at the beginning

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of her tenure and this wasn't helped by the gap between meetings. As time progressed this was not an issue.

Chair/ Board Secretary

These areas would ***continue to be reviewed by the Chair and Board Secretary.***

Board Secretary

It was agreed that the Board's effectiveness should be reviewed every 18 months and added to the work plan. ***The Secretary agreed to update the work plan.***

10. ASSET POOLING

An update was given by Mr Latham highlighting the current focus was on the Operator procurement and he outlined the planned timescale for this.

The Chair acknowledged the amount of work undertaken to date but that the Board should be challenging where needed to ensure that the requirements listed in the IAA were being achieved, for example, ensuring that the Business Plan was developed. Mr Latham agreed with this and stated that the IAA was a good foundation to work from. Mr Owen stated that he supported some focus on ensuring that the pool will be operating as required. The Board agreed that the ***Chair would speak to the Chair of the Pension Fund Committee to highlight this point.***

Chair

Mr Latham highlighted that a Wales infrastructure potential investment is being investigated as part of the Partnership and due diligence is being carried out by two officers of Welsh LGPS Funds. The Board highlighted some concern about this and the Secretary highlighted that the main focus is on the Operator procurement and appointment. The Board supported that the focus should be on getting the Operator up and running.

The Board asked for clarification on the costs of the Partnership and specifically highlighted that the current year costs should be coming through on the budget monitoring and 2018/19 budget should include all potential costs including the Host Authority, advisers and the Operator. The Secretary agreed to ***ensure this information was provided in all future budget monitoring and setting.***

Board Secretary

11. CONSIDERATION OF 20th SEPTEMBER 2017 PENSION FUND COMMITTEE MEETING PAPERS

The Chair opened this item up to the Pension Board. Mr Owen commented that the last meeting had been a challenging one

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and perhaps it was not as focussed as it might have been due to some items overrunning. He highlighted that it was important that the focus was on the recommendations in reports, particularly where there was a matter for approval. The Chair highlighted that Mr Latham and he were considering developing further notes to assist the Chair of the Pension Fund Committee in managing the meeting.

12. INPUT INTO ADVISORY PANEL AND CPF COMMITTEE

The Chair opened this item up to the Pension Board by providing an overview of AP and their link to the Committee and also how the Board links in. Mr Owen suggested that the ***AP discuss the Wales Pension Partnership matters highlighted*** previously i.e. infrastructure investment and appropriateness of its governance. The Chair agreed to ensure this happened.

Chair

13. COMPLIMENTS AND COMPLAINTS

An anonymised log of the latest compliments and complaints had been circulated to the Board with the agenda. Only one complaint had been received since the last Board meeting. Whilst the fault lay with a number of parties Mrs Burnham stated that she had apologised and was able to resolve the matter.

Mrs Brookes asked whether any trends were identifiable or whether complaints tended to be one-off. Mrs Burnham replied that they do tend to be one-off and resolvable. Mr Latham asked whether any had been IDRPs. Mrs Burnham replied that they were not included, however, there was one case at Stage 1 and a further case at Stage 2 that had been referred back to the employer. There had only been one IDRPs against the Fund in the last six months and it had, as part of the IDRPs, then been rejected.

14. FUTURE WORK PLAN

The Chair presented the future work plan and initiated discussion. The Board agreed they would like feedback on the success of the Member Self Service at future meetings.

The Board Secretary agreed to update the work plan.

**Board
Secretary**

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15. PENSION BOARD BUDGET MONITORING

Mr Hughes provided an update report to the Board regarding the 2017/18 budget. The Board agreed that the Chair should carry on having quarterly meetings with the Pension Administration Managers for the foreseeable future.

Resolved – The Board accepted the budget monitoring update and were happy with the new summarised format.

16. FUTURE DATES

The Board Members were reminded of the future Board meeting dates already agreed, namely 27/02/18 and 28/06/18 as well as the forthcoming AJCM on the 14/11/17. The Chair asked the Board to advise her if there was an issue with any of these dates. Mr Owen gave his apologies regarding the AJCM.

Both Mrs Brookes and Mr Pumford would be attending the CIPFA/ Barnett Waddingham seminar in Liverpool on behalf of the Board.

17. ANY OTHER BUSINESS

The Chair mentioned the Welsh Chair event that she was unable to attend. No other Board member could attend and therefore Alwyn Hughes had attended instead. Alwyn confirmed the event had been useful and particularly the update from the Pensions Regulator.

Mrs Brookes added that when her term of appointment ended during 2018 she would not be standing for a further term. The Board agreed that they would be extremely sad to have Mrs Brookes leave the Board as she had been such a valuable contributor. ***The Chair and Secretary would commence the process for arranging a replacement scheme member representative.***

The Chair highlighted that Mr Hughes was retiring at the end of the year. The Board thanked Mr Hughes for his valuable contribution to and administration of the meetings and they wished him a happy retirement.

No further business was raised. It was agreed that the ***draft minutes would be circulated.***

**Chair/Board
Secretary**

**Board
Secretary**