

## **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 Tuesday, 27 February 2018 at 9.30am.

#### **THE BOARD:**

##### **Present:**

Chair: Mrs Karen McWilliam (Independent Member)

Member Representatives: Mrs Gaynor Brooks (by conference call), 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)

Mrs Debbie Fielder (Pension Finance Manager)

Mrs Helen Burnham (Pensions Administration Manager)

#### **Actions**

##### **1. APOLOGIES/ WELCOME**

There were no apologies. The Chair welcomed Mrs Debbie Fielder to the meeting.

##### **2. DECLARATIONS OF INTEREST**

No new declarations were made.

##### **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.

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 agreed, completed actions are now removed from the Action Tracker once reported as completed to the Board.

The following points were made in relation to the Action Tracker with other actions noted as ongoing:

- 9<sup>th</sup> action (Web-site) – Feedback from some Board members had been given. Mrs McWilliam and Mr Pumford to look at web-site. Suggestion for the email address on web-site to be a hyperlink.
- 14<sup>th</sup> action (Cybercrime/IT Security/ GDPR) – Presentations to Board expected at a future meeting.
- 15<sup>th</sup> & 16<sup>th</sup> actions (TPR Code of Practice) – The Board noted resource constraints may delay these.
- 22<sup>nd</sup> action (AOB, commence process for replacement Scheme Member) – The Chair noted this was now advertised.

**RESOLVED:**

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

***New Action – Web-site emails to be a hyperlink***

**Board  
Secretary**

**5. ADMINISTRATION UPDATE**

Mrs Burnham provided the Board with an update on the following areas:

**Key Performance Indicators**

The Board received the summaries of KPI's for quarter 3 and quarter 4 (to Jan 2018).

She confirmed there are still some issues with death cases but

## Actions

the team are looking at a full process review from a payroll and operational viewpoint.

The figures were discussed by the Board and the following questions and comments raised:

Mrs McWilliam commented that for process 1, the notification of joining the LGPS to a new scheme member is reliant on receiving information from employers.

It was observed that whilst % figures for process 2, informing members of their leaver rights and options, had been decreasing the actual numbers involved were increasing.

Mr Owen has previously asked if bullet points can be included along with the statistics to provide some explanations of the results.

Mr Latham commented that whilst we are in a good position as we are able to produce meaningful statistics, we do now need to provide the story around the numbers produced.

***New action – Explanations of reasons for the results to be provided with the KPI statistics***

### **Current Workloads**

Mrs Burnham presented details of the due dates and outstanding cases relating to the Operations, Employer Liaison and Aggregation teams. She also explained the purpose of the aggregation team. She explained how the team is expecting assistance from Mercer.

Some historical cases are still awaiting details from employers and Mr Jackson asked if this was a challenge and would the backlog exercise be completed with the increase in new cases. It was confirmed that Flintshire County Council on boarding to iConnect was imminent and this will assist in substantial improvements due to data cleansing. However this will increase the amount of work in the short term.

Mr Jackson also asked if outsourcing was a viable option but the response was this could be very difficult due to complexity of cases and there would also be a significant cost attached to the exercise.

Mrs McWilliam confirmed that she meets regularly with the Pensions team to assist in efficiency improvements in her role as Chair of the Board and asked if the Board were in agreement

**Board  
Secretary**

## Actions

with that for budget purposes. The Board gave their agreement.

### **Special Projects**

The Board were given the latest statistics of Member Self Service which showed that currently 17% of members have now registered and are actively using the site. Only 264 members (0.84%) have requested to continue being contacted by post.

The Board offered their congratulations on the excellent take-up of MSS and for an informative report on MSS. They also fed back that they had received positive feedback on MSS from scheme members.

The Board were informed that the GMP reconciliation project is still going to plan. There are 4 stages to the project and stage 3 is about to commence. There were queries on 700 cases but it was pleasing to note that the CPF data was of good quality compared to other LGPS Funds which is helping with progress.

### **Employer Liaison**

The ELT have been having some challenges with Wrexham County Borough Council and Mr Owen commented this needs to be escalated.

***New action – Monitor the ongoing situation with WCBC***

**Board  
Secretary**

## **6. DISASTER RECOVERY UPDATE**

Mrs Burnham provided an updated on progress and actions from the latest disaster recovery test.

All feedback had now been shared and a positive discussion had been held with Wales Audit Office.

Following on from the reliance on FCC for key systems, the Technical team were in the process of implementing the facility to raise payments for retirement lump sum payments directly from the Altair system instead of FCC accounts payable (albeit there is still the need for FCC to process the final payment).

Mrs Burnham confirmed there would be another disaster recovery test in the near future. ***New action - The Board asked for the results to be fed back to them.***

**Board  
Secretary**

## Actions

Mr Pumford raised the security implications if staff laptops were lost or stolen and was advised that all laptops were encrypted and advice is provided by FCC IT department.

### **7. CYBERCRIME/ IT SECURITY/ GDPR**

It was noted that Cybercrime was being deferred to a later meeting when presentations would be made.

Mrs Burnham updated the Board on the progress being made on the GDPR project. She confirmed that this is progressing well and ahead of time as was shown in the timeline provided. A review of pensions data held on the generic FCC systems (i.e. not Altair) would need to be carried out as part of this project.

The Fund has appointed JLT Benefit Solutions for the exercise to trace deferred members.

The Fund had obtained the Data Protection policy from West Midlands Pension Fund to determine if the Fund needed its own separate policy but FCC had confirmed the Fund is covered appropriately within the FCC policy.

Mrs Brooks enquired how long the data was held for and Mrs Burnham confirmed it was being considered, for example, some parties consider that six years after the last beneficiary has died/ceased could be appropriate. However, there may be more guidance issued on this matter in due course.

All members of the team had completed the data protection training and whilst no specific training for GDPR was available from FCC at that time, it was expected to be available soon.

Mr Jackson commented that it was positive to have the assurance that the Pension section has been proactive in their requests for information during the process.

Mr Owen asked if anything is kept on paper. Mrs Burnham responded to confirm there is, it has to be identified and disclosed where it is kept. This applies to staff records as well as pension scheme member records. Information is held on the FCC Information Asset Register and there are strict processes to adhere to.

### **8. ASSET POOLING**

The appointed operator, Link Fund Solutions and discretionary

## Actions

manager, Russell Investments both made presentations to the Committee in February to provide an update on progress to date. The presentations were circulated to the Board members. Key points raised were:

Mr Latham highlighted it is not clear how some of the Fund's assets may actually manage to be pooled, such as LDI. This may raise issues with the Government.

Fee savings will be made on some asset classes but others may result in the Fund paying more than is currently the case.

The first sub fund to be implemented will be Global Equity. It will be discussed at the next OWG on March 9<sup>th</sup>. The group recognise the need to make sure time is taken over the decision making, rather than rushing and getting it wrong.

***New action – To report to the next Board, the process followed and the final outcome.***

Mr Latham confirmed that Link and Russell have produced detailed plans, project timelines and a risk register, all of which are reported on a regular basis to the OWG.

The Board noted some of the key elements such as the business plan are outstanding. Mr Latham noted resource restrictions meant WPP were having to be reactive.

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### **9. CONSIDERATION OF 29 NOVEMBER 2017 AND 21 FEBRUARY 2018 PENSION FUND COMMITTEE PAPERS**

The Board discussed the Pension Fund Committee papers, in particular focusing on the two presentations from Pirc and CEM Benchmarking which preceded the presentation from Link and Russell (See item 8 above)

Mrs Brooks commented that all three presentations had been very good.

Pirc gave a good overview of performance across the LGPS and revealed that size appears to be no longer as important as first thought.

It also highlighted that more Funds are considering de risking and the Clwyd Fund have moved into this area and were ahead of the game.

Mr Owen referred to the quote in the Pirc presentation "If asset

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performance was not the main issue in the LGPS, what was?" Mr Owen asked for this to be clarified and Mr Latham confirmed the response at Committee had been liabilities should be the issue that is the key focus.

The presentation from CEM which focussed specifically on the performance, costs and risk appetite of the Clwyd Pension Fund proved to be much more complicated given the amount of statistics provided.

It did show the Fund as being different from many others in both their risk appetite (lower than average) and costs (higher than average)

CEM raised the point that the Fund made considerable effort to access as many costs as they could from Fund Managers and they had to do little estimations.

Mr Jackson praised the officers for the quality of the data provided to CEM and also commented that the complexity of the Fund positions us for all eventualities.

Mrs McWilliam asked if the Fund receives details of the balance between risk and reward when any changes to the Fund strategy are made. It was confirmed that officers do get those details but not necessarily the Committee and Board members and agreed there should be more debate around these areas.

***New action – Further training session to be arranged to receive more detail on the CEM report.***

***New action – At the next strategy review, ensure the balance between risk and reward is explained in detail to Committee and Board members.***

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Secretary**

**Board  
Secretary**

### **10. 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. The Board confirmed there was nothing to add to the AP or Committee.

### **11. COMPLIMENTS AND COMPLAINTS**

An anonymised log of the latest compliments and complaints had been circulated to the Board with the agenda. Three

**Actions**

complaints and two compliments had been received in the period from November to February and Mrs Burnham went through the reasons for them.

Mr Jackson commented that understanding the reasons behind complaints is welcomed as they provide opportunities for improvement.

Mr Owen commented that complaints were decreasing and there appeared to be no trends.

Board members commented that it was not clear which tabs on the document they need to be focussing on and in addition it would be useful if the document included all explanations of what had happened and the action taken in each case.

***New action – The tabs showing the periods to be discussed to be highlighted on the report and actions and explanations provided.***

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**12. FUTURE WORK PLAN**

The Chair presented the future work plan and initiated discussion. The Board agreed there was nothing further to be added at this time.

**13. PENSION BOARD BUDGET MONITORING**

Mrs Fielder provided an update report to the Board regarding the 2017/18 budget along with a draft budget to be agreed for 2018/19.

Although there was currently an underspend on the 2017/18 budget, it was agreed that there were still costs to be allocated for provision of training and some costs associated with the Chair that were currently included in the costs for the whole Fund.

The Board agreed that training costs should be apportioned across Committee and Board and asked if costs associated with Pooling could also be shown separately.

The budget for 2018/19 had increased but after discussion, the Board agreed these to be reasonable.

***New action – Revise the budget figures to include apportionment of training in 2017/18***

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Secretary**



**Actions**

**14. FUTURE DATES**

The Board Members were provided with the latest calendar of dates for Committees, training and other events open to Board members. The next Board meeting was arranged for 27 June 2018 but no further dates had been agreed. *[Note this date was subsequently changed to 28 June 2018].*

Mr Jackson confirmed he would be attending the LGC training event at Carden Park in March 2018

***New action – To send diary options for future possible Board meetings***

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**15. ANY OTHER BUSINESS**

Mrs Brooks confirmed that she would be attending the meeting in June which would be her last meeting. It was agreed that if a new member had been appointed by that date, the invitation to attend would be extended to them

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

**Board  
Secretary**