

## **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, 13 October 2016 at 2pm.

#### **THE BOARD:**

##### **Present:**

Chair: Mrs Karen McWilliam (Independent Member)

Member Representatives: Mrs Gaynor Brooks, Mr James Duffy

Employer Representatives: Mr Steve Jackson, Mr Mark Owen

#### **IN ATTENDANCE**

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

Mr Alwyn Hughes (Pension Finance Manager)

Mrs Sandra Beales (Principal Pensions Officer - Operational)

Mr D O'Keefe-Williams (Aquila Heywood) – part meeting only

#### **Actions**

##### **1. APOLOGIES**

There were no apologies.

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

The Chair declared that she was an employee of Aon which both sells specific Local Board liability insurance (agenda item 10) as well as likely to submit a bid to provide a platform for the Welsh LGPS pooling of investments (agenda item 8). These potential conflicts are both being managed and in neither case is the Chair personally responsible for any decisions for the Fund.

##### **3. MINUTES AND MATTERS ARISING**

The minutes of the meeting held on the 6 July 2016 had previously been confirmed as a correct record by all Board members via e-mail.

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. The Chair highlighted that she had not received a response from The Pensions Regulator (1<sup>st</sup> March 2016 Item 9) and so will pursue it. Mr Owen commented that Compliments and Complaints was not included in the agenda as had previously been agreed at the last meeting as part of the discussions on agenda item 5. **The Board Secretary agreed to add to the action tracker and to ensure it is added to future agendas** as a standard item.

Board  
Secretary

**RESOLVED:**

The Board noted the action tracker.

**5. OVERVIEW OF MEMBER SELF SERVICE**

The Chair explained the introduction of Member Self-Service (MSS) is included in the Administration business plan for quarters 3 and 4 of 2016/17 and quarter 1 of 2017/18.

She welcomed and introduced Mr Dave O’Keefe-Williams, from Aquila Heywood. Mr O’Keefe-Williams gave an overview of MMS module including a demonstration of its functionality, from the perspective of both an active and a retired member.

He explained its purpose is to provide members with an easy-to-use interface to the pensions section. The functionality will allow members access to information, to update details, view their documents and carry out benefit projections online.

Mr O’Keefe-Williams stated that a number of funds have gone live with MSS. He would also advice taking a phased approach with access being rolled out across members.

At this stage Mr O’Keefe-Williams left the meeting.

The Board stated that they found the presentation very useful and were very positive regarding the introduction of MSS.

The Board Secretary introduced the possibility of hosting all our current services together with MSS through Aquila Heywood which would

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result in a cost saving for MSS, would provide more seamless management into the Altair system and would be the same for iConnect. Agenda item 7 expands on this.

The Board Secretary confirmed that the budget for 2016/17 included the estimated cost of MSS but not for hosting; this would require a special delegation to move quickly forward.

Following discussions, Mr Owen asked about intellectual property rights of the Welsh language version and it was agreed that the **Board Secretary would pursue the issue of intellectual property rights for the translation of MSS into Welsh** given it appeared that Clwyd would be the first Welsh fund using MSS.

Board Secretary

Following a suggestion by the Chair the Board agreed that the **Board Secretary would arrange for a demonstration of the i-Connect module at the next meeting.**

Board Secretary

**6. ADMINISTRATION**

A presentation on the progress in developing the administration team's key performance indicators (KPIs) was given by Mrs Beales who also shared handouts of the output to date.

Mrs Beales explained that eight items would be reported against three targets namely, legal requirements, overall case target and Clwyd Pension Fund element target. Work continues to be undertaken in developing the reports with clarifications around legal requirements being sought in some cases. The report highlights the twenty four outcomes using colour highlights of red, amber. As previously reported to the Board there it is not possible to collect timescales for historical tasks thus the KPIs reflect cases being measured rather than all cases; this will resolve itself over time as historical tasks are completed.

A discussion then followed at which the following points were raised.

Mrs Brooks asked whether the team was working incrementally to improve matters or whether they were concentrating on specific areas. Mrs Beales replied that whilst all areas are being worked on, they are concentrating on priority areas.

The Board Secretary commented that the underlying issue is data quality. Resolving this issue, by whatever method, will help all.

Mr Owen asked how much time was being diverted from operational matters to produce these reports. Mrs Beales replied that whilst some time has been spent on the reports over the last few weeks some of them are auto-generated. Additionally, for manual collation around 2 –

## Actions

3 days of Modern Apprenticeship time is allocated monthly.

The Board Secretary commented that introducing such a KPI system was not at all common across the LGPS. The Chair added that she was aware of at least one large fund that were looking at the legal KPIs but also acknowledged the lack of consistency in measuring between funds.

Mr Owen asked whether the team could concentrate on those areas that caused most queries. Mrs Beales replied that they do as this generally involved members being paid; however, they were usually waiting for information with data quality being an issue.

The Board Secretary raised the issue that member self-service will need caveating so that members understand that it is an estimate based on the information that the Fund currently holds against members.

The Board thanked Mrs Beales for her update, noting that recognised the good work that was taking place and understood the KPIs would not be green overnight but they were encouraged the team were making continued process, alongside other projects such as i-Connect. The Board noted that they were thankful to the administration team for being open about the ongoing issues.

The Board Secretary then updated the Board on the Employer Liaison Team proposal. The purpose of this team, which is likely to be seven in total, is to start to solve employer data quality issues by taking on-board some employer responsibilities as detailed in the Fund's Administration Strategy. The aim is to try and streamline as far as possible with the team being headed by a new Principal Pensions Officer which requires a business case. Discussions are under way with Flintshire HR who seem to be reasonably content with the proposal.

The Chair commented that this, if it goes ahead, will impact on other elements in the Business Plans as well as ongoing service levels as some people are likely to take on different roles which will require backfilling of posts.

The Board Secretary added that the Administration Team were fully supportive of this development.

Mr Jackson commented that this is appeared to be about tackling the root cause of many of the issues that the team faces. Mrs Beales replied that this is why the team is supportive as the current situation is very frustrating due to delays in getting some of the required information.

Mr Owen stated that the information held in the Fund systems needs

to be accurate so this must change, however, there are two bodies concerned, namely the employer and the Fund, where the data must match. The employer currently cannot see whether the Fund data is correct or incorrect. It is positive step that a team member will be able to look at both systems.

Both the Chair and the Board Secretary agreed with Mr Owen but added that with around 30 employers differing approaches will be required, however, for some employers iConnect will help.

The Board agreed they were supportive of this initiative.

## **7. DISASTER RECOVERY**

The Board Secretary introduced this agenda item explaining the disaster recovery plans for most of the ICT systems used by the Fund were generic FCC plans, as they are generic Flintshire systems. A key element of this is that all Fund officers are able to work from home. Contract requirements ensure that the various companies and organisations that we deal with have their own disaster recovery plans. For the Fund the biggest issue is member data and processes on the Altair system.

Mrs Beales then proceeded to detail the set up for protecting member data and processes. All data is held on two dedicated Altair servers located remotely from County Hall; one is the live system and the other a test system. All data is backed up nightly and there is a disaster recovery server which would be used to continue working on should something happen to the live system. ICT run a disaster recovery test annually.

Mrs Beales then went on to explain an issue that had arisen in the last few weeks. As the test was due mid-October ICT was contacted to determine whether everything was ready for the test. It then became apparent that whilst software on the Altair itself had been regularly updated on both the live and test servers, it had not been updated on the disaster recovery server. Consequently the version of Altair on the disaster recovery server is different to that on the live and test systems. This has not previously occurred.

The Fund was not informed that ICT had not updated Altair on the disaster recovery server. This can be resolved but is likely to entail additional charges. The Board agreed that the key issue is to resolve this problem as urgently as possible.

As she had originally raised this issue, Mrs Brookes suggested that the Board should escalate this issue and that she was extremely concerned and wanted an urgent resolution regarding data back up and

**Actions**

the need for Internal Audit's risk register to be updated to record and test disaster recovery particularly in relation to members data and ongoing service continuity.

Mr Jackson added that this was also a matter for Internal Audit as the current disaster recovery plan was clearly not working.

The Chair noted that this would have to be resolved urgently despite any additional cost.

The Board Secretary referred back to the earlier discussion regarding the possibility of hosting the system by Aquila Heywood (agenda item 5) which would include disaster recovery procedures, albeit it was noted that this may take some weeks to put place.

The Board's view was that the Chair would email Flintshire's Chief Officer (Governance) with their concerns, and additionally the Fund's risk register would need to be amended.

**Resolved – That:**

- a. ***the Chair will email Flintshire's Chief Officer (Governance), and***
- b. ***that the Board Secretary would update the Fund's Risk Register to reflect the increased risk.***

Chair

Board Secretary

**8. CONSIDERATION OF 27<sup>th</sup> SEPTEMBER 2016 PENSION FUND COMMITTEE MEETING PAPERS**

The Chair opened this item up to the Pension Board.

Mr Jackson stated how positive it was that they were able to attend and how this helped put issues into context enabling a better understanding of the issues involved.

Mr Owen commented that this Committee was a long one and some of the key agenda items were toward the end of the agenda. Consideration should be given to revising the order of the agenda. **The Board Secretary agreed to give this matter some consideration.**

Board Secretary

The Chair stated that it was beneficial that Board members attended the Committee and were engaged with the meeting; she hoped that this would continue.

The Chair reminded the Board of the Fund's Employer Meeting (20<sup>th</sup>

**Actions**

October) and Annual Meeting (8<sup>th</sup> November) to which they are invited. **The Chair agreed to circulate the agendas** for the events. The Chair highlighted that there was a slot in the annual meeting for the Board and asked whether Board members wished to present this rather than her. The Board agreed they could share the presentation of their annual report. **Mr Owen agreed to email the other Board members with a suggested split of the report.**

Chair

Mr Owen

**9. INPUT INTO ADVISORY PANEL AND CPF COMMITTEE**

Mr Jackson commented that they recognised that the KPI's are work in progress which is progressing well. Starting to reflect on how to improve but timescale likely to be over the next two years.

Mr Owen commented that he was happy that the Fund is open with the Board as they are there to help; disaster recovery being a good example of this.

**10. PENSION BOARD INSURANCE**

The Chair excused herself for the duration of this item having previously highlighting her potential conflict of interest.

The Pension Finance Manager updated the Board on progress to date including discussions that he had had with both Flintshire's insurance provider and their insurance brokers.

Flintshire's insurance providers do not include the required cover within Flintshire's policy and were of the opinion that it was not necessary. The Pensions Finance Manager stated that he had written asking whether this could be added to the policy at little or no cost – there being no perceived risk as far as they were concerned. A reply has not yet been received.

This issue was also discussed with Flintshire's insurance brokers who commented on the lack of suitable products other than that offered by Aon Risk Solutions the details of which were then discussed.

Following the discussions the Board reiterated their desire for liability cover and opted for the lowest liability cover offered provided that an alternative was not available from Flintshire's insurance providers. **It was agreed that the Board Secretary would pursue the required liability cover and also that any additional costs would be met from the existing budget.**

Board Secretary

**Resolved – That:**

- a. *Liability cover for the Board should be taken with Aon Risk***

**Actions**

***Solutions provided that Flintshire's existing insurer was unable to offer an alternative.***

- b. *The Board's budget would remain at the current level with any additional cost met from the existing budget.***

**11. FUTURE WORK PLAN**

The Chair, having re-joined the meeting, presented the future work plan and initiated discussion. It was suggested that disaster recovery should be added to the work plan for the next meeting as well as updates via email in the meantime. Other items agreed to be added included:

- Administration and asset pooling as standard items.
- 2016/17 budget.

**The Chair agreed to update the work plan and action plan to ensure ongoing update relating to disaster recovery.**

Chair

**12. PENSION BOARD BUDGET MONITORING**

The Pension Finance Manager shared a budget update report with the Board and also gave a verbal update to the Board regarding the 2016/17 budget. No issues were raised and it was noted the cost of any insurance would come out of the budget. Mr Hughes explained that, for this year, sufficient funds existed to absorb the part year cost of the insurance but that consideration should be given as to how it would be included within the budget for 2017/18.

**Resolved – That:**

***The Board accepted the budget monitoring report.***

**13. FUTURE DATES**

The Board Members were reminded of the future Board meeting dates already agreed, namely 02/03/17 and 28/06/17. The Chair asked the Board to advise her if there was an issue with any of these dates.

As a presentation of iConnect is to be made at the next meeting it was agreed that the meeting would run from 1.30pm to 4.00pm.

Mr Hughes also reminded the Board about potential training events including the CIPFA Pension Board event and noted that the LGC Investment Seminar will be taking place at Carden Park in March.

**14. ANY OTHER BUSINESS**



**Actions**

The Chair noted that they had received a book of compliments and complaints from Mrs Jayne Taylor, Principal Pensions Officer (Operations). It was agreed that a short summary extracting the information would be useful for future meetings. **The Chair asked the Board Secretary agreed to arrange this.**

Board Secretary

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

Board Secretary