

GREATER MANCHESTER PENSION FUND - LOCAL PENSIONS BOARD

9 January 2020

Commenced: 3:30

Terminated:17:00

Present:	Councillor Fairfoull	Employer Representatives
	Michael Cullen	Employer Representatives
	Jayne Hammond	Employer Representatives
	Paul Taylor	Employer Representatives
	David Schofield	Employee Representatives
	Catherine Lloyd	Employee Representatives
	Chris Goodwin	Employee Representatives
	Pat Catterall	Employee Representatives

In attendance: Councillor Gerald Cooney Vice Chair of GMPF

Apologies for Absence: Councillor Cooper and Mark Rayner

32 DECLARATIONS OF INTEREST

There were no declarations of interest.

33 MINUTES

The Minutes of the meeting of the Local Pensions Board held on the 26 September 2019 were approved as a correct record.

34 LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 - EXEMPT ITEMS

RESOLVED

That under Section 100 (A) of the Local Government Act 1972 the public be excluded for the following items of business on the grounds that:

- (i) they involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the act specified below; and
- (ii) in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information for reasons specified below:

<u>Items</u>	<u>Paragraphs</u>	<u>Justification</u>
6, 7, 8, 9, 10, 11, 12, 13, 14	3&10,	Disclosure would or would be likely to prejudice the commercial interests of the Fund and/or its agents, which could in turn affect the interests of the beneficiaries and/or tax payers.

35 GOOD GOVERNANCE PROJECT

Steven Law of Hymans Robertson presented a report outlining the results of the Good Governance project facilitated for the Scheme Advisory Board. It was envisaged that all the proposals made in this document would be enacted via the introduction of new statutory governance guidance which would supersede current and previous guidance.

The purpose of the Good Governance review was outlined to Members of the Board. Steven Law of Hymans Robertson explained that the review examined the effectiveness of current LGPS governance and identified enhancements or alternative models, which could strengthen LGPS governance.

A detailed discussion ensued on the different models surveyed. Members discussed the four models outlined and the findings from the survey. The proposals and recommendations for each area were detailed to the Local Board; General, Conflicts of Interest, Representation, Knowledge and Understanding, Service delivery for the LGPS function, and Compliance and improvement.

RESOLVED

That the presentation and the potential outcomes of the project be noted.

36 SUMMARY OF GMPF DECISION MAKING

Consideration was given to a report of the Assistant Director of Pensions (Funding and Business Development), which summarised the recommendations made by the GMPF Working Groups over the period from July 2019 to October 2019, which were approved at the Management Panel meeting on 18 October 2019.

The recommendations of each of the working groups from the meetings that had taken place since the last meeting of the Local Board were set out in the report.

RESOLVED

That the report be noted.

37 RISK MANAGEMENT AND MEMBER DEVELOPMENT

Consideration was given to a report of the Assistant Director (Funding and Business Development), providing an update on the activities undertaken since Autumn 2019 meetings and included an updated risk register for consideration plus drafts of risk and member development policies for discussion.

The Assistant Director (Funding and Business Development) explained that a consolidated GMPF risk register would be presented as a standing item at each Management Panel and Local Board meeting. The changes to the risk register proposed by the Fund Management Team over the period since the previous meetings were highlighted and considered. The risk register had been redesigned from the version presented at the October 2019 Management Panel meeting. A detailed discussion ensued between Members of the Local Board on the design of the risk register.

Members of the Local board were advised that it was agreed at the October 2019 Panel meeting that the GMPF Management Panel would also seek to maintain a level of knowledge and understanding at or above that required of Local Pensions Board and a formal training plan would be developed for the Panel to deliver and document this. A proposed Member Development Policy would be presented to the Management Panel for discussion at the January meeting. The Director outlined key points from the Member Development Policy.

RESOLVED

The Local Board agreed that:

- (i) The risks set out in the risk register and effectiveness of the controls in the place to manage these risks, be noted;**
- (ii) The draft risk and member development policies be noted.**

38. PENSIONS REGULATOR REPORT

Consideration was given to a report of the Assistant Director (Funding and Business Development) and the Assistant Director for Administration. The report provided a progress update on the work undertaken to ensure continued compliance with the expectations of the Pension Regulator (TPR) and in particular TPR's Code of Practice number 14.

The Assistant Director (Funding and Business Development) informed the Local Board that all parties involved with the governance and administration of public service pension schemes must report breaches of the law to TPR where they believe failure to comply is likely to be of 'material significance' to TPR. The current breaches log was detailed to the Local Board.

The Local Board received details of expected contribution payments which had not been received, details on the contribution payments received in respect of the period and the trends in the timing of payment of employer contributions. Members of the Board were informed that the revised Pension Administration Strategy would detail the escalation procedures to be followed when payments are not received on time.

The Assistant Director for Administration explained that the TPR engaged with 10 unidentified LGPS funds seeking to better understand governance and administration risks facing the LGPS. Members of the Board received a detailed breakdown of the TPR's findings and the action plan following the TPR deep dive report. Officers had undertaken a review of the report and assessed GMPF's current level of compliance with TPR's recommendations.

The Director reminded the Board that they had to undertake and record their own assessment. This was discussed and recorded.

RESOLVED

The Local Board agreed that:

- (i) The work being undertaken/planned to ensure GMPF continues to comply with TPR's Code of Practice number 14 be noted, including the action plan created in response to LGPS 'deep dive' report issued by TPR;**
- (ii) The content of the breaches log be noted, including the decision made by the Scheme Manager regarding reporting those breaches.**
- (iii) The Local Board having considered the decisions made by the Scheme Manager and raised relevant questions agreed those decisions as their own.**

39 RISK MANAGEMENT AND AUDIT SERVICES 2019/20

Consideration was given to a report of the Head of Risk Management and Audit Services, which summarised the work of the Risk Management and Audit Service for the period 1 April to 13 December 2019.

The Head of Risk Management and Audit Services informed Members of the Board that Risk Management and Audit Service spent a total of 180 days against the 311 planned days up to 13 December 2019. Members received a detailed breakdown of the reports issued during the current period.

Members of the Local Board received a summary of each of the final reports issued during this period, this included GLIL, First Bus Asset Transfers and contributing body visits. The Head of Risk Management outlined the level of assurance for each audit and the contributing body visits.

The Head of Risk Management delivered an update on the National Fraud Initiative (NFI) 2018. Members were advised that the data sets for the exercise were uploaded in October 2018 and the initial matches identified for Tameside were received in February 2019. There were several matches resulting in overpayments of £68,343 and underpayments of £61,355. It was reported that

the data matches identified one instance of fraud, which is now being investigated by the police, with the overpayment value being £5,644.

Members of the Local Board received an update on the other projects carried out during this period including the transition to monthly data collection and the implementation of the new Enhanced Admin to Payroll Interface.

It was reported that there had been two frauds in the period relating to overpayment of pensions, where the next of kin had stated that the pensioner is still alive and had continued to receive their pension. Control reports had been produced where weaknesses in controls had been identified. Further work would take place with the Payroll Team to identify improvements that could be made to the process of verifying deceased pensioners.

RESOLVED

That the report be noted.

40 RECORD KEEPING

Consideration was given to a report of the Assistant Director for Administration, which provided Local Board with an update on the data management strategy and high-level data improvement plan and the revised pension's administration strategy to be issued for consultation.

The Assistant Director for Pensions Administrations advised Members of the Board that the data management strategy and data improvement plan were brought together last year as one document and were originally drawn up to ensure compliant TPR Code of Practice 14. It was reported that the strategy and plan had been updated. The Assistant Director for Administration assured Members that preventative work takes place and systems had been put in place to further reduce data errors. Work over the next quarter would focus on data collection and an external company would be used as part of a data tracing exercise to screen deferred members.

Members of the Board received an update on the revision of the Pensions Administration Strategy. The Assistant Director for Pensions Administration explained that a new version had been drafted mainly to reflect the changes needed due to employers submitting data monthly. This version would also make clear any penalties that might be levied should employers not meet the obligations set out. The intention is for the document to be finalised and then issued for an eight-week consultation that would be launched in January 2020.

RESOLVED

That the report be noted.

41 MEMBER COMMUNICATIONS

Consideration was given to a report of the Assistant Director for Administration, which provided an update on the website redevelopment, pension surgeries and confirmation of updates to the Communications Policy and progress against the Communications and Engagement Strategy.

Members of the Board were advised that Clay10 Creative Ltd had been working with the GMPF team to deliver the website redevelopment project. The work had been focused on analysing feedback from the research carried out, defining a design concept, colour pallet, use of the GMPF logo and shape, navigation features, content menus and page displays.

The Board were informed that work had been progressing on writing the content for the areas: about us, pages for members, pages for employers, and pages for Pension Fund Panel and Local Board members.

It was reported that feedback had been received from pension surgeries held throughout various locations in Greater Manchester over the last quarter regarding their pension or their My Pension account. The feedback would be reported to the next meeting of the Administration and Finding Viability Working Group meeting.

RESOVLED

That the report be noted.

42 CYBER SECURITY

Consideration was given to a report of the Head of Pension Administration, which provided the Local Pensions Board with an update on The Pension Regulator (TPR) guidance on cyber security, provision of cyber security and the work being undertaken to develop a new cyber security policy.

The Assistant Director for Administration advised Members of the Board that GMPF had taken several steps designed to prevent the risk of a cyber-attack and to ensure that procedures were in place to aid with effective recovery should an incident to occur. The Fund adhered to all cyber security related policies put in place by Tameside MBC and GMPF officers undertake mandatory data protection and information security training courses. It was explained that GMPF had undertaken vulnerability testing exercise whereby an external computer auditor conducted vulnerability scans on Altair, and GMPF's internally hosted servers.

It was reported that GMPF were transitioning to a new IT infrastructure and would ensure that consideration is given to TPR guidance. The Assistant Director for Administration explained that the Fund were keen to ensure that TPR's recommendation for funds to have a fund specific cyber security policy is considered.

RESOLVED

That the report be noted.

43 ADMINISTRATION UPDATE

Consideration was given to a report of the Head of Pensions Administration, which provided Members of the Board with a summary on six key business plan items for the Administration section.

It was explained that the transition to monthly data collection had continued to progress well over the quarter. A total of 206 employers had now on boarded, leaving 267 employers still to transition before 31 March 2020.

Work on the promotion of the My Pension platform was continuing. An upgrade to the My Pension, functionality had been introduced that would allow GMPF to upload forms and documents to members accounts and allow members to download documents, complete them and return them to GMPF online.

The Enhanced Admin to Payroll module was successfully implemented in October 2019. The module had significantly reduced the amount of manual input needed when new retirements are put into payment and significantly reduced the risk of inputting errors.

Development of the GMPF websites had continued over the quarter. Work over the last two months had focussed on the design of the new website and the content it should hold.

Members of the Board heard that a review of the call centre software had begun with an initial look at alternative systems and their functionalities. Further investigation into these systems would continue.

The Assistant Director for Administration advised members that administration performance is good with target turnaround times being met for almost all areas of work. It was explained that there had been usual peaks in retirement requests for those members who retired at 31 August 2019 and 31 December 2019. This had impacted on the time taken to process retirement offers and KPI's in this area reflect this.

It was explained that as recommended by the Administration and Funding Viability Working Group and approved by the Management Group on the 17 January 2020, officers had been working with colleagues from other metropolitan pension funds to agree a set of targets and measurements to indicate if all statutory targets are being met. Work on this part of the project is aimed to be completed this quarter.

RESOLVED

That the report be noted.

44 URGENT ITEMS

There were no urgent items.

CHAIR