

LOCAL PENSION BOARD

Minutes of the meeting held at 3.00 pm on 22 November 2022

Present:

Emma Downie (Chairman)
Brayan Bernal-Gil, Lesley Rickards and Vinit Shukle

Also Present:

David Dobbs, Martin Doyle, Dan Parsons and Kerry Nicholls

7 APOLOGIES FOR ABSENCE

There were no apologies for absence.

8 DECLARATIONS OF INTEREST

There were no declarations of interest.

9 MINUTES OF THE MEETING HELD ON 22 JUNE 2022

RESOLVED – That the minutes of the meeting held on 22 June 2022 be agreed.

10 MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 27 JUNE 2022

RESOLVED: That the minutes of the meeting of the Pensions Committee held on 27 June 2022 be noted.

11 LOCAL PENSION BOARD TERMS OF REFERENCE - UPDATED

The Board reviewed the Terms of Reference of the Local Pension Board which had been updated to reflect that the Pensions Committee was no longer a sub-committee of General Purposes and Licensing Committee.

RESOLVED: That the updated Terms of Reference of the Local Pension Board be noted.

12 PERFORMANCE MONITORING REPORT 2022 Report CSD22127

The Board considered a report of the Pensions Shared Service that provided the Local Pension Board with performance monitoring information to assess whether the Pensions Fund was complying with the Pension Regulator's Code of Practice on Governance and Administration of Public Service Pension Schemes. There had been no breaches of pensions legislation reported during the course of the year and no complaints submitted to the Pensions Ombudsman.

In considering the report, the Senior Accountant: Pension Fund observed that employee membership had fallen slightly over time whilst membership of beneficiaries and deferred members was rising. Whilst this situation had been complicated by Liberata's definition of an open post, it would be important to monitor membership levels over time; however, there were no current concerns as Bromley's pension fund was well-funded. In response to a question from a Board Member, the Senior Accountant: Pension Fund confirmed that member benefits of the Bromley Pension Fund were protected by law but that should scheme membership continue to reduce in the medium to long-term, an increased contribution might be required by the employer. Under Section 5: Liberata's Cyber Security Measures, the Chairman noted that the annual Disaster Recovery test had been completed successfully but highlighted the need to ensure that payroll procedures were similarly robust. Payroll for pensions was currently undertaken via Resourcelink but would transfer to Oracle from 1 April 2023 which should be reflected in future reporting.

RESOLVED: That the Local Pension Board note:

- **The Pensions Regulator Code of Practice 'Governance and administration of public service pension schemes' as a guide to good governance;**
- **Procedures and policies in place to monitor Liberata's performance; and,**
- **Liberata's current performance levels.**

**13 LOCAL PENSION BOARD - DRAFT ANNUAL REPORT
Report CSD22128**

The Board considered the Local Pension Board – Draft Annual Report which was an annual requirement under the Local Pension Board's Terms of Reference and would also be provided to Council via the Pensions Committee for noting.

The Head of the Pensions Shared Service advised that the Draft Annual Report comprised a range of information including a summary of the work of the Local Pension Board during the past year and details of areas of concern reported to or identified by the Board as well as any training that had been undertaken by Board Members. It was a legislative requirement for Board Members to hold a certain level of expertise on pension management and virtual and in-person training options were available from the Chartered Institute of Public Finance and Accountancy and the London Borough of Richmond and Wandsworth amongst other organisations. The Local Authority was hosting a training day on Bromley Pension Management and Investments Training on 3 December 2022 which Board Members were encouraged to attend.

The Chairman requested that details of available training, including in-person and virtual options, be circulated to Board Members prior to the next meeting.

RESOLVED: That the Annual Report of the Local Pension Board be approved and referred to the Council via the Pensions Committee for noting.

14 LOCAL PENSION BOARD ANNUAL WORK PLAN

The Board considered the annual work plan of the Local Pension Board.

In considering Item 10: Any Other Activities within the Stated Purpose to Secure Compliance with the Regulations and other Associated Legislation, the Senior Accountant: Pension Fund outlined work being undertaken to introduce a secure self-service option for Pension Scheme members to view their pension details and complete basic administration, such as updating contact or payroll details. The Chairman asked for clarification as to whether changes made via the self-service functionality would feed through to ResourceLink.

Update: Following the meeting, the Senior Accountant: Pension Fund confirmed that HR/Payroll would be notified of any changes made via the Pension Scheme self-service option by an automated e-mail or workflows.

RESOLVED: That the work plan be noted.

15 LOCAL PENSION BOARD - TRAINING UPDATE

The Board received a training presentation from the Head of the Pensions Shared Service on cyber risk.

With over £300B assets held within the Local Government Pension Scheme, it was critical to mitigate the threat posed by cyber risks including ransomware, data theft, cyber theft and fraud and distributed denial of service. The 2004 Pensions Act required trustees to establish and operate adequate internal controls with the Pension Regulator having issued guidelines including the need for controls around computer systems and databases as well as cyber security principles for pension schemes. Additionally, the Pensions Shared Service and Liberata were data controllers and were therefore required to comply with the General Data Protection Regulations with regard to privacy and security of data. A range of robust measures were in place to meet these stringent requirements, including the ISO27001 Statement of Applicability and fraud prevention arrangements such as participation in the National Fraud Initiative.

In addition to cyber risk, other issues currently impacting pension schemes included the impact of inflation on pension benefits and possible increases in member opt outs due to higher living costs. Environmental risk would be an increased focus moving forward, including a requirement to identify climate-related risks and opportunities as well as their impact on funding and investment strategies. Public sector pension schemes would also be required to provide user data to the National Pensions Dashboard.

In considering the update, the Head of Corporate Finance and Accounting outlined data protection risks related to home-based working, particularly where hard copy documents were printed for wet signature. A Board Member outlined a range of

options to mitigate this risk including digital pens or specialist document signing software as well as sharing documents via Sharepoint.

RESOLVED: That the training update be noted.

16 APPOINTMENT OF NEW CHAIRMAN

Under Term 22 of the Terms of Reference, the appointment of Chairman of the Local Pension Board was rotated on an annual basis between a member representing the employer and a member representing scheme members. The Board unanimously agreed to appoint Vinit Shukle, a Board Member representing scheme members, as Chairman for a term of one year.

RESOLVED: That Vinit Shukle be appointed Chairman of the Local Pension Board for a term of one year.

17 DATE OF NEXT MEETING

The Committee agreed that a minimum of three meetings be held per annum and that the next meeting be arranged for Quarter 4 of the 2022/23 financial year. The date of the next meeting would be confirmed shortly.

18 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

RESOLVED that the Press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**The following summaries
refer to matters involving exempt information**

19 EXEMPT MINUTES OF THE MEETING HELD ON 22 JUNE 2022

The Part 2 (Exempt) minutes of the meeting held on 22 June 2022 were agreed and signed as a correct record.

20 EXEMPT MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 27 JUNE 2022

The Part 2 (Exempt) minutes of the meeting of the Pensions Committee held on 27 June 2022 were noted.

The Meeting ended at 4.05 pm

Chairman