

CUMBRIA LGPS LOCAL PENSION BOARD

Minutes of a Meeting of the Cumbria LGPS Local Pension Board held on Friday, 15 July 2022 at 1.00 pm at Conference Room A, Cumbria House, Carlisle, CA1 1RD

PRESENT:

Mrs D Burnet (Chair)

Mr G Archibald
Mr G Capstick

Ms K Wilson

Also in Attendance:-

- | | | |
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| Ms R Blundell | - | Operations Director - Local Pension Partnership Administration (LPPA) |
| Ms A Clark | - | Senior Manager - Pensions and Financial Services (Deputy S151 Officer – Pensions) |
| Mr A Farrar | - | Democratic Services Officer |
| Mr P George | - | Group Finance Manager - Pensions, Investments and Insurance |
| Ms L Taylor | - | Finance Manager - Pensions Investments and Governance |
| Ms G Welbourn | - | Technical Finance Officer - Pensions |

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PUBLIC AND PRESS

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Lord Liddle and Ms K Thomson.

2 TERMS OF REFERENCE AND MEMBERSHIP

The Terms of Reference were noted. Mr G Capstick was welcomed to his first meeting. The Chair noted that the Administering Authority had the duty to appoint Vice Chair for the Cumbria LGPS Board and it had appointed Lord Liddle as Vice Chair.

3 DISCLOSURES OF INTEREST

There were no disclosures of interest.

4 EXCLUSION OF PRESS AND PUBLIC

RESOLVED, that the press and public be excluded from the meeting during consideration of:

Agenda Item No 11 – Review of Cyber Security Arrangements Within Cumbria Pension Fund;
Agenda Item No 12 – Review of Administration Matters;
Agenda Item No 13 – LPPA Presentation; and
Agenda Item No 14 – Verbal Update on Emerging Issues

by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as the reports contain information relating to the financial or business affairs of any particular person (including the Authority holding that information).

5 MINUTES

RESOLVED, that the minutes of the previous meeting held on 13 April 2022 be agreed as a true and accurate record.

6 SCHEDULE OF FUTURE MEETINGS

Members noted the schedule of meetings of the Cumbria LGPS Local Pension Board. It was noted that the January 2023 meeting would be virtual. The Chair asked if the Democratic Services Officer could investigate the possibility of making this a hybrid meeting.

7 WORK PLAN

Members noted the work plan of the Cumbria LGPS Local Pension Board.

8 OVERSIGHT OF PENSION COMMITTEE DECISIONS AND OTHER MATTERS

Members considered a report from the Director of Finance (Section 151 Officer) which updated them on all aspects of the governance and administration of the Local Government Pension Scheme (LGPS).

Section 4 of this report summarised the work conducted, and decisions made by the Committee at its meeting held on 16 June 2022, in order that Board Members could review these as part of their legal responsibility to members of the Fund.

This report also advised members of other matters arising, including regulatory changes, since last reported to the Board.

The Technical Finance Officer took members through the report, and highlighted the following:

- Legal breaches – there had been no legal breaches reported to the Pensions Regulator during the period to December 2021. There was a data breach which related to the release of personal information. LPPA and the Fund reported the breach and Senior Information Risk owners for both organisations considered that this did not warrant reporting to the Information Commissioners Office.
- Risk – Two new risks (Ukraine and Inflation) had been added to the register with both given an amber rating of 9. The risk associated to Covid 19 had been removed. There are 18 risks (1 red, 3 amber and 14 green).
- Data Quality – A key area that officers had addressed was leaver forms. In September there had been 1,408 outstanding forms this had now reduced by more than half.
- Investment Management – The value of the Fund had decreased in the quarter with a quarterly performance of -1.5%. the long term performance exceeded benchmarks with 10 year performance 9.1% per annum compared to benchmark of 8.2%.
- Regulatory Changes – McCloud Resolution – The Department for Levelling Up, Housing and Communities response was now expected in the Autumn.

A member queried if there were any concerns regarding the work to date relating to the actuarial valuation of the Fund. The Senior Manager - Pensions and Financial Services noted that there were no concerns regarding the valuation presently.

A member noted the high volume of leaver forms that were outstanding and asked for clarification on why this had built up. The Group Finance Manager - Pensions Investments & Insurance remarked that it was a multi-faceted answer, that more people were retiring and it was a task that could be easily forgotten by employers and he noted that targets were in place to reduce the remaining number.

The Chair remarked that it was good to see Climate Change on the register as an emerging risk. She commented that it would be useful for the Board to understand how this would be developed in future and how it would be measured. The Senior Manager – Pensions and Financial Services noted that the risk would be evaluated in the future when we get clarity on regulatory requirements and guidance - this is expected to be issued in the Autumn at a national level.

RESOLVED, that the Board

- (1) noted the decisions approved and other matters considered by the Pensions Committee at the meeting held on 16 June 2022 and request further information and/or feedback to the Pensions Committee as appropriate.

(2) approved the draft Annual Report of the Cumbria LGPS Pension Board 2021/22 for inclusion in the Annual Report for the Cumbria LGPS 2021/22.

9 CYBER SECURITY TRAINING

Jason Wilson and Chris Emmerson from Aon gave a presentation on Local Government Reorganisation which covered the following areas:-

- Knowledge and skills competencies
- What is cyber security and risk
- Current cyber threat trends
- LGPS Response to cyber threats
- Next Steps

A member commented that Cumbria was one of several funds and queried whether it was possible to learn from other fund's experiences and whether past events at similar schemes were logged.

Chris Emmerson remarked that it was challenging to learn from other organisations. Organisations were generally unwilling to discuss details about their cyber-attacks and it was rare for Pension Funds to provide detailed experiences about attacks.

The Chair suggested that the Scheme Advisory Board be contacted to propose that they collate this information, and that it would be easier to protect the information if it was in one place.

A member noted that the idea of cyber scorecards would help the Board assess the risk and prioritise actions after consideration of the costs and benefits.

10 DATE OF NEXT MEETING

The next meeting will be held on 4 October 2022 at 1pm

11 REVIEW OF CYBER SECURITY ARRANGEMENTS WITHIN CUMBRIA PENSION FUND

Jason Wilson and Chris Emmerson from Aon gave a presentation on Review of Cyber Security Arrangements within Cumbria Pension Fund which covered the following areas:-

- Scorecard topics
- Headline results
- Scorecard results
- Areas to consider

The Chair thanked the Jason and Chris for their presentation.

RESOLVED, that the Board

- (1) noted the review of cyber security arrangements within the Fund, and
- (2) noted the action plan to further strengthen cyber security arrangements within the Fund.

12 OVERSIGHT OF PENSION COMMITTEE DECISIONS AND OTHER MATTERS (PART 2)

A short discussion took place on the remit of the LGPS Board in terms of the role of the Board and the Risk Register.

13 REVIEW OF ADMINISTRATION MATTERS

Members considered a report from the Director of Finance (Section 151 Officer), which provided an update on the following key areas of Pensions' Administration.

- The service provided and monitoring of LPPA with a further update to be provided by LPPA in their presentation at the next agenda item.
- Employer Issues and measures taken to mitigate them.

RESOLVED, that the Board noted the Pension Administration matters detailed in the report and requested further information and/or feedback to the Pensions Committee as appropriate.

14 LPPA PRESENTATION

Members received a verbal update from Ms R Blundell, Operations Director- Local Pension Partnership Administration (LPPA). The update included:

- Project PACE
- Helpdesk Performance
- SLA's
- Future functionality

The Chair thanked the Operations Director – Local Pension Partnership Administration for her update.

15 VERBAL UPDATE ON EMERGING ISSUES

The Senior Manager - Pensions and Financial Services updated the Board on current emerging issues, including:-

- Consultations
- Local Government Reorganisation

The Chair thanked the Senior Manager - Pensions and Financial Services for her update.

The meeting ended at 4.05 pm