

Worcestershire County Council

Agenda

Pension Board

Friday, 27 September 2019, 9.30 am
County Hall, Worcester

DISCLOSING INTERESTS

There are now 2 types of interests:
'Disclosable pecuniary interests' and **'other disclosable interests'**

WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

NB Your DPIs include the interests of your spouse/partner as well as you

WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
 - you must **not participate** and you **must withdraw**.

NB It is a criminal offence to participate in matters in which you have a DPI

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:
 - You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests** **OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
 - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

Pension Board

Friday, 27 September 2019, 9.30 am, County Hall, Worcester

Membership: Mr K Bray (Independent Chairman)

Employer Representatives

Mr P Grove
Mr R J Phillips

Members Representatives

Mr P Ferrett
Ms K Wright

Agenda

Item No	Subject	Page No
1	Apologies	
2	Declarations of Interest	
3	Confirmation of Minutes To confirm the Minutes of the meeting held on 25 April 2019 (previously circulated)	
4	Pensions Committee - 21 June 2019 To review the Agenda papers and Minutes of the Pensions Committee meeting held on 25 April 2019: <ul style="list-style-type: none"> • LGPS Central update • Pension Investment update • Pension Fund unaudited annual report and accounts 2018/19 • Pensions Administration Update • Pension Fund administration budget 2019/20 • Risk Register • 2019-22 Business Plan • Internal Audit Plan <p>The Agenda papers and Minutes have previously been sent to you. Please bring your copy to the meeting.</p>	
5	Pension Board Risk Register	1 - 4
6	Summary note of the Local Government Scheme Advisory Board meeting - 8 July 2019 The Summary note of the Local Government Scheme Advisory Board	

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To obtain further information or a copy of this agenda contact Simon Lewis, Committee Officer, on 01905 846621,

All the above reports and supporting information can be accessed via the Council's website

Date of Issue: Thursday, 19 September 2019

Item No	Subject	Page No
	meeting - 8 July 2019 can be found on the following link http://lgpsboard.org/index.php/about-the-board/board-updates	
7	McCloud Judgement The Written Ministerial Statement - McCloud will apply to all public service pension schemes. The full statement can be found on the parliament website . See the Q&A on the Scheme Advisory Board website for more information on the McCloud case.	
8	Work Plan For review/action by the Board.	5 - 6
9	Any Other Business	

Worcestershire Pension Fund Pension Board Risk Register dated 03 09 2019

The Pension Board is responsible for assisting in securing compliance with:

- The principal 2013 LGPS regulations;
- Any other legislation; and
- Requirements imposed by The Pensions Regulator in relation to the scheme.

In summary, the Board's purpose is to assist in ensuring effective / efficient governance and administration through delivering scrutiny.

Some of things the Board needs to do are to:

- Establish and maintain a Knowledge and Understanding Policy and Framework.
- Maintain an attendance record.
- Advise on allowances and expenses to be paid and the resources to fulfil its role.

Failure of the Pension Board in delivering on its role for the Fund could lead to financial loss or loss of reputation / employer confidence or need to make major changes at short notice.

This new introduced Risk Register documents the identified risks which could prevent the Board from undertaking its role effectively.

Risk scores can range from 0 to 100, and are derived by multiplying an impact score by a probability score as follows:

Impact = 0 (none); 5 (minor); 15 (moderate); 20 (major); or 25 (severe).

Probability = 0 (no chance); 1 (25% likely to happen); 2 (50:50); 3 (75% likely); or 4 (certain to happen).

The following colour coding is used for the residual risk scores:

- **Red** >= 45
- **Amber** >= 25 but < 45
- **Green** < 25

IDENTIFIED RISKS:

1. **Failure to identify (Board members') conflicts of interest leading to failure to act in the best interests of the Fund / cost.**

Gross impact	15
Gross probability	1
Gross risk score	15

Mitigating action: • The Board has a conflict of Interest Policy • The Conflict of Interest policy is reviewed on an annual basis • All Board members sign a declaration upon appointment to confirm there are no conflicts which would prevent them from

undertaking the role • Declarations of Interest are requested at the start of each Board meeting • Information supplied to the Board is anonymised to allow them to make recommendations without any bias •

Residual impact 5
Residual probability 1
Residual risk score 5

2. Failure to maintain a competent Board with adequate skills / knowledge / representation of employers and employees **leading to** failure of Board members to properly exercise their functions.

Gross impact 15
Gross probability 1
Gross risk score 15

Mitigating action: • All Board members receive an induction upon joining the Fund and are required to read all statutory Fund documents within a short timeframe of being appointed • All Board members attend training events delivered by Pensions Experts such as the LGA, PLSA and CIPFA • All Board members have access to accurately maintained core documents and policies • Board members attend quarterly joint training sessions with the Pensions Committee in accordance with the Fund's Training Policy • Each member has agreed to adopt the knowledge and understanding policy framework • The Chair of the Board has a role to ensure that the terms of reference are adhered to by all Board members • The knowledge and skills of the Board is regularly reviewed and any training requirements will be addressed •

Residual impact 5
Residual probability 1
Residual risk score 5

3. Change of membership of the Board **leading to** loss of knowledge and skills / inability to fulfil its obligations.

Gross impact 15
Gross probability 1
Gross risk score 15

Mitigating action: • 5 Board members are appointed for a term of 3 years, with the option to extend • Where a member leaves during that term a recruitment process is undertaken by the Fund to replace them • Every 3 years the Fund will seek expressions of interest for suitably qualified and experienced members to join the Board and/or extend the tenure of existing members •

Residual impact 5
Residual probability 1
Residual risk score 5

4. Failure of the Board to implement the correct mechanisms in order to effectively monitor the compliance of the Fund **leading to** inability to undertake its role efficiently.

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Worcestershire County Council Pension Fund

Pension Board Work Plan 2019/20

No.	Activity	Q2 to 30.06.19	Q3 to 30.09.19	Q4 to 31.12.19	Q1 to 31.03.20
1	LGPS Central Governance and update transitions etc				
2	Strategic Asset Allocation Review				
3	Actuarial Valuation - Full Results				
4	Risk Register Update				
5	Investment Strategy Statement				
6	External Audit Plan 2018/19				
7	Key Performance Indicators 2019/20				
8	Equity Protection Strategy				
9	Update on Guaranteed minimum pension				
10	Pension Fund Annual Report and Accounts				
11	Covenant Review Funds Employers				
12	Fund Performance update				
13	Board annual report				
14	Pension Board Training Review and update				
15	Government Actuary Department (GAD) Pension Review Update				
16	Any Statutory / legislative updates such as info from SAB, MCHLG				
17	Work plan CIPFA Suggested items as per 2018 guide				
Quarter for Board activity to be reviewed and/or actioned at the arranged Board meeting					

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