LOCAL PENSION BOARD

Minutes of the meeting held at 3.00 pm on 22 January 2020

Present:

Emma Downie (Chairman)

Pinny Borg, Lesley Rickards and Vinit Shukle

Also Present:

Thi Bang Hoang, Pensions Manager
Tracey Pearson, Chief Accountant
Graham Walton, Democratic Services Manager

15 APOLOGIES FOR ABSENCE

There were no apologies for absence.

16 DECLARATIONS OF INTEREST

There were no declarations of interest.

17 MINUTES OF THE MEETING ON 12 JUNE 2019

The minutes of the meeting held on 12th June 2019 (excluding exempt information) were agreed.

18 MINUTES OF THE PENSIONS INVESTMENT SUB-COMMITTEE MEETINGS HELD ON 15TH MAY 2019, 24TH JULY 2019, 27TH AUGUST 2019, 3RD DECEMBER 2019 AND 17TH DECEMBER 2019

The Board reviewed the minutes of the Pensions Investment Sub-Committee meetings held on 15th May, 24th July, 27th August, 3rd December and 17th December 2019 (excluding exempt information.)

15th May 2019: Minute 7: Good Governance Survey: It was noted that there was an expectation of a greater role for the Local Pension Board.

17th December 2019: Minute 51: Asset Allocation: It was noted that there would be a report to the Pensions Investment Sub-Committee on 30th January 2020 on Asset allocation. There had been an increased focus around ESG investments, and an increase in Freedom of Information requests relating to this. This appeared to be reflected across all local authorities and in the private sector. It was confirmed that a summary of the Council's investments, and investment performance, was published in the quarterly reports to Pensions Investment Sub-Committee.

19 MINUTES OF THE GENERAL PURPOSES AND LICENSING COMMITTEE MEETINGS HELD ON 19TH SEPTEMBER 2019, 6TH NOVEMBER 2019 AND 28TH NOVEMBER 2019

The Board reviewed the minutes of the General Purposes and Licensing Committee meetings held on 19th September, 6th November and 28th November 2019.

28th November 2019: Audit of Financial Statements 2018/19: The Board noted that the audit of the Council's 2018/19 accounts had been delayed, so the Pension Fund accounts for 2018/19 had been approved at this meeting to meet the statutory deadlines for publication of the Pension Fund Annual Report.

20 TRAINING UPDATES - PENSIONS MADE SIMPLE

A link to the LGPS website had been circulated – this contained useful videos. The link would also be included in the next Pensions newsletter. Board Members would be sent the newsletter before publication to seek their views on the content – it was noted that plain language was important.

The newsletter was published on the Council website and circulated by Liberata to all scheme members, but Lesley Rickard stated that she did not recall seeing it recently - this would be checked. Emma Downie offered to set up a link from the HR self-service site. Post meeting note: the newsletter is only circulated to active scheme Members. Consideration will be given to how improve communication of the availability of an online version to deferred and pensioner members.

Board members were invited to contact Thi Bang Hoang with any training needs or requests, and any issues that should be covered in the newsletter.

21 PENSION FUND ANNUAL REPORT 2018/19

Report FSD20014

The Board received the Pension Fund Annual Report 2018/19 – this showed that fund performance remained strong overall, ranking 11th in the LGPS universe in 2018/19. Over the medium to longer term, rankings have been excellent – 1st over 10, 20 and 30 years. There had been a slight increase in members to 18,681, leading to an increase in total administration costs, but a decrease in costs per member from £61.82 to £59.47. There was a higher cost per member in 2016/17 (£70.35) and one factor was possibly the extra work needed around the triennial revaluation.

The Independent Auditors had given an unqualified opinion on the pension fund accounts, and no issues of concern had been raised. The report for 2019/20 would need to reflect the updated fund valuation and regulatory changes including more benchmarking and performance information.

It was agreed that the Pension Fund annual Report 2018/19 be noted.

22 LOCAL PENSION BOARD DRAFT ANNUAL REPORT
Report FSD20013

The Board received the draft Local Pension Board Annual Report 2019. The report was due to be considered by the Pensions Investment Sub-Committee on 30th January, General Purposes and Licensing Committee on 11th February and Council on 24th February.

It was confirmed that Board Members were very welcome to attend not only meetings of the Pensions Investment Sub-committee and General Purposes and Licensing Committee, but also the annual Pensions Seminar run by the Director of Finance. The Pensions Manager agreed to check the date of the next seminar and circulate an invite to Board Members.

The Pensions Manager noted that the standard timetable for the Board's annual meetings was November but this year's meeting had been delayed. The next formal annual meeting will therefore take place in November 2020.

Emma Downie was currently the chairman until July 2020 and it was agreed that this would be extended to November 2020 to coincide with the next annual meeting of the Board when a new chairman would be appointed.

It was agreed that the draft Local Pension Board Annual Report 2019 be approved.

23 PERFORMANCE MONITORING REPORT
Report FSD20015

The Board received a performance report to enable it to assess whether the Pension Fund was complying with the Pension Regulator's Code of Practice on Governance and Administration of public service pension schemes. The report included a RAG rated table showing levels of compliance across the four core areas of governance and administration (it was pleasing to note that there were no reds, but there were some ambers and the Pensions Manager would work with Board Members to consider what action could be taken with a view to moving these to greens by the Board's next meeting at the end of November). The report also provided a link to the Pensions Regulator's recent engagement report. It was reported that another scheme had received the first ever improvement notice issued by the Pensions Regulator solely focused on internal control failures.

It was noted that this was a new report which would be presented to the Board annually. The report sought to provide some background into what the Code of Practice on governance and administration is about and how the Council and Liberata work to monitor performance through service review meetings and the monitoring of KPIs. Appendix 2 provided further data around performance monitoring, detailed statistics and information about complaints.

The Board noted the Internal Dispute Resolution Procedure, which had three stages, the final stage being the Pensions Ombudsman. The number of complaints remained low and there were no current outstanding cases to report,

but the Council had recently been ordered to pay £1,000 compensation by the Ombudsman in a case relating to historic service history being incorrectly recorded.

The Board noted:

a) the Pensions Regulator Code of Practice 'Governance and Administration of Public Service Pension Schemes' as a guide to good governance;
b) the procedures and policies in place to monitor Liberata's performance;
c) Liberata's current performance levels.

24 LOCAL PENSION BOARD WORKPLAN

The Board considered its work plan, which contained ten tasks. Members were reminded again to ask for any training that they needed.

25 ANY OTHER BUSINESS

The Board was informed that the Investment Strategy Statement and Funding Strategy Statement would be reported to the Pensions Investment Sub-Committee in February.

26 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

27 EXEMPT MINUTES OF THE MEETING HELD ON 12 JUNE 2019

The Exempt minutes of the meeting held on 12th June 2019 were confirmed.

28 EXEMPT MINUTES OF THE PENSIONS INVESTMENT SUB-COMMITTEE MEETINGS HELD ON 15TH MAY 2019, 24TH JULY 2019, 27TH AUGUST 2019 AND 3RD DECEMBER 2019

The exempt minutes of the Pensions Investment Sub-Committee meetings held on 15th May, 24 July, 27th August and 3rd December 2019 were noted.

The Meeting ended at 3.53 pm

Chairman