



# Minutes

|                 |  |
|-----------------|--|
| Name of meeting | <b>LOCAL PENSION BOARD</b>                                       |
| Date and Time   | <b>WEDNESDAY 24 MARCH 2021 COMMENCING AT 10.00 AM</b>            |
| Venue           | <b>VIRTUAL - MS TEAMS</b>  |
| Board Members   | T Bull (Chairman), R Barry, B Milton and T Ould                  |
| Also Present    | Matthew Collier, Jo Cooke, Sarah MacDonald<br>And Jo Thistlewood |

## 32. **Minutes**

Members confirmed the minutes of the meeting held on 9 December 2020 as a true record. Confirmation was given that the historical data which had been requested at the last meeting was covered in one of the reports later in the agenda.

RESOLVED:

THAT the Minutes of the meeting held on 9 December 2020 be confirmed.

## 33. **Declarations of Interest**

No declarations were received at this stage.

## 34. **Minutes of Pension Fund Committee meetings**

### 35. **25 November 2020**

Board members noted the following key items discussed at the 25 November committee meeting:

- The Pension Fund Annual Report and Accounts 2019-20 had been completed, approved and published. The audit of the council's accounts was not yet completed due to issues not related to the Pension Fund.
- A private debt solution provider had been appointed. The board noted that due process had been followed and due diligence carried out as to the suitability of the fund.

- The Board noted that the Exit Cap Regulations had been revoked by central government.
- In relation to the Investment Strategy Implementation, the Committee had agreed that they would establish more environmental social governance monitoring and the Board would monitor progress in this area. At a development session on 23 February, Hymans support which they could provide in this area, for example with carbon footprint monitoring.

RESOLVED:

THAT the minutes of 25 November 2020 be noted.

36. **27 January 2021**

Board members noted the following key items discussed at the Committee meeting on 27 January 2021:

- An infrastructure investment solution provider had been appointed. Board members noted that due process had been followed and due diligence considered.
- The Committee had acted in accordance with regulations in the completion and submission of the CMA compliance statement. Continued monitoring of the performance of the investment consultants was built into the future workplan.
- In the selection of the UBS Climate Aware Fund, due process had been followed in making the selection by the ACCESS pool. A due diligence report had been provided to the Committee and they had been satisfied with the advice given. The Board wished to see scrutiny of who gives advice on ESG and their policies and procedures. This would be considered as contracts with advisors are re-procured.

Trevor Ould remarked that he had been present at the meeting, although not able to participate due to technical issues, but had not been marked as present in the minutes. This was noted and would be looked into.

RESOLVED:

THAT the minutes of 27 January 2021 be noted.

37. **3 March 2021**

The Board received a verbal update, given that the minutes of the committee meeting were not available at the time of publication of board papers.

The key issue was that concern had been expressed by the Board to the Committee on the level of consultation which had been undertaken in respect of the Investment

Strategy Statement which was a statutory document. Otherwise the process had been appropriately followed.

The Board had expressed concern that they had not been consulted and had not seen the final document until it was published. The Board were dissatisfied with the response which had been received by a particular member of the Committee. They were advised to raise this with the Monitoring Officer.

RESOLVED:

THAT the verbal update be noted, and the Board would discuss whether to take forward their concerns with the Monitoring Officer.

### 38. **TPR Governance and Administration Survey 2020**

The Pension Regulator (TPR) Governance and Administration Survey had been completed without the Board members' input. With a tight deadline to complete the survey, Board members had not submitted comments.

Board members noted that lack of resources was a risk to the fund, as was cyber risk monitoring. Both areas would be included in the future workplan.

TPR's feedback from the survey was not expected until around September/October 2021.

RESOLVED:

THAT the timely submission of the TPR Governance and Administration Survey be noted.

### 39. **Policies/ Strategic Documents**

As part of the good governance framework, the Board need to be aware of all the local policies and strategic documents which were available relating to the Pension Fund. Although the list provided was not yet complete, and there were some documents still to be created, it was considered to be a good starting point.

Board members agreed that the key priorities over the following year would be:

- the creation of an Environmental, Social and Governance (ESG) Responsible Investment (RI) policy, including Climate Change statements;
- the adoption of a fund-specific Risk Register, to include climate and cyber risks; and
- reviews of the breaches and complaint disputes policies, including operational procedures, which were overdue.

The Board noted that the Administration Strategy was also overdue for review. Board members agreed that the review should be delayed until such time as

guidance from MHCLG in respect of the recommendations from the Scheme Advisory Board's Good Governance Project was received, to ensure that all changes required could be made at once

Board members queried whether the council could advertise for additional staff resources, even if on a temporary basis. The Technical Finance Manager indicated that any recruitment would need to be to a defined role, the requirements for which had not yet been determined. Support has been requested from the fund's governance advisers to determine the resource requirements and help with recruitment.

RESOLVED:

THAT the list of fund policies and other strategic documents be noted, and the key priorities for review and update in the forthcoming year be agreed.

#### 40. **LGA and Legislation Update**

Previously the LGA bulletins had been circulated monthly, however going forward it was proposed to present them as a formal item on the Board's agenda in order to identify key items for development and for future meetings. There was much going on in the background including seminars and webinars. The Board felt that it was a useful format for highlighting the key issues.

The board queried whether any employers were looking to exit the scheme. There were potentially three who were considering taking advantage of the flexibility. Each was being treated on a case by case basis. The Technical Finance Manager would update the Committee at the meeting in April.

RESOLVED:

THAT the update be noted.

#### 41. **Report from the Pensions Administration Team**

A summary was given of the total membership, aggregate of membership for the previous year and the figures for the last five years to show the trends. There had been some changes due to data cleansing as part of the data improvement plan. Confirmation was given that there was no liability on those frozen and which were due a refund. A decision was being sought, as to the use of a tracing agent prior to writing off. The value of the frozen refunds is not significant; confirmation of the value would be included in a report to the next meeting.

The i-Connect project implementation had been successful, with good engagement with employers; 26 employers (79 per cent) were now live on the system, and engagement continues with remaining employers.

A meeting had been with the fund's software provider to develop the data and software requirements for the McCloud remedy project, and an implementation document was being prepared. Legislation implementing the remedy for the LGPS

had not yet been laid before Parliament, so the final work plan cannot yet be determined.

Members noted the final report in respect of the GMP reconciliation project from Mercer (formerly JLT). Officers still needed to review the final report, and discuss the decisions to be made in terms of tolerances and the treatment of potential under- and over-paid historical benefits with the Section 151 officer. A report would be prepared for the Board to agree due process was followed before being presented to the Committee.

Members noted the key performance indicators (KPI) report. From the good governance report, a standard set of performance indicators for administration and governance review would be recommended to MHCLG in order to readily compare with other local authority schemes. As new systems are developed, and recommendations come from the report, the council would adapt its KPI reporting.

No issues were noted in relation to employer compliance with submission deadlines, and there were no complaints or breaches to record for this meeting.

Some research was being carried out into providing online payslips and P60s for pensioners. Letters and preference forms had been sent out to 5,500 people seeking their preferred communication method. A good response had been received; in the previous two months, member self-service sign up had increased by 400 for pensioners.

RESOLVED:

THAT the report from the administration team be noted.

#### 42. **Workplan**

Discussion took place regarding the work programme for the next financial year. The Technical Finance Manager advised that the deadline for the approval of the council's accounts had been extended from 31 July to 30 September 2021; the external audit of the accounts would commence on 23 August 2021.

It was reported that the Pension Fund Committee meeting on 28 April would be the only council meeting to take place during the pre-election period as it did not make political decisions. The Board requested that the minutes from this meeting be included in the agenda for that committee meeting, although it was accepted that they would be in draft form.

The Pension Fund Committee meeting for 2 June 2021 would be the first meeting following the election. As the membership for the new Committee would not be confirmed until after publication of the agenda, this meeting would primarily be an introduction for the new Committee. The Board would be invited to contribute to the meeting as appropriate.

The agenda for the next Board meeting, due to be held on 23 June 2021, would include the Pension Board annual report, for adoption and recommendation to the

Pension Fund Committee, an update on the pension fund annual report and accounts, as well as regular items on legislation/regulation update, report from Administration team and policies/strategic documents progress update.

There would need to be some development workshops for the Board and the Committee, to include the risk register, good governance project, and the TPR Code of practice consultation.

RESOLVED:

THAT the update on the work programme for the forthcoming meetings was noted.

**43. Items circulated for members' attention**

A summary was given of items which had been circulated to members since the last meeting. Members' attention was drawn to forthcoming webinars on TPR's combined code of practice, consultation on which closes on 26 May.

RESOLVED:

THAT the items circulated since the last meeting were noted.

**44. Other matters for the Board's attention**

A concern was raised by Board members over the structure, frequency and agenda of the Board meetings. Board members felt that they wished to take more control over their meetings and that the frequency of 3-monthly meetings was not enough due to the amount of business going on. The Board had discussed the need to have monthly meetings.

The Technical Finance Manager (TFM) confirmed that all meetings of the Board should be formal meetings and follow due process, including attendance of officers from the administering authority and published papers and appropriate minutes., recording decisions or recommendations made. It was further confirmed that the Public Service Pension Scheme Act 2013 stated that it was for the administering authority to decide how the Board should operate.

Members asked for clarification to be sought from the Monitoring Officer with a definitive answer on what the Board's powers were, and in particular whether they could obtain their own administration support for increased meetings.

The Board felt it should have more control over agendas for its own meetings. The TFM confirmed that the Chairman was consulted on proposed agenda items. It was agreed that any items for the next meeting on 23 June 2021 should be sent via the Chairman in advance of the publication deadline.

Board members expressed concern that the responses to the TPR survey (minute 38) indicated that there was no training log maintained, yet members had undertaken several training sessions and workshops. It was agreed that Board

members should take control of their own training logs. It was agreed that training logs would be included on the next Board agenda.

Board members felt that there were some communication issues. There was concern that there was a lack of attendance by members of the Committee though they had an open invitation to Board meetings. The Board would like to see meetings reinstated between the Chairmen of the Committee and the Board; it was agreed this would be raised with the new Committee chairman following the election.

The Board had made an informal approach to the Pensions Regulator as they were dissatisfied that a request for a meeting with the Section 151 officer had not been responded to. Members were advised that they should escalate their concerns to the Monitoring Officer if they were dissatisfied with the lack of response.

No further progress had been made with recruiting to the Board. A job description template and role profile for an independent chair had been prepared which the TFM would circulate. Four responses had been received by members from enquiries of other Pension Boards and some useful documents regarding recruitment had been received which would be circulated

#### RESOLVED:

The Technical Finance Manager would seek clarification from the Monitoring Officer, and if necessary the National Scheme Advisory Board on the Board's powers and Terms of Reference.

An item relating to the training log would be included in the agenda for 23 June 2021.

CHAIRMAN