LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 5 July 2024 commencing at 10.30 am and finishing at 12.25 pm

Present:

Voting Members: Matthew Trebilcock – in the Chair

Alistair Bastin
Stephen Davis
Liz Hayden
Angela Priestley-Gibbins

Other Members in Attendance: Councillor Donna Ford

By Invitation: Mark Smith (Pension Services Manager from 1 August 2024)

Officers:

Whole of meeting   Sean Collins (Pension Services Manager), Vicki Green (Pension Services Administration Manager), Mukhtar Master (Governance & Communications Manager), Anna Lloyd (Governance & Communications Officer) and Lucy Brown (Senior Democratic Services Officer)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with [a schedule of addenda tabled at the meeting][the following additional documents:] and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports [agenda, reports and schedule/additional documents], copies of which are attached to the signed Minutes.

32/24   WELCOME BY CHAIRMAN
(Agenda No. 1)

The Chair welcomed everyone to the meeting. Mark Smith, Pension Services Manager (starting in August 2024) joined the meeting and the Board and Committee members provided introductions and an overview of their role and experience.

33/24   APOLOGIES FOR ABSENCE
(Agenda No. 2)

Apologies for absence were received from Susan Blunsden, Scheme Employer Representative (Cherwell District Council), Greg Ley, Financial Manager – Pension Fund Investments and Rob McDougall, Chief Fire Officer and Director of Community Safety.

34/24 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE BELOW
(Agenda No. 3)

No declarations of interest were received.

35/24 MINUTES
(Agenda No. 4)

The minutes of the meeting held on 3 May 2024 were agreed as a correct record.

36/24 UNCONFIRMED MINUTES OF THE LAST PENSION FUND COMMITTEE
(Agenda No. 5)

The Board had before it the draft minutes of the Pension Fund Committee meeting of 7 June 2024.

The Board noted the minutes.

37/24 ANNUAL REPORT OF THE PENSION BOARD
(Agenda No. 6)

The Board had before it the Annual Report of the Pension Board which presented the work of the Board for the 2023/24 financial year.

Sean Collins, Pension Services Manager presented the report, and highlighted the issues regarding the long-standing vacancy of a scheme employer member of the Board, with no interest received from scheme employers. He identified the risks to the quorum of the Board meetings with such a low number of Board members, and succession planning was noted following updates from the Board members present. Following queries raised by the Board, Sean Collins advised that to provide full representation across the Board, it would be advisable for the vacancy to be filled by the academy sector, as they form 30% of the fund, and would return to that sector to seek representation. The Board were **agreed** that the Pension Services Manager would continue to advertise the post via the employer's newsletter and on the Fund Website.

Sean Collins also updated the Board on the positive response to the responsible investment survey, which resulted in over 4,000 responses from scheme members, which was significantly above previous consultation exercises. He also highlighted the key pieces of work for the Board as detailed in the Future Work Programme section of the report.

He advised that the training programme would be updated and included within the report which would then be published later this year and reported to Full Council.

The Board **approved** the report for inclusion with the Fund's Annual Report and Accounts to be published later this year.

38/24   REVIEW OF ANNUAL BUSINESS PLAN
(Agenda No. 7)

The Board had before it the report which set out the latest progress against the key service plan priorities in the Annual Business Plan for the Pension Fund 2024/25, as considered by the Pension Fund Committee at its meeting on 7 June 2024.

Sean Collins, Pension Services Manager presented the report, outlined a review of the Service Priorities for 2024/25, and answered any questions raised.

In response to a question regarding whether the issues highlighted led to the possibility that the McCloud data would not be completed in line with the Government's priority guidance, Sean Collins advised that this would be addressed prior to the August 2025 deadline if required, however at this stage it would be difficult to answer. He confirmed there were no breaches on individual calculations at this stage of the work, however these would need to be completed prior to the 2025 annual statements being issued and advised the Board monitor this closely through the quarterly reports issued by the team.

In response to a question regarding if any recalculations have been done on individual pensions, Vicki Green, Pension Services Administration Manager advised that the McCloud recalculations were undertaken in line with priorities advised by the Scheme Advisory Board, focussing on pensions already in payment and new leavers, with work on active and deferred members undertaken as and when resources allowed.

The Board noted the report.

39/24   RISK REGISTER REPORT
(Agenda No. 8)

The Board were presented with the latest risk register which had been considered by the Committee on 7 June 2024.

The Governance and Communications Manager presented the report and highlighted that there were no new emerging risks identified in the quarter and none of the risks on the risk register were deemed as increasing in their respective risk ratio.

In response to a query regarding risk 21: insufficient resource and/or data to comply with consequence of McCloud Judgement & Sargeant, the Governance and Communications Manager advised that the risk would be reassessed with the Pension Service Administration Manager, and it would be likely that the risk rating would increase.

The Board noted the report.

40/24   GOVERNANCE AND COMMUNICATIONS REPORT
(Agenda No. 9)

The Board had before it the Governance and Communications Report which had been presented to the Committee on 7 June 2024.

The Governance and Communications Manager presented the report which included updates on the General Code of Practice which consisted of 51 modules, of which 5 relate to main areas as identified within the report with further detail included at Appendix 1. Further updates would be presented to the next meeting.

In response to a question regarding the number of Committee and Board members who have completed the mandatory training highlighted in the report, the Governance and Communications Officer advised that all Committee members apart from two of the three new members had completed the mandatory training. The Board were advised that these should be completed within the next couple of months. She advised that future reports would include information on training that had been completed and also any that is outstanding to the Board.

The Chair advised all Board members to inform the Governance and Communications Team of any other training undertaken.

In response to a question regarding the number of Code of Practice Breaches that had been escalated, the Board were advised that these would have been Contribution – COP Breaches, however further detail regarding escalated breaches would be made available in future reports.

The Board noted the report.

41/24 GOVERNANCE AND COMMUNICATION POLICY REVIEWS
(Agenda No. 10)

The Board had before it the report presented to the Committee on 7 June 2024 which brought the following reviewed policies for the Committee's approval:
-   Communication Policy
-   Governance Policy
-   Governance Compliance Statement
-   Regulatory Breaches Policy

The Governance and Communications Manager presented the report which provided further detail on each policy presented for review.

It was noted that these were standard policies within the standardised framework, however with some differences in its localised operating practices.

The Board noted the report.

42/24 ADMINISTRATION REPORT
(Agenda No. 11)

The Board considered the latest Administration Report as presented to the Committee on 7 June 2024. Vicki Green, Pension Services Administration Manager presented the report which included the latest performance statistics for the service.

Stephen Davis, Scheme Member Representative arrived at the meeting.

Vicki Green provided an update on the current staffing within the team in terms of arrangements for filling the short-term gap created by the promotion of her post and also advised that all future reports would include up to date data of the performance statistics.

The Board noted the report.

43/24 FUND CASHFLOWS AND 2025 TRIENNIAL VALUATION
(Agenda No. 12)

The Board had before it the report which set out the context for the 2025 Fund Valuation, the Valuation timetable, key questions which needed to be addressed and the projected cash flow for the Fund and the inter-relationships with the various decisions to be made through the Valuation process.

Sean Collins, Pension Services Manager advised that this report had been presented to the Committee on 7 June 2024 by the Fund Actuary who had also delivered training to the Committee members. The report provided information on the current funding position, which showed the Oxfordshire County Council Pension Fund to be at 146%. He also provided an overview of the cash flow projections and the next steps as detailed in the report.

In response to a query raised regarding reducing the level of funding provided to Fund Managers to meet the cashflow shortfall predicted for 2028, Sean Collins advised this would be a question for the Committee. The Board therefore requested that the Committee review the investment management fees when balancing against the cashflow requirements required of the Fund. It was also agreed that, whilst this information was reviewed at Committee level, this would also be shared with the Board for their information.

The Board held a general discussion regarding the risks associated with changing legislation, in light of a differing political climate, and were advised that this would always be monitored by the team and reported to the Board as necessary.

The Board noted the report.

44/24 ITEMS TO INCLUDE IN THE REPORT TO THE PENSION FUND COMMITTEE
(Agenda No. 13)

It was agreed that the following be included in the report to the next Pension Fund Committee:

- Review level of risk registered on the risk registers with regard to McCloud.

- Review the level of investment management fees when considering the cashflow requirements of the Fund.

45/24 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING
(Agenda No. 14)

The Board requested the following items be included at the next Board meeting:

- Rationale to aid understanding of managements fees.

The Board took this opportunity to thank Sean Collins for his support and commitment to the Fund over the years and wished him well in his retirement.

.... in the Chair

Date of signing   ....