



## **Local Pension Board Friday, 22 January 2021**

### **ADDENDA**

**5. Minutes (Pages 1 - 6)**

To approve the minutes of the meeting held on 23 October 2020 (**LPB5**) and to receive information arising from them.

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## LOCAL PENSION BOARD

**MINUTES** of the meeting held on Friday, 23 October 2020 commencing at 10.30 am and finishing at 12.06 pm

**Present:**

**Voting Members:** Paul Blacker – in the Chair

Alistair Bastin  
Stephen Davis  
Lisa Hughes  
Councillor Bob Johnston  
Angela Priestley-Gibbins  
Sarah Pritchard

**Officers:**

Whole of meeting Sean Collins, Service Manager, Pensions; Sue Whitehead (Notes)

*The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and, copies of which are attached to the signed Minutes.*

**22/20 WELCOME BY CHAIRMAN**

(Agenda No. 1)

The Chairman welcomed members to the meeting.

**23/20 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE OPPOSITE**

(Agenda No. 3)

There were no declarations of interest made.

**24/20 PETITIONS AND PUBLIC ADDRESS**

(Agenda No. 4)

There were none.

**25/20 MINUTES**

(Agenda No. 5)

The Minutes of the meeting held on 17 July 2020 were approved and signed as a correct record.

## **26/20 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE MEETING - 11 SEPTEMBER 2020**

(Agenda No. 6)

The Local Pension Board received the draft Minutes of the meetings of the Pension Fund Committee held on 11 September 2020 for information.

## **27/20 REVIEW OF THE ANNUAL BUSINESS PLAN**

(Agenda No. 7)

The Board reviewed the latest position against the Annual Business Plan for 2020/21 as considered by the Pension Fund Committee at their meeting on 11 September 2020.

Sean Collins, Service Manager Pensions introduced the contents of the report highlighting the 4 key objectives.

During discussion the following points were made:

- There was a need for a robust training plan to be in place for Pension Fund Committee members particularly should there be changes following the elections next year.
- There was concern over the format of the report, that was seen as being overly discursive. It would benefit from greater structure with the addition of judgements from officers to determine if matters were on track. In response to a comments that it was difficult to be critical of papers that belonged to the Pension Fund Committee the Chairman reassured members that the role of the Board was to oversee and scrutinise and that it was the Board's legitimate role to comment. Comments were taken back to the Pension Fund Committee. Sean added that he would echo the comments of the Chairman and on the specific point could see the value of adding information such as a table on key objectives.
- It was noted that 99.5% of this year's annual benefit statements had been done within the deadlines.

## **28/20 RISK REGISTER**

(Agenda No. 8)

The Local Pension Board considered the latest risk register as considered by the Pension Fund Committee on 11 September 2020. The Board was invited to review the report and offer any further views back to the Committee.

During discussion members:

- Highlighted Risk 13/14 - the risk of intervention from the Pension Regulator in respect of the skills and knowledge of the Committee. Concern was expressed that the Committee was at the bottom of the 18 Funds who took part in the recent National Knowledge Assessment and that this increased the risk of the loss of professional investor status. The key issue would be what happened as a result of the skills and knowledge audit and how seriously it was taken. It

was agreed to recommend to the Pension Fund Committee that Risk 13/14 be strengthened to reflect the concerns of the Board.

- Noted that an additional risk had been identified at the Pension Fund Committee relating to the exit payment cap and this would be added to the register.
- Discussed the risks relating to FE/HE employers defaulting or withdrawing from the scheme. It was noted that unlike for the academy sector the Secretary of State had not given a guarantee to underwrite the impact in the FE/HE sector.

## **29/20 ADMINISTRATION REPORT**

(Agenda No. 9)

The Board was invited to review the latest Administration Report as presented to the Pension Fund Committee on 11 September 2020, including the latest performance statistics for the Service, and to offer any comments to the Pension Fund Committee.

During discussion Sean responded to individual questions on staffing, complaints, projects, member self service, employers and annual benefit statements. The Board expressed their pleasure that all outstanding issues had been resolved with Edwards and Ward.

Under the section on government announcements Sean updated members on the position on the exit cap. It was noted that guidance was awaited and that it impacted on organisations part way through restructure. They were receiving enquiries, but the exact position was unclear. The changes did not apply to all employers in the LGPS and differentiated responses would be needed.

## **30/20 GOVERNANCE REVIEW**

(Agenda No. 10)

The Board was invited to review the report on the Governance Review as presented to the Pension Fund Committee on 11 September 2020, which included the results of the National Knowledge Assessment (NKA). The Board was invited to offer any comments to the Pension Fund Committee about the Governance arrangements in general and to consider their own NKA results, and what further actions they wished to take as a Board to improve their own role in the governance arrangements for the Fund.

Sean Collins, Services Manager Pensions, introduced the contents of the report, stressing that the Pension Fund Committee had taken the outcome seriously. The Chairman was keen to take action and the Committee had asked Hyman Robertson to undertake a review of governance arrangements. Sean added that Hymans would be attending the January meeting of the Board. They would want to talk to representatives of Local Pension Board and it was agreed that the names of Alistair Bastin, Councillor Bob Johnston and Lisa Hughes be put forward.

Sean added that it was intended to produce a monthly newsletter for Pension Fund Committee members that would include a training element in each one. Local Pension Board members would get a copy.

Responding to a query about how concerns could be escalated Sean explained that the Council's Cabinet had no oversight of the work of the Committee. It was not an executive function and the authority was delegated to the Committee from Council. They arguably had an oversight role and there was also the role of the Pensions Regulator. The Chairman added that in terms of the Council's leadership the S151 officer attended the Pension Fund Committee. A member noted that this Board was a statutory body and was empowered to speak to the Chief Executive, S151 Officer or Pension Regulator if necessary to fulfil its function.

During discussion on the training element the Board stressed that there should be regular monitoring to see that the training had been effective.

### **31/20 ITEM AT THE REQUEST OF ALISTAIR BASTIN**

(Agenda No. 11)

Alistair Bastin proposed the following for consideration by the Local Pension Board:

This Pension Board recognises the ongoing commitment of time, energy and study from its members, in order to gain and maintain the knowledge and understanding required to fulfil the Board's role effectively. This is clearly evidenced in the results of the recent National Knowledge Assessment.

This Pension Board also notes that regulation 106(8) of the LGPS Regulations 2013 states that a local pension board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

Accordingly, the Board resolves to pay each member of the Board (scheme member representative and employer representative) who has completed the Local Government Association's three-day Fundamentals course, organised by the Local Government Pensions Committee a stipend of £4,000.00 per annum, backdated to 1 April 2020, and with an annual uplift in accordance with the annual pay settlement for local government staff.

Alistair explained the context for the proposal in that he felt that Pension Fund Committee did not value the advice provided by this Board because it was given for free as volunteers. He expressed his tiredness and frustration at being disregarded. He, as a Local Pension Board member was not always allowed to speak at Pension Fund Committee.

During discussion several members expressed support for the frustration expressed. It was suggested by one member that if there were no change then this was something that would need to be reconsidered.

On the advice of the committee officer that the Local Pension Board did not the power to award itself an allowance the proposal was amended to read:

This Pension Board recognises the ongoing commitment of time, energy and study from its members, in order to gain and maintain the knowledge and

understanding required to fulfil the Board's role effectively. This is clearly evidenced in the results of the recent National Knowledge Assessment.

This Pension Board also notes that regulation 106(8) of the LGPS Regulations 2013 states that a local pension board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

Accordingly, the Board resolves **to advise the Pension Fund Committee** to pay each member of the Board (scheme member representative and employer representative) who has completed the Local Government Association's three-day Fundamentals course, organised by the Local Government Pensions Committee a stipend of £4,000.00 per annum, backdated to 1 April 2020, and with an annual uplift in accordance with the annual pay settlement for local government staff.

Following a vote, by roll call, it was:

**RESOLVED:** (by 3 votes against, with 1 for and 2 abstentions) not to agree the recommendation.

### **32/20 ITEMS TO INCLUDE IN REPORT TO THE PENSION FUND COMMITTEE**

(Agenda No. 12)

- Include more detailed performance data (in table format) in future Annual Business Plan Review reports
- Update the risk register in line with comments of the Board to include reference to MiFID 2 and in particular the risk of loss of professional investor status. (Risk 14 Insufficient Skills amongst officers).
- Training of Pension Committee / Board members – as well as annual reporting on training received by Committee / Board members the Board requested that there is an annual assessment of competence to ensure members have taken on board the training received / are up to date on LGPS developments. The purpose is to ensure training and development is focused and Pension Committee / Board members have the knowledge to undertake their roles.
- The Board expressed strong concerns about governance arrangements and requested that these issues are addressed as a matter of urgency. The Board requested a timescale for the Hymans Robertson review work and when the final report would be available.

### **33/20 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING**

(Agenda No. 13)

- The Board requested a repeat of information previously provided to the Local pension Board on financial management – costs and performance with the information for Brunel being separated out.

- The Board requested that Hymans Robertson update the Local Pension Board at their next meeting on progress so far / any initial findings.

..... in the Chair

Date of signing ..... 2021