

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 18 October 2024 commencing at 10.30 am and finishing at 11.40 am

Present:

Voting Members: Matthew Trebilcock – in the Chair

Susan Blunsden
Alistair Bastin
Liz Hayden
Angela Priestley-Gibbins
Janet Wheeler

Other Members in Attendance: Councillor Donna Ford

Officers:

Whole of meeting Mark Smith (Head of Pension Services), Mukhtar Master (Governance and Communications Manager), Anna Lloyd (Governance and Communications Officer), Greg Ley (Pension Fund Investment Manager), Josh Brewer (Responsible Investment Manager) 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.

46/24 WELCOME BY CHAIRMAN

(Agenda No. 1)

The Chairman welcomed everyone to the meeting and introduced Janet Wheeler, Town Clerk, Didcot Town Council as a new member to the Board.

47/24 APOLOGIES FOR ABSENCE

(Agenda No. 2)

No apologies for absence were received.

48/24 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE BELOW

(Agenda No. 3)

No declarations of interest were received.

49/24 MINUTES

(Agenda No. 4)

The minutes of the meeting held on 5 July 2024 were agreed as a correct record.

50/24 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE OF 6 SEPTEMBER 2024

(Agenda No. 5)

The Board had before it the draft minutes of the Pension Fund Committee meeting of 6 September 2024.

In noting the minutes, the Board highlighted the error in Alistair Bastin's name on the front sheet, which would be amended for the next Pension Fund Committee meeting.

51/24 REVIEW OF THE ANNUAL BUSINESS PLAN

(Agenda No. 6)

The Board had before it the Review of the Annual Plan and Budget for 2024/25 which set out the latest progress against key service priorities set in the business plan for the Pension Fund for 2024/25 as agreed by the June meeting of the Pension Fund Committee.

Mark Smith, Head of Pension Services presented the report, and highlighted that progress had been made against the succession plan and arrangements were in place to fill the vacancy created by the promotion of the Pension Service Administration Manager, however mitigations had been put in place within the team to support these vacancies with the upskilling of existing staff. The Workforce Strategy would be presented to the Pension Fund Committee's December meeting, and then to the Board in January 2025. He encouraged all Members to complete the National Knowledge Assessment, of which a report would be brought to Committee when completed in Autumn 2024.

Regarding review of the Fund's Investment Strategy Statement in light of Government Policy, Mark Smith advised that he would circulate the response to the call for evidence submitted to Government. **(ACTION)**

In response to a question from the Board regarding the timeline of the Strategic Asset Allocation, Mark Smith advised that this would form part of the work of the 2025 Valuation and the Committee and Board would be involved in those conversations. Following a request from the Pension Fund Committee, this would also include a paper from the Independent Financial Advisor on active vs passive investments.

In response to a question from the Board regarding monies coming out of the Fund affecting the cashflow of the Fund, Mark Smith responded that the cashflow was not

directly affected for portfolio investments, however there would be an impact on the Budget.

The Committee noted the report.

52/24 RISK REGISTER

(Agenda No. 7)

The Board were presented with the latest risk register which had been considered by the Committee on 6 September 2024.

Mukhtar, Master, 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 rating. However, he advised that the new National Wealth Fund that would invest in industries of the future could impact on Risk 18: Failure to Meet Government Requirements on Pooling or could require a separate risk altogether and was being monitored.

In response to a question regarding Risk 13: Insufficient Skills and Knowledge on Committee, Mukhtar Master advised that all Members apart from two relatively new Committee members had completed the mandatory training that was required of all Members. He also advised that Induction Training was delivered to both the Committee and Board Members, and Mark Smith, Pension Services Manager advised that the new Board Member had completed this training.

The Board expressed their concerns that two Members of the Committee had not completed any training, and this would be raised under agenda item 13, and would hope that this would be rectified before the Board submit their Annual Report.

In response to a question regarding whether substitutes are allowed to attend the Committee meetings, Mukhtar Master advised that this anomaly had been identified, and a new Training Policy that rectified this was being developed to be brought to the next Committee meeting.

The Board noted the report.

53/24 GOVERNANCE AND COMMUNICATIONS REPORT

(Agenda No. 8)

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 an update on the requirement of the Local Government Pension Scheme's (LGPS) need to be compliant against the 51 modules. The action plan had been re-prioritised to ensure that the modules were reviewed based on the following criteria: regulatory requirements; TPR expectations and best practice.

In response to a query from the Board, Mukhtar Master advised that Appendix 1 showed an update as of August 2024, which outlined what had been presented to the Committee and had not been updated for this Board meeting. It was **agreed** by the Board that an updated version of Appendix 1 should be presented to Board meetings so that they can determine the latest information available.

The Board noted the report.

54/24 GOVERNANCE AND COMMUNICATIONS POLICY REVIEWS

(Agenda No. 9)

The Board had before it the report presented to the Committee on 6 September 2024 which brought the following reviewed policies for the Committee's approval:

Firefighters' Pension Scheme:

- Fire Pension Board Terms of Reference
- Administration Strategy
- Conflict of Interest Policy

Local Government Pension Scheme:

- Conflict of Interests Policy

The Board noted that the Firefighters' Pension Scheme have their own independent Board and would not be under the remit for this Board.

Mukhtar Master, Governance and Communications Manager presented the report which provided further detail on the Conflict of Interests Policy and advised that the policy had been updated to reflect that all completed declaration of interest forms were uploaded onto the Modern.Gov system.

In response to a question from the Board, the Senior Democratic Services Officer advised that Declaration of Interest forms should have been completed by all Board members on joining the Board as per the Board's terms of reference and would follow this up if this had not been carried out in line with the Conflict of Interest Policy.
(ACTION)

The Board noted the report.

55/24 ADMINISTRATION REPORT

(Agenda No. 10)

The Board considered the latest Administration Report as presented to the Committee on 6 September 2024. Mark Smith, Head of Pension Services presented the report which included the latest performance statistics for the service.

Mark Smith highlighted the continued issues with staffing within the team and updated the Board on the current vacancies, however advised that this was an issue experienced on a national level. He also advised that the percentage of Annual Benefit Statements issued by 31 August 2024 was 98.95%, and Deferred Annual Benefit Statements was 99.94% which was a great result for the team.

In response to a question from the Board asking if iConnect had been rolled out to all employers, Anna Lloyd, Governance Communications Officer advised that all employers had been onboarded to the new system.

The Board noted the report.

56/24 ANNUAL REPORT AND ACCOUNTS

(Agenda No. 11)

The Board considered the Annual Report and Accounts for the Pension Fund 2023/24 and were invited to offer comments.

Greg Ley, Pension Fund Investment Manager presented the report and advised that it was expected that the external audit for 2022/23 would be signed off at the next Audit & Governance Committee at their next meeting on 27 November 2024 which would also include the initial results of the current year's external audit.

In response to a question from the Board regarding the statutory publication date of accounts by 1 December 2024, Greg Ley confirmed that it was usual practice to publish the accounts in draft if they had not been agreed.

The Board noted that the report included a list of training undertaken by both the Committee and the Board for the year 2023/24, and the Chair highlighted that it was a statutory obligation to record this data.

The Board noted the report.

57/24 RESPONSIBLE INVESTMENT POLICY - MONITORING AND REPORTING

(Agenda No. 12)

The Board had before it the Responsible Investment Policy – Monitoring and Reporting as presented to the Committee at their meeting on 6 September 2024. He advised that the policy was agreed at the June 2024 Pension Fund Committee and provided a set of metrics and targets to measure progress, which were outlined in Appendix 1. He advised the Board that the metrics were subject to change as the data landscape developed but would consult with stakeholders before making any changes.

The Board noted the report.

58/24 ITEMS TO INCLUDE IN 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:

- In consideration of Risk 13: Insufficient Skills and Knowledge on Committee, the Board requested that all Members undertake the relevant training required to sit on the Committee within a reasonable timeframe of appointment.

59/24 ITEMS TO BE INCLUDED ON THE AGENDA FOR THE NEXT BOARD MEETING

(Agenda No. 14)

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

- Report of the Independent Financial Advisor regarding active vs passive investments.

..... in the Chair

Date of signing