

LOCAL PENSION BOARD

MINUTES of the meeting held on Wednesday, 18 November 2015 commencing at 10.30 am and finishing at 12.55 pm

Present:

Independent Chairman (proposed) (non voting) Graham Burrow

Voting Members:

Alistair Bastin
District Councillor Roger Cox
Stephen Davis
Duncan Hall
David Locke FCA

Officers:

Whole of meeting Sean Collins (Corporate Finance); Julie Dean (Corporate Services)

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 reports copies of which are attached to the signed Minutes.

1/15 **TERMS OF REFERENCE FOR THE LOCAL PENSION BOARD**

(Agenda No. 5)

The Board **AGREED** to formally adopt the Terms of Reference for the Board, subject to paragraph 68 being amended to read as follows (amendment in bold italics):

‘This Constitution shall be reviewed on each material change to those parts of the Regulations covering local pension boards and at least every **2 years.**’

2/15 **APPOINTMENT OF INDEPENDENT CHAIR**

(Agenda No. 1)

The Board were advised that according to national guidance on the creation and operation of the Pension Boards, an independent chair would have no pre-existing employment, financial or other material interest in either the Administering Authority or in any scheme employer in a fund administered by the Administering Authority and would not be a scheme member in a fund administered by the Administering Authority.

It was understood that Graham Burrow, Head of Pensions of the Gloucestershire Local Government Pension Scheme (LGPS) Pension Fund had none of these links with the Oxfordshire Fund. It was therefore proposed that the Board confirm the appointment of Graham Burrow as independent Chair of the Oxfordshire Local Pension Board.

Upon being satisfied that the proposal was that this reciprocal arrangement would be at no extra cost to the Authority, it was **AGREED**:

- (a) to confirm that Graham Burrow be appointed the independent Chair of the Pension Board; and
- (b) that paragraph 53 of the of the Board's Constitution which relates to the special responsibility allowance payable to the independent Chairman of the Board, be waived for the duration of Mr Burrow's appointment.

3/15 APOLOGIES FOR ABSENCE

(Agenda No. 2)

An apology was received from Councillor Bob Johnston.

4/15 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE OPPOSITE

(Agenda No. 3)

There were no declarations of interest.

5/15 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There had been no requests to address the Board or to submit a petition.

6/15 COMMUNICATION OF PENSION BOARD BUSINESS WITH EMPLOYERS AND SCHEME MEMBERS

(Agenda No. 6)

Following a discussion it was **AGREED** to take the following steps with regards to communication of Pension Board business with employers and scheme members that would complement the arrangements which were already in place:

- to request the officers to set up a Local Pension Board Website;
- to include a standard item at the end of each agenda that considers which issues/items Board members feel should be reported back to scheme members;
- to set up an email address for the Board.

7/15 WORK PROGRAMME

(Agenda No. 7)

The Board was invited to begin to develop a work programme for the forthcoming year. To assist with consideration on this matter, Sean Collins gave the Board a presentation on a number of key fund documents, these being:

- The Annual Report & Accounts 2014/15
- The Fund Risk Register
- A recent Pension Fund Committee report on employer issues
- The draft Key Performance Indicator framework which had been developed by the Scheme Advisory Board

All documents were attached at LPB7.

The aim of this session was also to provide the Board members with training in respect of the major features of the Oxfordshire Pension Fund. It also aimed to identify areas which the Board may wish to follow up at a future meeting.

The Board noted that the Pension Fund Committee would be discussing their future work programme at their meeting on 4 December 2015. This would include a discussion on the support and advice they would wish to receive from the Board.

The major work issues that the Pension Fund Committee was, or would be, facing in the next year, as highlighted by Sean Collins, were as follows:

- Education of employers in Pension Fund matters – to look at the communication process to ensure that it is fit for purpose.
- Fund Valuation - The next fund Valuation process for 31 March 2016 to 1 April 2017 – the contribution rate is set every 3 years by the Fund's Actuary,

NB: since this meeting it has been decided, at the request of the Pension Fund Committee, to ask Barnett Waddington, the Committee's Actuary to deliver a training session to both the Committee and the Board on the valuation process. The date for this has been set for 10 June 2016 (during the scheduled meeting of the Committee) – though the time is to be confirmed.

- Member training – during discussion in relation to the Governance Compliance Statement, the Board **AGREED** to request a report on the Committee's approach to member training for the Committee and now the Board, how needs were understood and how training was planned. The Board also discussed the allowance of substitutes, for possible future consideration.
- The approach to risk management - with regard to breaches on the part of the Committee of its statutory responsibility to send Annual Benefit Statements to all members of the Fund by a particular deadline, the Board **AGREED** to look at the problem in more depth and to advise the Committee accordingly. The Board was informed that the Committee was due to agree a set of Key

Performance Indicators which would serve to indicate where there are issues to focus on.

Mr Collins also **AGREED** to report to the Board on whether the Annual Position Statements were also sent to dependents of Pensioners and to those that have deferred their pension. He informed the Board that there was a proposal to install a member self –service as part of the IT system so that people could view their latest position statement. He added also that best practice in pension regulated guidance had not been produced as yet.

The Board also **AGREED** to request the officers to:

- (a) produce an indication of trends for people coming out of the Pension Scheme, together with demographics; and
- (b) produce the key statistics over a longer period of time of the Fund's funding level.

Mr Collins then briefly reviewed what was to be considered at the Pension Fund Committee at its meeting on 4 December 2015. He reminded the Board that the Committee may wish to request the Board to look into an issue and give provide advice on it.

Mr Collins advised the Board that a report was to be submitted to the Committee on 4 December on the Government's requirement for the pooling of Fund's to create a small number of Funds, each with a capacity of £25b (termed 'Collaboration'), in a bid to reduce fees and costs, and to create better governance and larger mandates with more bargaining power. The Government's consultation was awaited and outline arrangements were required by February 2016.

NB: Since this meeting the Committee decided at its meeting on 4 December to hold a special meeting on 29 January 2016 at which Board members will be invited, to ensure that both are fully briefed on collaboration and views sought on proposals for Oxfordshire.

8/15 BOARD TRAINING PROGRAMME

(Agenda No. 8)

The Board was invited to discuss the approach they wished to follow in meeting their training needs, to include external courses, joint training sessions with the Pension Fund Committee and specific sessions delivered on the day of the Board meetings.

During the discussion members of the Board asked for the following;

- Meetings to be held approximately halfway between meetings of the Pension Fund Committee to allow any advice to go forward to the Committee.
- Training on a subject/issue could be integrated into the item being discussed.
- Possibility of a joint training day with the Committee on three to four subjects.

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9/15 DATES FOR FUTURE MEETINGS

(Agenda No. 9)

Please note that since this meeting the following dates have been circulated and agreed:

- 15 April 2016
- 15 July2016
- 21 October 2016
- 13 January 2017

..... in the Chair

Date of signing