

PENSION FUND COMMITTEE – 7 DECEMBER 2018

REPORT OF THE PENSION BOARD

Report by the Independent Chairman of the Pension Board

Introduction

1. At the first meeting of the new Pension Fund Committee on 23 June 2017, it was agreed at the suggestion of the Chairman, that each future meeting of the Committee should receive a written report from the Pension Board, setting out the key elements of their work and any matters which the Board wished to draw to the Committee's attention.
2. This report reflects the discussions of the Board members at their meeting on 26 October 2018. The Board was attended by the Independent Chairman and all six of the scheme employer and scheme member representatives. David Locke though informed the Board though as a result of a change in job, he would no longer meet the criteria to act as a Scheme Employer representative and would be stepping down from the Board with effect from 31 December 2018.

Matters Discussed and those the Board wished to bring to the Committee's Attention

3. The Board again devoted a significant part of its agenda to the on-going issues on employer management, data quality and the issue of Annual Benefit Statements. The Board considered the most recent correspondence with the Pension Regulator, and an update from the Officers regarding the meeting held in Brighton on 11 October 2018.
4. The Board noted that the delivery against the draft Improvement Plan would be key to ensuring no repeat of the current issues. They asked to ensure the Plan was included as an Agenda Item for their next meeting, recognising it was the responsibility of the Pension Fund Committee to drive forward the work on the Plan
5. The Board also wished to re-iterate to the Committee their strong support for ensuring the Pension Services Team had the resources necessary for delivering against the Plan and for recruiting to the current vacancies.
6. The Board considered the reports received by the Pension Fund Committee on the review of the Annual Business Plan and the Risk Register. They had nothing to bring to the attention of the Committee on these items.

7. Following the discussion at the July Board meeting, the Board again reviewed its own Constitution, with particular reference to the process for adding items to the agenda. Further changes to the Constitution were tabled at the meeting, and Board Members determined to take these away for further consideration with a view to agreeing any changes at their next meeting.
8. Following a request from a scheme member representative at the July meeting, the Board discussed an item on the cost transparency templates received from the current Fund Managers, and how they should be incorporated into any monitoring of investment management expenditure. The report set out the context in which costs should be reviewed, which the Board discussed, recognising it was the responsibility of this Committee to determine the approach to be followed. The Board did agree to request that this Committee reflect on how they will monitor the performance of the Brunel portfolio's in the context of net performance versus benchmark and fee levels.
9. In the discussion on this item, a member of the Board raised a request that the Board be given the opportunity to consider and comment on the next iteration of the Investment Strategy Statement before it was given final approval by this Committee. The request was endorsed by the Board.
10. The Board also reviewed the position regarding the insurance arrangements for themselves. In light of the advice received, they determined that there was no need to procure insurance to cover their work as members of the Pension Board.

RECOMMENDATION

11. **The Committee is RECOMMENDED to note the report of the Board and also to:**
 - (a) note the wish of the Board to consider the Improvement Plan at their subsequent meetings, in the context that it is the responsibility of this Committee to drive the plan;**
 - (b) note the Board's continued concern over the level of vacancies and their strong support for recruiting to fill all positions;**
 - (c) consider its request to be invited to consider the next version of the Investment Strategy Statement before it is approved by this Committee; and**
 - (d) consider its request that the Committee reflects on how it will monitor the performance of the Brunel portfolios in the context of net performance against benchmarks and fee levels.**

Mark Spilsbury
Independent Chairman of the Pension Board

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