

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 7 July 2023 commencing at 10.30 am and finishing at 12.30 pm

Present:

Voting Members: Matthew Trebilcock – in the Chair

Alistair Bastin
Stephen Davis
Angela Priestley-Gibbins
Marcia Slater
Councillor Bob Johnston

Members of Pension Fund Committee in Attendance: Councillor Bob Johnston

Officers: Sean Collins, (Service Manager, Insurance & Money Management);
Mukhtar Master, (Governance & Communications Manager);
Sharon Keenlyside, (Interim Committee Officer)

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.

25/23 WELCOME BY CHAIRMAN

(Agenda No. 1)

The Chair welcomed everyone to the meeting.

26/23 APOLOGIES FOR ABSENCE

(Agenda No. 2)

Apologies for absence were received from Liz Hayden and Elizabeth Griffiths.

Officers informed the Board that Elizabeth Griffiths had resigned as Board Member as she had moved to a role outside of Oxfordshire County Council (OCC).

Following the meeting, Marcia Slater would be stepping down as Board Member as she would be retiring and therefore, no longer eligible for service.

The Chair and officers thanked them for their service, time and commitment to the Board.

27/23 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE BELOW

(Agenda No. 3)

There were none.

28/23 MINUTES OF THE MEETING OF 5 MAY 2023

(Agenda No. 4)

The minutes of the meeting held on 5 May 2023 were agreed as a correct record.

29/23 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE - 9 JUNE 2023

(Agenda No. 5)

The Board had before it the draft minutes of the Pension Fund Committee meeting of 9 June 2023. The draft minutes were noted.

30/23 ANNUAL REPORT OF THE PENSION BOARD

(Agenda No. 6)

The Board was provided with the Annual Report of the Pension Board which formed part of the annual report and accounts of the Pension Fund. The report highlighted the work of the Board over the last year and highlighted the new General Code of Practice which would be a key part of the future work programme.

The report was a public document and would go to the next Pension Fund Committee meeting and to Council.

The Board were asked to ensure that appendix 1 was updated with any training that Board members had received during 1 April 2022- 31 March 23.

The Board were asked to approve the report and confirm that it was an accurate record of the work of the Board over the last year.

The Board:-

- 1) approved the Annual Report of the Pension Board
- 2) would update the appendix with any training that Board members had received during 2022-23.

31/23 REVIEW OF THE ANNUAL BUSINESS PLAN

(Agenda No. 7)

The report set out the latest progress against the key service priorities set in the business plan for the Pension Fund for 2023/24, as agreed at the meeting of the Pension Fund Committee, held on 3 March 2023.

Sean Collins, Service Manager, Insurance and Money Management, presented the report, outlined the service priorities, and answered queries raised.

The Board enquired about resourcing issues, including recruitment, when implementing McCloud. The Service Manager confirmed that the Committee had approved temporary recruitment resources to support the McCloud agenda. The team had support from Hyman's Robertson and would bring in further resources wherever possible. Timing could potentially be an issue, depending on how quickly cases would be expected to be dealt with, particularly complex ones.

The Board discussed the possibility of Funds within the Brunel pool being available to help if required. The Service Manager explained that all Funds worked differently and whilst knowledgeable regarding the system and processes, may not be compatible with the way OCC worked. A standardised way of working would be useful.

The Service Manager informed the board that the advert for a Governance Officer closed last week, and interviews would take place later this month. It was hoped that there would be a Governance Officer in post by the next Pension Fund Committee meeting.

The Board enquired about the date for the next National Knowledge assessment and were informed that these took place every two years with the next one due September 2024.

The Service Manager reported that due to a deadline of 31 May, a Stewardship Code application had been made outside of the committee cycle, but a Stewardships Outcomes Report would be brought to Committee for review in September.

The Service Manager reported that Committee had agreed changes in fund investments and determined that they would reduce the allocation to UK as the UK FTSE 100 portfolio was carbon intensive. The Committee decided that based on available data, the Sustainable Equity portfolio was best aligned to the goals of investment policy, as opposed to the Paris Aligned Passive Fund, therefore most of the allocation was moved there.

It was reported that to deliver improvements through enhancements to technology, there had been monthly meetings with Heywood, a supplier of pension system software. It was too early to gauge how effective these changes would be, but the Board would be kept updated throughout the year.

The Board enquired about the piloted member/employer satisfaction survey and requested that the survey questions and results are brought to the next meeting. This was agreed with officers.

The Board noted the report and: -

- 1) would review the member/employer satisfaction survey questions and results at a future Board meeting
- 2) that the Committee had noted progress against each of the key service priorities as set out in the report
- 3) that the Committee had agreed any further actions to be taken to address those areas not currently on target to deliver the required objectives
- 4) that the Committee had delegated authority to the Head of Finance to make necessary arrangements regarding the new fund.

32/23 GOVERNANCE POLICY AND GOVERNANCE COMPLIANCE STATEMENT

(Agenda No. 8)

Mukhtar Master, Governance & Communications Manager, presented the report on the updated Governance Policy for the Fund and the latest Governance Compliance Statement.

The Governance & Communications Manager confirmed to the Chair that the report was approved by the Committee with no changes.

The Board discussed the impact of the Independent Financial Advisor becoming freelance and therefore not regulated by the Financial Conduct Authority (FCA). The Service Manager informed the Board that after discussion with the Chair of the Committee, it had been confirmed that an FCA registered and approved advisor would be required to provide advice for the Private Equity holdings. If the adviser did become freelance, MJ Hudson would be asked to provide a new advisor, or a second advisor or OCC would have to recruit a new advisor. A report would be brought to the Committee meeting in September.

The Board noted the report and that the Committee had approved the revised draft Governance Policy and Governance statement attached as Appendix 1 and 2 respectively.

33/23 REGULATORY BREACHES POLICY

(Agenda No. 9)

The Governance & Communications Manager presented the report on the Regulatory Breaches Policy and invited the Board to offer any comments to the Committee.

The officers informed the Board that the Committee had requested quarterly updates on breaches which would be submitted under the governance rather than administration paper. The breaches would also be reported to the Board. The Committee had also requested information on pension scams and measures to mitigate them, to be included at September's meeting.

Members enquired if the new general Code of Practice would affect the Regulatory Breaches Policy. Officers felt that there may be a few minor changes and any updates would be reported back to Board.

The Board noted the report and that: -

- 1) the Committee had approved the revised draft Breaches Policy
- 2) the Committee agreed that all known breaches should be reported to the Committee on a quarterly basis
- 3) the Committee had reviewed the types of breaches to be reported at the December meeting when the Hymans Toolkit would be available for use by the Pension Fund
- 4) the Committee had asked the Director of Finance to submit a report to the September meeting on measures that could be taken to mitigate the risk of pension scams and other financial crime which could impact upon the Pension Scheme.

34/23 RISK REGISTER

(Agenda No. 10)

The Governance & Communications Manager presented the latest risk register as considered by the Pension Fund Committee on 9 June 2023. The Board were invited to review the report and offer any further views back to the Committee.

The Chair noted that the Fire Service had its own Pension Board and Risk Register.

Members highlighted Risk 14 – Insufficient Skills and Knowledge amongst Board Members and requested that two employer representatives be recruited quickly and thoroughly. Officers assured the Board that this would be reflected in the next risk register and they would ensure that recruited employer representatives were effectively trained.

The Board noted the report.

35/23 ADMINISTRATION REPORT

(Agenda No. 11)

The Service Manager presented the latest Administration Report which was presented to the Pensions Fund Committee on 9 June 2023, including the latest performance statistics for the Service.

The officer informed the Board that a report on Contributions Monitoring would be brought to the meeting in September.

There was positive feedback on i-connect with how quickly queries were received but concerns that scheme employers may not be aware that they were now able to upload supporting information via i-connect. The Service Manager commented that the number of documents that could be uploaded was hoped to be increased and would feedback concerns to ensure that it was properly publicised, and employers were fully informed.

The Board discussed the case of a scheme employer who had gone into administration and not paid full contributions. The Service Manager reassured the Board that there was only one member of staff involved and their pension was fully protected.

The Board were informed that the abbreviation A2P in the report meant Administration to Pay.

The Board noted the report and that: -

- 1) the Committee noted the progress against the Administration objectives for the year
- 2) the Committee noted the write off of £55.31 agreed by the Pension Services Manager
- 3) the Committee ask the Director of Finance to provide additional information on monitoring of contributions in future reports

36/23 INVESTMENT PERFORMANCE AND FEES

(Agenda No. 12)

The Service Manager presented the annual report which detailed the investment fees paid during the last financial year and included the performance against benchmark which enabled the Board to consider any issues of value for money.

Councillor Bob Johnston commented that investment performance was discussed at Committee and members had requested training on private sector investments at a time to be confirmed and this could be extended to Board members.

The Board discussed the availability of disaggregated data on equity holdings across the different portfolios in Brunel, currently held by Oxfordshire LPGS. The Service Manager explained the difficulties in obtaining long-term data and trends but if available, disaggregated data would be included in the next report.

The Board asked if it were possible to compare the Oxfordshire LGPS 45bps with other Funds. It was agreed that the Service Manager would try to obtain a national benchmark to add to the next report. Funds were required to display fees in the same format so there should be comparable data.

The Board **AGREED** the report be brought to the next meeting of the Pension Fund Committee.

37/23 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:

- Investment Performance and Fees Annual Report.
- Annual Report of the Pension Board.
- Concerns reflected in the Risk Register, due to lost skills and knowledge of two Employer Reps who have stepped down from the Board.

38/23 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING

(Agenda No. 14)

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

- a report on the Scheme Member Satisfaction Survey including the questions and results.
- Governance Report would be a new standard item for the Board to review including breaches.

After discussion regarding information on Additional Voluntary Contribution (AVC) and Salary Sacrifice, the Service Manager would distribute a briefing paper to the Board to determine if it would be a suitable item for a future Board meeting. Copies of issued AVC correspondence would be brought to the next Board meeting.

..... in the Chair

Date of signing