

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 15 July 2016 commencing at 10.30 am and finishing at 12.25 pm

Present:

Voting Members: Graham Burrow – in the Chair

Alistair Bastin
District Councillor Roger Cox
Stephen Davis
Councillor Bob Johnston

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, together with the confidential Annex 1 to the Collaboration item 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.

21/16 WELCOME BY CHAIRMAN

(Agenda No. 1)

The Chairman, Graham Burroughs, extended a welcome to the members of the Board present.

22/16 APOLOGIES FOR ABSENCE

(Agenda No. 2)

An apology was received from David Locke.

23/16 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE OPPOSITE

(Agenda No. 3)

There were no declarations of interest submitted.

24/16 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were no requests to submit a petition or to make an address.

25/16 MINUTES

(Agenda No. 5)

The Minutes of the last meeting were approved and signed as a correct record.

26/16 COLLABORATION UPDATE

(Agenda No. 6)

This item allowed Board members to consider the Brunel submission to the Government, as discussed at the 1 July 2016 Pension Fund Committee meeting, to which Board members had been invited; and determine any items they wished to focus on during the phase 3 stage to develop the full business case. Board members were reminded that the draft submission (Annex 1), which was submitted to the 1 July special meeting was confidential at the present time.

The public were therefore excluded during consideration of Annex 1 because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

2. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that disclosure could distort the proper process of each of the 10 Committee's negotiating the final proposal. It is intended that once all Committees have agreed the final proposal for submission to Government, the final proposal will become a public document.*

The Board **AGREED** to note the report LPB6. Discussion on Annex 1 was the subject of an exempt Minute.

27/16 REVIEW OF PENSION FUND RISK REGISTER

(Agenda No. 7)

The Board had before them a copy of the Pension Fund Committee's Risk Register (LPB7) and covering report which had been considered by the Committee at its June meeting. Sean Collins introduced it stating that the Committee had been engaged in seeking greater clarity on risk and had agreed to welcome the new format of the risk register and to review it at each quarterly meeting.

With regard to Risk 10 – 'Insufficient resources to deliver responsibilities – LGPS and FSPS' - 'Currently recruiting new staff but this could be impacted by move from Unipart House' Mr Collins reported that the Pensions Manager had received a good response to job advertisements; and the Committee had instructed Property officers to look into possible venues for the staff when Unipart House was vacated. It was hoped then that the risk would be mitigated by the next meeting of the Committee. Steven Davis suggested that officers look into any vacant City Council property/space.

Sean Collins directed the Board's attention to Risk 17 – 'Significant change in liability profile or cash flow as a consequence of structural changes' – stating that one of the Pools which was considered smaller than the Government guidance, had indicated that they could try to bring the Pool up to the right size by including all the academies for the country. This would impact negatively on the cash flow of the Oxfordshire Fund as well as the size of the Brunel pool and if raised formally would have to be opposed.

With regard to Risk 8 – 'Inaccurate or out of date pension liability data – LGPS and FSPS' – a Board member asked if the Committee was beginning to see any mitigation as a result of an increased attention being paid to it. Sean Collins reported that it was too early to form a view, but that the position would be much clearer after the review of the information provided for the 2016 valuation. This was currently underway.

Sean Collins agreed that, in light of all the complex changes to staffing structures, the Pensions Administration Strategy now needed to be developed in order to be fit for the future. This would require more attention to be paid to training and communication. In addition, there was a need to take a fresh look at the quality of the information and data received from the big employers.

The Board AGREED to request the officers to place an item on the Agenda for the next meeting of the Board to receive information on how the Administration Strategy was developed; how officers engaged with employers about matters such as staff projections; and asking if there were structures in place to ensure that OCC were informed of any major issues which could have an impact on the Pension Fund in the future, such as plans to outsource staff, or whether there was any new legislation on the horizon that may affect their members. The report should also address the question should OCC employ a Programme Manager to manage this.

28/16 PENSION BOARD - ROLES AND RESPONSIBILITIES

(Agenda No. 8)

Sean Collins reported that the present was a good time to reflect on how things were going and what should be the focus for the next year. This would be set out in an Annual Report. He added that an important issue, which had not yet been considered, and was also for the Annual Report, was to understand any liability resting with individual Board members and whether this was adequately covered under the Council's insurance arrangements. ***It was AGREED that that the Annual Report should also focus on Employer Management.***

Members of the Board also discussed how they might more effectively report to the Committee on their discussions/advice. Graham Burrow advised that at Gloucestershire, Board members appointed a member to report to the Committee.

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29/16 ISSUES/ITEMS TO BE REPORTED BACK TO SCHEME MEMBERS

(Agenda No. 9)

It was **AGREED** that the Annual Report containing all the factors agreed at the previous item be reported back to Scheme Members, together with details of the Board's new website.

..... in the Chair

Date of signing