

## **PENSION FUND COMMITTEE – 3 DECEMBER 2021**

### **REPORT OF THE PENSION BOARD**

#### **Report by the Independent Chairman of the Pension Board**

#### **RECOMMENDATION**

1. **The Committee is RECOMMENDED to note the comments of the Board as set out below, and take them into account when considering the reports on Risk Register and the Governance Review later on agenda.**

#### **Introduction**

2. This report is part of the process by which the Local Pension Board works with the Committee in fulfilling its duty to support the work of the Committee and ensure that the Committee delivers its responsibilities in line with the regulatory framework. The report covers the key issues discussed by the Board and any matters that the Board wishes to draw to the attention of the Committee.
3. This report reflects the discussions of the Board members at their meeting on 22 October 2021. The virtual meeting was attended by Matthew Trebilcock as the independent Chairman, and five voting members of the Board, including the first meeting for Elizabeth Griffiths and Marcia Slater, the 2 newly appointed scheme employer representatives. The meeting was also observed by Cllr Bob Johnston, Chair of the Pension Fund Committee.

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

4. The Board received five of the reports which had been presented to the September of this Committee. These were the reports on the governance review, the new Climate Report produced in line with the requirements of the Taskforce for Climate-related Financial Disclosures (TCFD), the quarterly review of progress against the annual business plan, the risk register, and the administration report.
5. As part of their discussion on the governance review the Board raised questions on the conflicts of interest policy in respect of whether it covered both financial and political conflict, and whether it covered the conflict between a Committee/Board members role where they represented scheme employers as a whole and their role as a member of their specific employer.
6. Following further discussion with Hymans, it is felt that both conflicts identified by the Board are covered within the new Conflicts of Interest Policy as agreed

at the September meeting of the Committee. The definition of a conflict of interest refers to a financial or other interest which is likely to prejudice a person's exercise of their functions. It is not therefore believed any amendments to the Policy are required in light of the observations from the Board.

7. The Board also raised issues around their role at the new standalone meeting of the Committee to consider the Annual Business Plan and Budget. Clarification was sought on whether it was the intention to agree the Annual Business Plan and Budget at the special meeting, or to ask Officers to take the conclusions from the meeting and bring forward a final Annual Business Plan and Budget to the March Committee meeting for formal approval. It was agreed that the latter approach would provide the Board better opportunity to undertake its role in respect of scrutinising the work and decisions of the Committee.
8. It was subsequently determined in further conversations with Hymans that the intention was indeed to have final agreement of the Annual Business Plan and Budget at the March Committee meeting. Board members would therefore be invited to attend the special meeting of the Committee as Observers in line with normal practice and would have the opportunity to provide any feedback direct to the Committee at their March meeting.
9. The Board welcomes the TCFD report and wished to pass on their congratulations to the Officers on the report.
10. In respect of the Risk Register, the Board noted that there was a risk in respect of the skills and knowledge of the Pension Fund Committee but not in respect of the Board. Given that 2 of the 6 voting members were attending their first meeting, they recommended to the Committee that an additional risk is added to the Risk Register in respect of the skills and knowledge of Board members.

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Independent Chairman of the Pension Board

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