

PENSION FUND COMMITTEE – 14 SEPTEMBER 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 13 July 2018. The Board was attended by the Independent Chairman and two each of the three scheme employer and scheme member representatives.

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, noted progress against the Improvement Plan and paid tribute to the work of the staff in Pension Services during this challenging period. They did not believe there was anything further they wished to bring to the Committee's attention on this matter, at this time. They did though ask if there was anything that the Committee wanted them to follow up in more detail at future meetings.
4. The Board agreed their Annual Report which sets out a summary of their work over the past year and the priorities for the forthcoming year. A copy of their report is included in the Annual Report and Accounts for the Fund, as included elsewhere on today's agenda.
5. The Board also considered the reports presented to the June Pension Fund Committee on the review of the Annual Business Plan for 2018/19, and the Risk Register. The Board did not identify any particular issues that they wished to draw to the Committee's attention.
6. Under the Brunel update, the Board noted progress and suggested that future meetings were provided with a GANT chart setting out in more detail the key deadlines within the current transition timetable.

7. As required under its initial terms, the Board reviewed its own Constitution. The main area of concern/debate was the process for adding items to the agenda. The Board was advised that there was no provision for bringing items of Any Other Business to the Board, and that whilst it was not established under the same Local Government Regulations as the other Committees of the County Council, it should aim to be fully transparent, providing the public with clear notice of items to be discussed, so that they could make representation to the Board if they so wished.
8. The Chairman was also keen that the Board were properly advised by the Fund Officers on any particular matter, and therefore all agenda items should be agreed in advance to enable Officers to produce a written report to be circulated with the Agenda in advance of the meeting. He undertook to propose an amendment to the current Constitution to add an item to all future Board agendas, which gave Board members an opportunity to add items to the agenda for the next meeting. He would also ensure the Constitution covered the eventuality of an urgent item needing to be discussed.
9. A scheme member representative asked to add as a future agenda item a review of the cost transparency templates received from the current Fund Managers. He was keen to be able to both review current costs and the impact on these costs as a result of the transition to Brunel. Following a long debate about the merits of reviewing the cost transparency templates in detail and in isolation from other performance data, the Board asked for a full report to their next meeting on the merits of different approaches to meeting their responsibility to monitor investment costs including custodian and transaction costs.

RECOMMENDATION

10. **The Committee is RECOMMENDED to note the Report of the Board and consider whether there is any specific work the Committee wishes the Board to undertake in respect of future improvements to the administration processes, with regard to paragraph 3 above.**

Mark Spilsbury
Independent Chairman of the Pension Board

Contact Officer: Sean Collins, Service Manager, Pensions; Tel: 07554 103465

August 2018