

PENSION BOARD

MINUTES of the meeting of the Pension Board held on Thursday 21 July 2022 commencing at 10.00 am at the Virtual Meeting - Web ex meeting.

PRESENT MEMBERSHIP:

Annette Benson	Cllr Stephen Hirst
Sean Collins (Chairman)	Hunt
Colin Williams	

Officers: Matthew Trebilcock (Head of Pensions) and Andrea Griffiths (Democratic Services)

Apologies: John Abbott and Jon Topping

22. NEW APPOINTMENT TO THE PENSION BOARD

The Board welcomed Colin Williams as the newly appointed Employer Representative, on behalf of the Lower Severn Drainage Board to the meeting.

23. DECLARATIONS OF INTEREST

No declarations of interest were made.

24. PENSION BOARD NOTES

The notes of the previous meeting held on the 27th April 2022 were received.

25. PENSION COMMITTEE DRAFT MINUTES

The Pension Committee draft minutes were noted.

26. GLOUCESTERSHIRE PENSION FUND QUARTERLEY UPDATE - PART 1

The Head of Pensions presented the report which summarised the Fund's funding position, market value, asset allocation, investment performance for the quarter ending 31 March 2022.

Members noted that by the end of the quarter to 31 March 2022, the Fund's total market value had decreased by £120.655m, to £3,106.093m and over the quarter, total Fund assets produced a negative return of -3.8%, compared to a target of -1.5%, underperforming the strategic benchmark by 2.3%. It was reported that performance over the 3 years to 31 March 2022 was 8.3% annualised slightly behind the benchmark by 0.2%.

Minutes subject to their acceptance as a correct record at the next meeting

The Head of Pensions explained that Fund Administration remained challenging and he explained that two Pension Group Leader posts had been appointed to internal candidates, providing career progression. Their posts would require backfilling, so currently no actual additional resources had been introduced into the team.

Members were advised that the Pensions Administration Manager had applied for and been granted flexible retirement as of November 2022 and he would be actively working on the triennial valuation from now until November 2022. The Head of Pensions explained it was vital in retaining the Manager's knowledge at this time within the service.

It was noted the performance statistics were not meeting their targets. The Head of Pensions advised that the team's focus was on delivering an equal service to all members of the fund and this was supported by the average case time only being marginally outside of the performance target. This situation would improve with the addition of the new resources as agreed by Committee, but it was advised that the on boarding and upskilling of new recruits into the technical nature of the work of the team and LGPS regulations would take time, before it would result in improvements in the key performance indicators. This was a key area of focus for the Head of Pensions and he explained there were no breaches of the statutory timeframes.

The Board were pleased to see that the fund position had improved but were concerned for team resources. In response to a question, it was explained that the team was currently resourced by 25 full time equivalent (fte), but the aim was to increase to 33 fte positions and the roles needed to be core business in terms of administration. The Head of Pensions explained that he was working with the actuary to develop a staff training programme for the new team. The Board were reassured that no statutory breaches had occurred.

It was explained a number of core projects were tracking the 2022/23 business plan and these were detailed within the report. During the discussion it was noted that an Employer Representative would be recruited to the Pension Committee in September.

Members asked if it was possible to split the investment return between the income and capital, the Head of Pensions explained that he would investigate the request further.

During the discussion it was suggested that IT software would help mitigate some of the issues. It was noted there were a small number of pension software suppliers nationally and GCC currently used the services of one of the main providers. The Committee were advised that an IT procurement exercise was currently being undertaken as it was one of the key core projects contained in the Business Plan for 2022/23. It was noted that Head of Pensions would lead on this project and was working closely with the procurement team. The Chair added that Oxfordshire was in the same position, and suggested it might be beneficial to work jointly on this area going forward if feasible.

Resolved

The Board noted the position of the Fund as at 31 March 2022 and the governance undertaken and subsequent recommendations agreed by the Pensions Committee at their meeting held on 16 June 2022.

27. RISK REGISTER

The Head of Pensions explained that in accordance with the Risk Management policy agreed by Committee on 3 December 2021, progress and activity in managing risks would be monitored and recorded on a risk register and key information would be provided on a quarterly basis to the Pension Committee and the Pension Board, as part of the regular update reports on governance, investments and funding, and administration and communications.

The Board were advised that there were no major changes and the next version of the risk register would be brought to the October Board meeting.

In response to a question, members were advised that reputation risk was considered within the risk register and the metrics for risk were detailed in page 73 of the report.

During the discussion, it was noted that risk 8 on page 78 of the report had not been included. Members also noted that risk 8 on page 76 of the report was amber and heat map needed to be amended to reflect this rating. Also the title in the heat map box on page 75 needed amending. The Head of Pensions agreed that the report would be reformatted and recirculated. (Action - MT)

Resolved

That the Board noted the Risk Register and the current elevated risks, as outlined in this report and the amendments agreed by Committee.

28. BOARD ANNUAL REPORT 2021-22

The Head of Pensions explained the report provided an overview of the items received and reviewed by the Board at its meetings in 2021/22, with additional commentary on the key items that the Board supported and continued to support, such as the Training Strategy and the Governance Review.

It also provided an indication of the future work programme for the Board, which would focus on the triennial valuation, governance review and the Funds core projects within the business plan for 2022/23.

The report detailed the constitution of the Board, the respective Employer and Member representatives and their attendance at meetings.

Resolved

Minutes subject to their acceptance as a correct record at the next meeting

That the Board approved the Annual Report 2021-22.

29. EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That in accordance with Section 100 A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following agenda items, because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

30. DRAFT EXEMPT MINUTES OF PENSION COMMITTEE

The Pension Committee draft exempt minutes were noted.

31. GLOUCESTERSHIRE PENSION FUND QUARTERLY UPDATE - PART 2

The Head of Pensions presented the report and explained that the report was designed to be read in conjunction with the Part 1 report, which provided more detailed analysis and commentary on the Fund's asset allocation, investment performance for the quarter ending 31 March 2022.

Resolved

The Board noted the employer, Brunel and investment activities and the revised actuarial assumptions of the Fund.

CHAIRPERSON

Meeting concluded at 11.14 am