

# PENSION BOARD

**MINUTES of the meeting of the Pension Board held on Tuesday 19 October 2021 commencing at 10.00 am at the Virtual Meeting - Web ex meeting.**

**PRESENT** Sean Collins (Chair)  
**MEMBERSHIP:** Jon Abbott  
Jon Topping  
Michael Hunt  
Cllr Stephen Hirst

**Apologies:** Annette Benson

## **23. PENSION BOARD MINUTES**

**Resolved**

**That the Pension Board minutes held on the 28<sup>th</sup> July 2021 be approved as a correct record.**

## **24. PENSION COMMITTEE DRAFT MINUTES**

**Resolved**

**That the draft Pension Committee minutes held on the 24<sup>th</sup> September 2021 be duly noted.**

## **25. GLOUCESTERSHIRE PENSION FUND UPDATE - PART 1**

The Head of Pensions presented an overview of market valuations and an update on the performance of the Fund, as at 30 June 2021.

Members noted that by the end of the quarter the market value had increased by £159.5m, to £3.058bn. It was reported that performance for the fund over three years to March 2021 was 8.4%, and was slightly ahead of the benchmark by 0.4%. Members were advised that the last quarter provided a return of 5.4%, outperforming the strategic benchmark by 0.8%.

The Board were advised that the Fund was in a healthy positive funded position at the quarter end. The Head of Pensions explained this was the first time ever the fund had exceeded £3bn.

The Board were referred to the LGPS Investment Performance benchmarking undertaken by PIRC on page 17 of the report, which showed that Gloucestershire was above the LGPS universe average for 2020/21.

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

Members were advised that final transition of the Funds fixed interest allocations to Sterling Corporate Bonds and Multi-Asset Credit had taken place to the respective Brunel Portfolios during the quarter. It was noted that no rebalancing of the portfolios had taken place during the quarter. The Board were advised that the Committee would review the final transition in December, it was also noted that over 95% of the fund was now invested with Brunel. In addition Brunel were doing work on the Paris aligned portfolio benchmark and would report its finding back to Committee in December 2021.

The Head of Pensions explained there was a marked increase in the number of retirement estimates, which had now appeared returned to pre-Covid levels. It was noted that the Pensions Administration Team had produced the Annual Benefit Statements ahead of the statutory deadline of 31 August. The Head of Pensions told the Board there were a number of issues staff had faced during the pandemic but overall the administration team were doing a fantastic job in challenging times.

The Chair wished to know how many statements weren't issued, the Head of Pensions didn't have the information to hand and agreed to circulate the information via email.

Members were advised that in terms of administration performance indicators for this quarter they were always challenging, however this was not a reflection of the performance that would be achieved as the year progressed. The Head of Pensions explained that resources were redeployed during the first quarter to deal with major projects, such as the year end process and the production of the Annual Benefit Statements. In addition staff were still working in a Covid enforced environment.

The Head of Pensions explained that in accordance with the knowledge and skills assessment, a training plan was being developed for members. In addition Brunel had offered investor seminars for members to attend virtually. If members were unable to attend, then the links to the recordings would be would be circulated in due course.

### **Resolved**

**That the Board noted the market value and quarterly performance of the Gloucestershire Pension Fund as at 30 June 2021.**

## **26. RISK REGISTER**

Members were informed that since the risk register was last considered by the Pension Board in June 2021, there had been no substantial movement in the overall risk levels faced by the fund. The Board noted there was an updated narrative on risks F9 and G7. IN addition, it was explained that G8 and F9 would be removed from the risk register once the last transition had been reviewed.

In response to a question relating to G7, it was noted that 50% of the returning members had been reappointed to the Pension Committee. Some Board Members

felt although there were plans in place for training, the risk should be higher as there was a need for knowledge and experience.

A question arose regarding A/R1.2, the Head of Pensions explained that the service was due to embark on advertising six positions and he hoped there would be some internal applications from staff with experience of Pensions. It was explained now the annual statements had been produced other members of the team would be available to assist with training. It was anticipated that the additional staff would assist with the McCloud ruling if required. The Head of Pensions hoped to report significant progress in this area at the next Board meeting.

**Resolved**

**That the Committee noted the risk register.**

**27. DRAFT ANNUAL REPORT**

The Head of Pensions presented the report and explained that the draft annual report was circulated via email for information. Members were advised that the Annual Report had to be published online before the 1st December 2021. It was explained that when the Pension Fund Accounts had been formally approved, they would be incorporated into the annual report and the Pension Committee Chair would be delegated to sign the annual report.

During the discussion it was noted that page 179 of the annual report needed to be amended to reflect the current number of Board meetings being held on a yearly basis. In addition the Communications Policy needed to also be reviewed and amended accordingly, the Head of Pensions agreed to make these amendments.

**Resolved**

**That the draft annual report be noted.**

**28. GOVERNANCE REVIEW**

The Head of Pensions presented the report and referred the Board to the recommendations on page 104 of the report. The Board discussed and approved the draft work plan.

Members discussed the Conflicts of Interest Policy in detail and agreed to adopt the Policy. The Head of Pensions explained the Policy would be adopted and issued on an annual basis. It was explained that there was no issue with having a conflict, providing it was declared and documented, therefore any issues could be managed.

The Board discussed the third recommendation and the suggestion of increasing the employer representatives on the committee to two members. Officers explained that a representative from the academy sector would be sought, as that sector was the second largest employer base within the fund. It was noted at the Pension Committee meeting the Employee representative felt it was regrettable that the

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

employee representation on the Committee would not be increased at this time, it was recognised that he felt this was unbalanced as members on the committee represented councils and not those who contributed directly to the fund.

The Board supported the recommendation to the constitution committee, that representation should include one employee representative, one district representative and one employer representative.

The Board discussed the fourth recommendation and noted the duties of the Pension Committee be amended, as set out in appendix 3 to this report.

**Resolved**

**That the Board noted the draft work plan.**

**That the Board agreed to adopt the draft Conflicts of Interest Policy.**

**That the Board noted the agreed recommendations regarding the proposed future Constitution of the Committee.**

**That the Board noted the Committee's agreement to recommend to the Constitution Committee that the duties of the Pension Committee, as set out in appendix 3 to this report, be amended.**

**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. PENSION BOARD EXEMPT MINUTES**

**Resolved**

**That the exempt Pension Board minutes held on the 28th July 2021 be approved as a correct record.**

**31. PENSION COMMITTEE DRAFT EXEMPT MINUTES**

**Resolved**

**That the draft exempt Pension Committee minutes held on the 24th September 2021 be duly noted.**

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

**CHAIRPERSON**

Meeting concluded at 11.20 am