

PENSION BOARD

MINUTES of the meeting of the Pension Board held on Wednesday 18 January 2023 commencing at 10.00 am at the Virtual Meeting - Web ex meeting.

PRESENT MEMBERSHIP:

John Abbott	Michael Hunt
Annette Benson	Jon Topping
Sean Collins	

Apologies: Cllr Stephen Hirst and Colin Williams

1. PENSION BOARD MINUTES

Resolved

The Board approved the minutes of the meeting held on the 20th October 2022.

2. PENSION COMMITTEE DRAFT MINUTES

Resolved

The Board noted the draft Pension Committee minutes of the meeting held on the 8th December 2022.

3. GLOUCESTERSHIRE PENSION FUND QUARTERLY 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 30 September 2022.

The Board noted that by the end of the quarter to 30 September 2022, the Fund's total market value had decreased by £36.7m to £2,887.5m and over the quarter, total Fund assets produced a negative return of -1.3%, compared to a target of -2.0%, underperforming the strategic benchmark by 0.7%. It was reported that performance over the 3 years to 30 September 2022 was 3.6% annualised which was on benchmark. The fund was still regarded to be in a healthy position.

In term of the Government consultation on Governance and Reporting of climate risks, which followed the Taskforce for Climate-related Financial Disclosures (TCFD) framework, which would require administering authorities to consider and report against the four key areas of governance, strategy, risk management and targets. The Board were referred to the consultation response and it was explained that further guidance would be issued from Government in due course. It was noted that a training workshop had taken place and the focus was on the

importance of Responsible Investment (RI) and the outcomes of the workshop would help in defining the investment and RI beliefs of the Committee. The Board were advised that the output activities would be incorporated into the future Business Plan of the Fund, which would be subject to the Committee's approval.

The Head of Pensions informed the Board there was some improvement in the Administration Key Performance Indicator's (KPI's) and the team were actively working to resolved the issues. It was noted that as part of the governance review officers were commencing the review of the administration strategy to establish what were the relevant indicators that should be reported.

The Board were informed that the Pension Team had now fully implemented agile working, which would see greater flexibility across the team and the working behaviours. It was reiterated that the main objective of the Fund was to pay the right benefits to the right person at the right time.

During the discussion, it was asked if there GDPR risks associated with staff agile working. The Head of Pension explained that all paper based activities were undertaken in the office and staff now had the flexibility to work as required within the office.

The Head of Pensions explained that newly appointed Pension Administration Manager would commence in March 2023. It was noted that the recruitment process was ongoing in terms of the remaining Pension Officer posts but there had been an increase in the level of interest. Nigel Gabb, Pension Investment and Accounting Manager was present at the Board meeting and had started his new role on the 14th November. The Board were informed that recruiting across the entire LGPS sector remained a challenge as the volume of membership increased as did the complexities of peoples circumstances. Hymans were also assisting in the training plan for new recruits as well as supporting staff in technical matters, in order to address the long term issues.

Member were advised that the LGPS National Knowledge assessment for 2022 had now closed at that the outcome of the assessment would be brought back to a future meeting. In response to a question, the Board were advised that 5 Committee & 5 Board Members had completed the assessment. The Board raised concerns as only 50% of the committee had undertaken the assessment.

The Board questioned the KPI figure in relation to retirement/deaths grants, the Head of Pensions explained that the performance was due to the redeployment of limited resources as the issue primarily was with the case processing, as it was currently a paper based activity which needed to become more agile in line with working practices. It was accepted that KPI's were not always reflective of the team's overall activity as it measures only certain cases that involve the payment of a death grant or retirement lump sum.

Members wished to know if complaints were monitored, it was explained that no formal complaints had been received through the IDPR received and in terms of corporate complaints, there were potentially more compliments received than

complaints. The Head of Pensions intended to try and monitor and capture these measures going forward. The Board requested that the report should contain more context around complaints.

The Pension Fund Audit had concluded and members were advised that an unqualified opinion was expected to be given in January 2023 by Grant Thornton. The Board noted the Pension Fund Annual Report, including the draft accounts, was published on or before the 1st December 2022.

The Board discussed the Statement of Accounts and the Pension Investment and Accounting Manager explained that the issue with journals related to the narrative field, and this did not affect the accounts, it meant that some modification was required to the categories and these processes were being improved. These issues would be overcome when the new SAP system had been implemented.

Resolved

That the Board noted the position of the Fund as at 30 September 2022 and the governance undertaken and subsequent recommendations agreed by the Pension Committee at their meeting on the 8th December 2022.

4. 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 since the previous review and a number of risks remained elevated at this time.

Resolved

That the Board noted the risk register and the current elevated risks as outlined in the report.

5. EXCLUSION OF THE PRESS & 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.

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

6. PENSION BOARD EXEMPT MINUTES

Resolved

The Board approved the exempt minutes of the meeting held on the 20th October 2022.

7. PENSION COMMITTEE DRAFT EXEMPT MINUTES

Resolved

The Board noted the draft Pension Committee exempt minutes of the meeting held on the 8th December 2022.

8. 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 future activities, participating employer activities and a summary of the operational aspects of the Brunel Pension Partnership, for the quarter ending 30 September 2022.

Resolved

That the Board noted the position of the Fund as at 30 September 2022 and the governance undertaken and subsequent recommendations agreed by the Pension Committee at their meeting on the 8th December 2022.

9. ANY OTHER BUSINESS

The Board were advised that Jon Topping would be retiring in March 2023 and would be resigning from the Board. The Chair wished to thank Jon for his service and efforts to the Pension Board and wished him well for his retirement.

CHAIRPERSON

Meeting concluded at 11.34 am