

PENSION BOARD

MINUTES of the meeting of the Pension Board held on Wednesday 26 April 2023 commencing at 10.00 am at the Virtual Meeting - Web ex meeting.

PRESENT MEMBERSHIP:

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| John Abbott | Sean Collins |
| Annette Benson | Michael Hunt |

Apologies: Cllr Stephen Hirst

10. DECLARATIONS OF INTEREST

No declarations of interest were made.

11. MINUTES OF THE PREVIOUS MEETING

The Board approved the minutes of the meeting held on the 18th January 2023.

12. DRAFT MINUTES OF THE PENSION COMMITTEE

The Board noted the draft minutes of the Pension Committee held on the 2nd March 2023.

13. GLOUCESTERSHIRE PENSION FUND QUARTERLY UPDATE - PART 1

- 13.1 The Head of Pensions explained that the report had been split in to three areas (Funding, Investment, Governance and Operations) of Fund for the quarter ending 31 December 2022:
- 13.2 The Board noted that by the end of the quarter to 31 December 2022, the Fund's total market value had increased by £60.4m, to £2,947.9m. Over the quarter, total Fund assets produced a positive return of 2.1%, compared to a target of 2.0%, outperforming the strategic benchmark by 0.1%. Performance over the 3 years to 31 December 2022 was 3.7% annualised which is 0.1% behind benchmark.
- 13.3 The strategic benchmark of the Fund had been recalculated with effect from this quarter to ensure it produced a benchmarking outcome more closely aligned to the agreed strategy. The fund was still regarded to be in a healthy position.
- 13.4 The Board noted in terms of Government consultations, Funds were awaiting further guidance from Central Government.
- 13.5 The Head of Pensions informed the Board there was some improvement in the Administration Key Performance Indicator's (KPI's), it was noted that the recruitment process for entry level posts had taken a considerable amount of time

and further time would be required to upskill the work force. It was noted that as part of the governance review, the KPI's would be reviewed accordingly.

- 13.6 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.
- 13.7 In response to a question, it was explained that the AON draft report had just been received and officers required time to peruse the contents, prior to the report being presented to the Pension Committee & Pension Board in due course.
- 13.8 Member were advised that the LGPS National Knowledge assessment had been useful in terms of devising the training strategy as it helped to identify strengths and areas of weakness. It was noted the results of the survey were detailed at Appendix 7 of the report. The Board noted that only 5 Committee Members had completed the assessment, as opposed to all the current Pension Board Members.
- 13.9 The Board raised concerns as only 50% of the committee had undertaken the assessment, they felt this was a poor response given the committee had overall responsibility for the Fund. During the discussion it was noted the assessment would not be repeated at this stage and it highlighted the need for engagement going forward.
- 13.10 Pension Board members suggested if the uptake continued to be poor when the exercise was repeated, then perhaps the Committee's Terms of Reference should be amended to make it mandatory and those who did not complete the assessment could be removed from serving on the Committee. The Pension Board wished to convey it's disappointment to the Committee and urged Pension Committee members to complete the assessment, the Board requested to be informed of the uptake when the exercise is repeated. **(ACTION - MT)**
- 13.11 A member referred to the risk register and the need for training for officers, it was suggested that this risk should be amended to include committee and board members. It was also suggested that a perhaps an individual training plan should be included in the terms of reference and that the specific training needs of the Pension Committee and Pension Board required further consideration.

Resolved

That the Board noted the position of the Fund as at 31 December 2022 and the governance undertaken and subsequent recommendations agreed by the Pensions Committee at their meeting on the 2 March 2023.

That Pension Committee members should be encouraged to complete the Knowledge & Skills Assessment.

14. RISK REGISTER

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

- 14.1 The Head of Pensions explained that in accordance with the Risk Management policy 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.
- 14.2 The Board were advised that Operational (Administration & Communication) Risk 1, had been removed as the impact of COVID-19 had now materially reduced and the impacts had been mitigated by changes to working practices and captured in other risks of the register.
- 14.3 The risk register was a live document and would continue to evolve and be reviewed by Committee and Board each quarter. 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 and the removal of Operational - Risk 1, as outlined in the report.

15. BUSINESS PLAN 2023/24

- 15.1 The Head of Pensions explained that the Fund's Business Plan 2023/24, as set out in Appendix 1 of the report, covered the Funds objectives, key areas of activity and budget for 2023/24. It was explained that good governance of the Pension Fund was critical for the long-term sustainability of the Fund for the members and the participating Employers. Members were advised that the Business Plan was formally reviewed and agreed every year.
- 15.2 The Board were informed that for 2023/24 it was proposed to focus on 4 key areas in addition to the normal activities of the Fund. The core projects were summarised as:
- Pensions administration system contract review/renewal
 - Pensions Dashboard (including a data improvement strategy)
 - Responsible Investment Policy and TCFD reporting
 - McCloud

Resolved

That the Board supported the Business Plan for 2023/24 and noted the current outturn position of the 2022/23 business plan contained in this report.

16. 2022 VALUATION REPORT AND FUNDING STRATEGY STATEMENT

- 16.1 The Board were informed that Hymans Robertson had produced a report on the actuarial valuation of the Gloucestershire Pension Fund at 31 March 2022.

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

The report, attached as appendix 1, contained information on the employer contribution rates for the period 1 April 2023 to 31 March 2026 and a review of the funding level at 31 March 2022 and fulfilled Regulation 62 of the Local Government Pension Scheme Regulations 2013.

- 16.2 Members noted that the triennial actuarial valuation was an important part of the Fund's risk management framework. Its' main purpose was to ensure the Fund continued to have a contribution plan and investment strategy that would achieve the objectives set out in the Funding Strategy Statement.
- 16.3 The Funding Strategy Statement (FSS) and the associated policies relating to Cessation, Contribution Reviews and Pre-Payment of Contributions was approved for consultation with the employers by the Pensions Committee, at its meeting on 23 September 2022. The draft FSS and associated policies were distributed to all participating employers in the Fund on 31 October 2022 requesting responses by 25 November 2022. It was noted that no responses to the consultation were received.

Resolved

That the Board acknowledged the report on the actuarial valuation of the Gloucestershire Pension Fund at 31 March 2022 and noted the Funding Strategy Statement, Cessation Policy, Contributions Policy and Pre-Payment Policy approved by Committee.

17. 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.

18. EXEMPT PENSION BOARD MINUTES FROM THE 18TH JANUARY 2023

The Board approved the exempt minutes of the meeting held on the 18th January 2023.

19. DRAFT EXEMPT PENSION COMMITTEE MINUTES

The Board noted the draft exempt minutes of the Pension Committee held on the 2nd March 2023.

20. GLOUCESTERSHIRE PENSION FUND QUARTERLY UPDATE - PART 2

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

- 20.1 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 31 December 2022.

Resolved

The Board notes the report and the governance undertaken by Committee on the employer, Brunel and future investment activities of the Fund, and the agreed recommendation.

CHAIRPERSON

Meeting concluded at 11.12 am

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