

Pensions Board

Minutes of a meeting of the Pensions Board held in Room A119, County Hall, Taunton on Friday 22 July 2016 at 10:00.

Present

Cllr M Healey (Chairman)

Mr Paul Deal

Mrs P Rowe

Apologies:

Mr J Gilbody, Mr T O'Connor

Officers present:

Stephen Morton – Finance Technical;
Anton Sweet – Funds & Investment Manager
Rachel Lamb & Charlotte Thompson – Peninsula Pensions.

Also present:

Cllr G Noel;
Peter Barber, Catherine Brown & Steph Thayer of Grant Thornton, External Auditors.

45 Apologies for absence – agenda item 1

Apologies had been received from Mr Gilbody and Mr O'Connor. Mr O'Connor had submitted a number of questions by email; the Board agreed that Ms Thompson and Mr Sweet would reply to these.

46 Declarations of interest – agenda item 2

None made.

47 Election of Chairman – agenda item 3

Cllr Healey was elected Chairman of the Board for the ensuing year.

48 Minutes of the meeting held on 24 March 2016 – agenda item 4

The minutes of the meeting held on 24 March 2016 were accepted as being accurate and were signed by the Chairman.

49 Public Question Time – agenda item 5

There were no members of the public present and no questions were asked, statements/comments made or petitions presented.

50 Business Plan Update – agenda item 6

The Board considered its Business Plan for the coming year and made the following adjustments and additions:

- To arrange for training for Board members (the Fund & Investment Manager to action, possibly in connection with training for new councillors following the May 2017 elections). Grant Thornton agreed to give a short presentation when required.
- To change the date of the September meeting to 23 September, to follow the Pension Fund AGM at Dillington.
- To arrange for the Actuary to attend the Board meetings in September and December
- To include performance statistics from Peninsula Pensions; Ms Thompson agreed to provide monthly reports to highlight monthly data.

51 Analysis of Receipt of Contributions from Employers for 2015/2016 – agenda item 7

The Board considered a report by the Fund & Investment Manager which gave an update on the effectiveness of the Fund in collecting pension contributions from employers during the 2015/16 financial year. There had been 104 instances of late payment during this period, making up 6.74% of payments. These were spread over 30 employers, mainly smaller bodies. Based on average monthly contributions from employers, 99.66% of payments had been received on or before the due date and all contributions due during the year had been received.

The Board supported the officers' view that this was not of 'material significance', that there had been no significant impact on the Fund and that there had been no intentional evasion. The Board agreed that no further action was needed.

During discussion, questions were raised on the effect of the European referendum on the Fund. The Fund & Investment Manager advised that there had been no real impact as yet, although in the short term the value of the Fund's overseas assets and sterling bonds had been boosted by the weak pound. He confirmed that the Fund was well protected and that current returns were generally looking positive, but that much would depend on the way the Brexit process was managed.

52 Report of Grant Thornton – agenda item 8

Mr Barber and Ms Thayer of Grant Thornton presented the Audit Findings for the Pension Fund for the year ended 31 March 2016. This was a partial report as the final statements were being examined by the Audit Committee in the coming but the key messages were:

- The draft financial statements were presented for audit in early June

2016. This voluntary commitment by the Pension Fund to bring forward their completion this year provided a strong platform for the requirement under the regulations for approval by 31 May for the 2017/18 financial year.

- The draft financial statements were free from material error and supported by good quality working papers.
- Timely responses had been received to the external auditors' enquiries.
- No adjustments affecting the Fund's reported financial position had been identified.
- As in previous years, the auditors highlighted that the Fund's journal policies did not require journals to be authorised by a second person. The officers maintained, however, that in their opinion, this was not necessary as compensating controls were in place.

The Board welcomed Grant Thornton's comprehensive report and its very positive findings, and thanked all involved for their work.

Cllr Noel raised some concerns that these papers were being seen by the Board before the Audit Committee had considered them. He was assured that this had been a timing issue but was consistent with the approach taken elsewhere. The Fund & Investment Manager agreed to look into this in order to ensure that members were notified when papers were available for inspection as soon as possible.

53 Report of Internal Auditors – agenda item 9

The Board received a paper giving details of SWAP's internal audit report covering the Pension Fund's Investments. No significant findings had been made, other than the need to provide sufficient training for the Fund's staff. The Fund & Investment Manager confirmed that he would be addressing this issue.

The Board commended the team for all their hard work over this period.

54 Review of Pension Committee papers – agenda item 10

The Board considered the agenda and reports from the 29 June meeting of the Pensions Committee, with the Funds and Investments Manager providing an overview of the reports. The following topics were covered in discussion:

- LGPS Pooling of Investments: The Board received an update on the arrangements being made, including timetable, business case and committee structure. The Government would have to put the necessary regulations in place first and any delays in this could impact on the projected start date of April 2018. The Chairman thanked the Fund team for their collaborative work to date.
- Analysis of Performance: the Board was pleased to note that all targets had been met.

- Budget and Membership Statistics Update: the Board noted that membership had increased and that the financial year was progressing as expected.
- Employer Body Update: Ms Thompson gave a brief update, including the fact that a number of Town and Parish Councils were considering joining the Fund.
- Review of Pension Fund Risk Register: although no new risks had been added, higher profile risks would be reviewed when the Actuarial report was received, as would bonds. The impact of Brexit did not currently warrant a risk of its own at the moment as it was covered by other headings, but this would be kept under review.

55 Any Other Urgent Business – agenda item 11

None.

(The meeting ended at 11.45 am)

Mark Healey
Chairman – Pensions Board