

SOMERSET PENSIONS BOARD

Minutes of a Meeting of the Somerset Pensions Board held in the Luttrell Room - County Hall, Taunton, on Thursday 16 March 2017 at 10.00 am

Present: Cllr M Healey (Chairman), Paul Deal, Patricia Rowe and James Gilbody

Other Members present:

Apologies for absence: Tim O'Connor

56 Declarations of Interest - Agenda Item 2

Mr Deal, Mr Gilbody and Mrs Rowe declared personal interests as members of the Local Government Pension Scheme.

57 Minutes of the last meeting held on 22 July 2016 - Agenda Item 3

The minutes of the meeting held on 22 July 2016 were accepted as being accurate and were signed by the Chairman.

58 Public Question Time - Agenda Item 4

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

59 Business Plan Update - Agenda Item 5

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;
- It was noted that the next meeting would be held on 25 July;
- It was noted that the Actuary would be invited 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.

60 LGPS Pooling of Investments - Agenda Item 6

The Board considered a report by the Fund & Investment Manager which gave an update on the work towards the pooling of the Fund's investment assets with other LGPS funds with pooling beginning in April 2018. It was noted that a full business case (FBC) had been produced by the Brunel Project Office and agreed by the Pensions Committee at its meeting in December 2016 and all the other 9 Funds involved in the Brunel project had agreed the full business case.

It was also reported that the various project officers were now focussed on establishing the FCA regulated company and transition of assets from April 2018. The first tangible evidence of this had been the advert for a non-executive Chair for the Brunel Company and non-executive directors, which was placed in the Sunday times last January. Interviews with candidates for the Chair position were taking place and it was hoped a preferred candidate would be identified shortly. Once the Chair was in place they would lead the processes for the recruitment for the other non-executive directors and the CEO of the company.

The Board heard that Pensions Committee, at its meeting on 3 March had recommended to the Council that the Fund's position on the oversight board (separate to the Brunel Company board) should be included in the specification for the role of the Chairman of the Pensions Committee and that they would hold the shareholders rights for the Somerset Fund which they would use in consultation with the Pensions Committee.

The report was accepted and it was noted that considerable work was underway on drafting various legal documents in order to form the Brunel Company.

61 Review of Pension Fund Risk Register - Agenda Item 7

The Board considered this report that provided an update on the risk register since the last meeting. The risk register, attached to the report as Appendix A, was discussed and the Funds and Investments Manager provided an overview of each risk and the mitigating actions and control measures.

There was a question about how often the risk register was refreshed and/or updated and it was explained that this was undertaken on a monthly basis with Officers checking to ensure that the control measures already in place were adequate. There were brief discussions about PF2, PF3 and PF8 and the report was accepted.

62 Review of Administration Performance - Agenda Item 8

The Board received a paper that provided the requested bi-annual update on the performance of Peninsula Pensions, the shared service that provided benefits administration to the Somerset and Devon Pension Funds.

It was noted that overall the report presented a positive overview of performance and for 2014/15 88% of work had been within defined targets, although backlogs of work in some areas were building up. It was reported that in 2015/16 the team had issued 71% of work within target however the backlog of Deferred Benefit calculations had also increased in that period.

Attention turned to performance to date for 2017/17 and it was noted it stood at 76% and with the exception of 4 areas all processes had seen an improvement on last year. Members considered Annex A of the report that provided details of performance relating to the Somerset Fund only.

The Board commended the team for all their hard work over this period. It was requested that interim reports on performance be circulated outside of formal Board meetings and the report was accepted.

63 Pension Fund 16/17 Audit Plan - Agenda Item 9

The Board considered this report from the External Auditors. The Board heard from the External Auditor who provided a thorough overview of the planned Audit of the Somerset Pension Fund. It was reported that in planning the Audit the External Auditors would plan so that they had an understanding of the challenges and opportunities facing the Pension Fund and those included: Pooling of Investments; Governance arrangements; and the earlier close down of accounts by the 2017/18 financial year.

It was also stated that the Auditors would consider the impact of key developments in the sector and take account of national audit requirements. The report also identified the significant risks that would be addressed and results of interim audit work were noted. The Board also received an explanation of the concept of materiality in planning and performing an audit and what this meant in real monetary terms.

There was a brief discussion of the report with the External Auditor providing answers to questions. The report was accepted.

64 Review of Pension Committee papers - Agenda Item 10

The Board considered the agenda and reports from the 3 March 2017 meeting of the Pensions Committee, with the Funds and Investments Manager providing an overview of the reports. The following topics were covered in discussion:

- Analysis of Performance: the Board was pleased to note that most targets had been met and the overall value of the Fund continued to rise.
- 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 an increasing number of Town and Parish Councils were joining the Fund.

65 2018 Pension Board meeting dates - Agenda Item 11

The Board considered this report that proposed meeting dates for the forthcoming year. Members noted the report and agreed the following dates for 2018:

- Thursday 15 March 2018 at 10.00 am at County Hall, Taunton;
- Tuesday 24 July 2018 at 10.00 am at County Hall, Taunton;
- Thursday 27 September 2018 at 10.00 am at County Hall, Taunton;
- Thursday 20 December 2018 at 10.00 am at County Hall, Taunton.

In addition it was noted that the Pension Fund AGM in 2017 would be held on the morning of Friday 22 September 2017, at a venue to be confirmed and Pension Board Members were welcome to attend.

66 Any other business of urgency - Agenda Item 12

There were no other or urgent items of business, the Chairman thanked all those present for attending and closed the meeting.

(The meeting ended at 11.45 am)

CHAIRMAN