

Pensions Board

Minutes of a meeting of the Pensions Board held in the Luttrell Room, County Hall, Taunton on Thursday 24 July 2018 at 10:00.

Present

Cllr M Healey (Chairman)

Mr Paul Deal

Mr Nigel Behan

Apologies:

None

Officers present:

Stephen Morton – Finance Technical;

Anton Sweet – Funds & Investment Manager

Dan Harris & Shirley Cuthbert – Peninsula Pensions

68 Apologies for absence – agenda item 1

None

69 Declarations of interest – agenda item 2

Mr Deal and Mr Behan declared personal interests as members of the Local Government Pension Scheme.

70 Minutes of the meeting held on 21 December 2017 – agenda item 3

The minutes of the meeting held on 21 December 2017 were accepted as being accurate and were signed by the Chairman.

71 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.

72 Business Plan Update – agenda item 5

The Board considered its Business Plan for the coming year and noted that future meeting dates would be amended to bring them in line with Pensions Committee meetings.

The Board requested that the Review of Administration Performance move from a 6 monthly to a quarterly reporting cycle.

There was a detailed discussion regarding ensuring Pensions Board

meetings are beneficial to all attendees, and it was agreed that the cycle of Board meetings would be amended to follow Pensions Committee meetings, after the September 2018.

73 LGPS Pooling of Investments – agenda item 6

The Board considered a report by the Funds & Investment Manager which gave an update on the work towards the pooling of the Fund's investment assets with other LGPS funds. It was noted that initial movement of global passive assets had been completed last week.

It was also reported that: Brunel were currently completing a tender for an asset manager for UK equity and low volatility equity portfolios; that private market moves were continuing; the need for additional resources to ensure savings are realised; and the revised timetable for asset transfers and how this may result in savings being slower to realise.

The report was accepted.

74 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 were brief discussions about: PF2, PF4, and PF6; changes to the percentage of funding; the potential impact of Brexit; and the engagement with the Actuary.

The Committee accepted the report, noting that there had been no changes to the risk scoring.

75 Analysis of Receipt of Contributions from Employers for 2017/18 – agenda item 8

The Board considered this report that provided an update on the effectiveness of the Fund in collecting Pensions contributions from Employers during the 2017/2018 financial year. It was noted that under the LGPS Regulations 2013 Employers are required to pay to the Administration Authority the contributions stated in the Fund Actuary's Rates and Adjustments Certificate as employer contributions and the employee contributions that have been deducted from members' pay.

Members heard that during 2017/2018 financial year (prior year comparative in brackets) there were 122 (140) instances of late payment, making up 7.06% (8.63%) of payments due. The corresponding figures for more than 10 days beyond due date were 36 (67) instances and 2.08% (4.13%) of payments due. There was a brief discussion as to the cause and circumstances of the late payments as the figure had worsened and it was

explained that there were a small number of late payments, from single employers for relatively small amounts.

It was further noted that instances of failure to pay by the due date had been spread over 38 (55) employers. Based on average monthly contributions from employers it was estimated that by value 96.21% (97.59%) of contributions had been received on or before due date. It was also confirmed that all contributions due during the year had been received. The report was accepted.

76 Report of Grant Thornton – agenda item 9

Representatives of Grant Thornton presented the Audit Findings for the Pension Fund for the year ended 31 March 2018, noting that the final statements would be considered by the Audit Committee.

This was a partial report as the final statements were being examined by the Audit Committee but the key messages were:

- The draft financial statements were presented for audit in accordance with the earlier timetable of the end of May 2018. The accounts were supported by good quality working papers.
- 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.
- A small number of adjustments were recommended to improve the presentation of the financial statements.
- 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 audit fee had reduced by 23% in accordance with the new contract.

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

77 Review of Pensions Committee Papers – agenda item 10

The Board considered the agenda and reports from the 8 June 2018 meeting of the Pensions Committee, with the Funds and Investments Manager providing an overview of the reports. Topics included:

- The strong fund performance
- Fund manager changes would now be completed by Brunel
- The budget reporting mechanism

The Board briefly discussed its role as a policy development working group.

(Pensions Board – 24/07/18)

78 Any Other Urgent Business – agenda item 11

None.

(The meeting ended at 11.32 am)

**Mark Healey
Chairman – Pensions Board**