

Minutes of a Meeting of the Pension Fund Board held in the John Meikle Room, The Deane House, Belvedere Road, Taunton TA1 1HE, on Friday, 12 April 2024 at 10.00 am

**Present:**

Anne Hills (Chair)

Cllr Simon Carswell  
Nigel Behan  
Rachel Ellins

Rod Bryant  
Antony White

**30 Apologies for Absence** - Agenda Item 1

Apologies were received from Nicola Hix.

**31 Declarations of Interest** - Agenda Item 2

The following declarations were made:

Nigel Behan – Member of the Local Government Pension Scheme  
Rod Bryant – Recipient of the Local Government Pension Scheme  
Rachel Ellins - Member of the Local Government Pension Scheme  
Antony White - Member of the Local Government Pension Scheme

**32 Minutes from the Previous Meeting** - Agenda Item 3

Resolved that the minutes of the Pension Fund Board held on 12 January 2024 be confirmed as a correct record.

**33 Public Question Time** - Agenda Item 4

The following question was put to the Board by Mr Sigurd Reimers:

Last year global climate heating reached the 1.5 degree C target suggested by the UN Paris Summit in 2016. Although this is a single-year figure (rather than the 10-year average agreed at the Summit), the worrying upward trend seems to be unmistakable.

Is the Board involved in assisting the Pension Fund Committee in its difficult task of assessing how safe the future pensions of younger members of the Somerset Council Pension scheme are likely to be, either directly or in their working with Brunel Pension Partnership? Do the Board and Committee use the Risk Register (PF Inv-3) to consider such a risk that at their quarterly review of the Register?

On present reckoning, any current Member of our Scheme under the age of 54 years is likely to have to face the financial dangers associated with crossing such a ten-year average threshold in around 2040.

The Fund and Investments Manager prepared the following reply:

The benefits paid by the Fund are set by central Government in the LGPS regulations and are not impacted by the investment performance of the Fund. As such the future pensions paid by the Fund are not at risk from Climate Change.

The Pension Board will be fully involved as we look to work towards a revised draft of the Fund's Investment Strategy Statement, which includes the Fund's approach to climate aware investing, during the remainder of 2024 and the early part of 2025. The relevant risks identified in the Fund's risk register will be fully incorporated into this work.

#### **34 Review of Pension Fund Committee's Papers - Agenda Item 5**

The Funds and Investment Manager (Anton Sweet) gave a verbal update on the meeting of the committee on the 15<sup>th</sup> March 2024 and highlighted:

That it had been a strong quarter for Investment returns

Overall performance was slightly under the benchmark of 5%,

Committee approved a £70m commitment to Brunel's private equity cycle 4, this is consistent with reaching the fund's current strategic weighting for private equity.

The business plan updates confirmed that fresh guidance on the content of the fund's annual report will be issued and it is likely that would need to report on how much is invested in the UK.

The 2022/23 audit of the pension fund had been completed and work was commencing on 2023/24 audit.

A new Investment Strategy statement will need to be created and a joint meeting will be needed with the Board and the Committee on the way forward.

There were some IT issues with the MS Dynamics system and some figures should be viewed with caution, these issues were being investigated with Microsoft; this may have an impact on the end of year work about to commence.

There were no changes to the Risk Register

It was noted that Corporate Accounting has now changed management to the Investments Team.

Peninsula Pensions also reported back to the committee, confirming that a review of the administration performance and noted the report on actions being undertaken by officers to ensure compliance and best practice.

The Administration Strategy Statement will be presented to the Board for consideration,

Resolved:

The Board noted the items on the Pension Fund Committee papers from their meeting held on 15 March 2024.

### **35 Review of Pension Fund Risk Register - Agenda Item 6**

The Funds and Investment Manager presented his report and confirmed that there had been no changes since the last meeting.

It was confirmed that the team had expanded to 6 members which gave a greater resilience to the team, however the restructure of the department was awaited; this was a risk to the Council and the Board considered that this should be on a higher risk setting.

Resolved:

The Board noted the report and considered that the risk PF- Admin5 should be of a higher risk as concerns raised by the Board and the Pension Fund Committee.

### **36 Business Plan Update - Agenda Item 7**

The Board received on updates of the Business Plan, and as a result made the following recommendations as detailed within the resolution.

Resolved:

The Board noted the proposed Meeting Workplan 2024-2025 and made the following recommendations:

- Communications Policy to be reviewed at the June meeting,
- Cyber Security report to come to June meeting,
- Pension fund Annual Report – October 2024, this will also include election of the Chair and also proposed that a rolling programme of replacement of co-opted members as per the Terms of Reference as states 4 year tenure of membership.
- Review of Investment Strategy Statement for January 2025, to then go forward to the Committee in March 2025.
- LGPS AGM and training needs assessment and this will include a report back from Councillor Hills from the LGPS conference – June 2024.

### **37 Review of Pension Fund Administration Strategy - Agenda Item 8**

The Board received a verbal update from the Head of Peninsula Pensions and the following comments were made:

Approach becoming stricter and always try to engage with Employers, most responses have been positive,

Number of outstanding cases have been reduced with most cases are where employees have left the organisation,

Engagement to be encouraged and events to be set up for members.

Rachel Ellins (employer`s rep) read a statement in response to Peninsula Pension`s proposals for the changes to the strategy as there were a number of areas where there was disagreement, it was confirmed that the statement will be forward to the representatives of Peninsula Pensions and that a meeting will be set up to discuss the comments; a response and updates will come to the next Board meeting.

Resolved:

The Board noted the report and agreed that a separate meeting to be held between Board members and Peninsula Pensions to further discuss the Strategy and proposed fines.

### **38 Any other business of urgency - Agenda Item 9**

No other items of business were raised for discussion.

**(The meeting ended at 12.50 pm)**

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**CHAIR**