

**Pension Board****Thursday, 25 April 2019, County Hall, Worcester - 2.00 pm**

		<b>Minutes</b>
<b>Present:</b>		Mr K Bray (Independent Chairman), Ms L-M Chapman, Ms K Wright and Mr N Shaw
<b>Available papers</b>		The members had before them:  A. The Agenda papers (previously circulated); and  B. The Minutes of the meeting held on 4 February 2019 (previously circulated).
<b>126 Apologies (Agenda item 1)</b>		An apology was received from Mr P Grove.
<b>127 Declarations of Interest (Agenda item 2)</b>		Mr K Bray declared general interests in his role as the Forum Officer of the Local Authority Pension Fund Forum (LAPFF) - the Worcestershire Fund is a long-standing Forum member and in relation to work he undertook with a firm of US lawyers who were involved with Shareholder Litigation and had the County Council as one of its clients.
<b>128 Confirmation of Minutes - 4 February 2019 (Agenda item 3)</b>		In relation to Minute no. 122 – Covent Monitoring, Bridget Clark, HR and OD Service Commissioning Manager emphasised the importance of employers completing the covenant review. There was concern about the lack of understanding by employers, particularly Academies of the consequences of failing to complete the review. It was important for the Administering Authority to understand the future financial viability for continuing pension contribution so that financial issues could be discussed and where appropriate supported. It was not the role of the Worcestershire Pension Fund to subsidise employers or other public sector funds.  <b>RESOLVED that the Minutes of the meeting held on 4 February 2019 be confirmed as a correct record and signed by the Chairman.</b>
<b>129 Pensions Committee - 19 March 2019 (Agenda item 4)</b>		The Board received the Agenda papers and Minutes of the Pensions Committee meeting held on 19 March 2019. Members received a brief summary and commentary on various items considered by the Committee.

### Initial Strategic Asset Allocation Review

- At the Pensions Committee meeting, it was emphasised that the key findings of the Initial Strategic Asset Allocation Review could be used as a reference point for the detailed Strategic Allocation Review. This was a view that the Board would wish to support
- In response to a query about the timescales for the transfer of assets to LGPS Central, it was pointed out that the statutory guidance stated that “Pool members should transition existing assets into the pool as quickly and cost effectively as possible. Transition of listed assets should take place over a relatively short period.”

### LGPS Central Update

- The key issue raised at the Committee meeting was that representatives of LGPS Central should understand that the Pool had been created to work on behalf of the Fund and not the other way around. The Pool needed to ask appropriate questions and listen to the views of the fund members
- Had the Pool focused on establishing funding options at the earliest opportunity rather than exploring common themes and developing an investment strategy in accordance with the wishes of fund members? Bridget Clark commented that the resignation of the Chief Executive had not helped matters and there had been a lack of consultation with member funds over the appointment of the fund managers. The representatives of LGPS Central had not provided a commitment to a change of approach at the meeting although the new Chief Executive had only just been appointed and at the meeting he had expressed his willingness to listen to the views of member funds
- In relation to a query, Bridget Clark advised that the transition of assets would take place in accordance with the Pool’s investment programme. None of this Fund’s assets had been transferred to date as per the planned programme, although the first transfer was imminent. The key issue for this fund was that the cost-sharing arrangements needed to be reviewed.

### Pensions Administration Strategy

- Bridget Clark indicated that the Pensions

Administration Strategy was a working document which had an educational purpose but also enabled the Fund and employers to be held to account for their actions.

#### Administering Authority Update

- Bridget Clark reported that the outcome of the Fund's GMP rectification exercise would be reported to the Pensions Committee in June 2019. At that meeting, decisions would need to be made in relation to over and under payments. Any decisions would be made utilising the expert advice provided by ITM, who had undertaken the exercise on the Fund's behalf
- The Pension Regulator had expressed concern about the performance of Administering Authorities in issuing Annual Benefits Statements on time. Was this an issue for Worcestershire? Bridget Clark responded that Worcestershire Pension Fund had met the new deadline since it changed two years ago, although the 100% target had not quite been met, the failing was sufficiently small enough not to cause a material breach as far as the Pension Regulator was concerned
- Had the Administering Authority given consideration to an on-line approach to issuing Annual Benefit Statements to members to save money? Bridget Clark indicated that the Authority was undertaking a procurement exercise to establish a member self-service system. The project was a significant piece of work as assurances were needed about the secure access to individual member data in the future.

#### Pension Fund Training Programme for Pensions Committee Members and Pension Board

- Bridget Clark advised that the training session originally planned for 16 April 2019 had now moved to 8 July 2019 at 9.30am.

#### Risk Register

- Bridget Clark indicated that a clearer picture of the direction of travel and how risks were being mitigated would be provided to the Pensions Committee meeting in June 2019.

#### Business Plan

- Bridget Clark advised that the Business Plan would be updated on a regular basis and would be linked to the Risk Register.

Pension Fund Unaudited Annual Report and Accounts  
2018/19 Proposed Draft Format

- The revised and streamlined version of the Annual Report was welcomed
- The Board requested that the reference to Environmental, Social and Governance (ESG) considerations in the Annual Report be reviewed to ensure that it was sufficiently in light of current climate issues and Legal and General publishing its list of organisations it would not invest in, robust. ESG should also be added to the proposed training programme.

**The Committee Reports and Minutes were noted.**

**130 Notes from meetings of Local Pension Board Chairs of LGPS Central Funds (Agenda item 5)**

The Board received the notes from meetings of Local Pension Board Chairs of LGPS Central Funds from 10 October 2018 and 20 February 2019.

In the ensuing debate, the following points were made:

- The Chairman indicated that he would arrange for the Minutes of each future meeting of the Local Pension Board Chairs of LGPS Central Funds to be brought to this Board. He queried whether members would wish to establish a Risk Register, similar to the Cheshire example, to be brought to the Board on a regular basis
- A Risk Register would provide clear evidence of the risks facing the Board and the mitigation action taken without the need to trawl through the previous Board Minutes to find the necessary reference points
- A Risk Register would be particularly helpful for new members of the Pension Board
- The Chairman indicated that in a number of Councils, the Minutes of the Board were put before the Pensions Committee. The Board requested that officers examine ways to report the outcomes of Board meetings to the Pensions Committee.

**The Board received the notes from meetings of Local Pension Board Chairs of LGPS Central Funds and agreed to the implementation of a Risk Register for the Board, based on the Cheshire example and brought back to the next Board meeting for review.**

**131 Work Plan (Agenda item 6)**

The Board considered its work plan.

Bridget Clark indicated that the Risk Register would be

**132 Any Other  
Business  
(Agenda item 7)**

added to the work plan.

**The Board noted its work plan.**

None.

The meeting ended at 3.48pm.

Chairman .....