

Pension Advisory Board

26 February 2021 – At a virtual meeting of the Pension Advisory Board held at 9.30 am.

Present: Peter Scales (Chairman)

Richard Cohen, Miranda Kadwell, Kim Martin, Becky Caney and Tim Stretton

Apologies were received from Chris Scanes who experienced technical difficulties

Officers in attendance: Rachel Wood (Pension Fund Strategist), Tara Atkins (Principal Pensions Consultant (Administration & Employers)), Alistair Rush (Interim Deputy Director of Finance), Adam Chisnall (Democratic Services Officer) and Erica Keegan (Democratic Services Officer)

Part I

33. Declarations of Interests and Conflicts

33.1 None declared.

34. Part I Minutes of the last meeting

34.1 Resolved – That the part I minutes of the meeting of the Board held on 13 November 2020 be agreed as a correct record.

35. Progress Statement

35.1 The Board considered the progress report on matters arising from previous meetings (copy appended to the signed minutes).

35.2 Adam Chisnall introduced the report and confirmed that most actions had been completed. Two actions highlighted were the ACCESS Governance training that would follow this meeting and the Internal Audit item that would be included in the Business Plan for the Pensions Committee in March for a report to the Board in April 2021.

35.3 Resolved – That the Board noted the report.

36. Pensions Committee Minutes - Part I

36.1 The Board considered the confirmed Part I minutes from the meetings of the Pensions Committee on the 23 October 2020 and the 17 November 2020; and the agenda from the meeting of the Pensions Committee on 25 January 2021. This also included a note from the Chairman summarising the Pensions Committee webcast from 25 January 2021.

36.2 It was pointed out that the Chairman's Pensions Committee webcast summary incorrectly referred to a £75K cap at the section of the report numbered 9, titled, 'Scheme Changes'. This was noted as a typographical error and amended to £95K cap.

36.3 Resolved – That the minutes and agenda be noted.

37. Election of Scheduled Body Representative

37.1 The Chairman introduced the report on the Election of Scheduled Body Representative from the 25 January 2021 Pensions Committee by the Director of Law and Assurance.

37.2 In noting the criteria for nomination, it was suggested that the reference to a candidate's need to have at least two years left on their expected term of office should be amended to allow for greater flexibility. Rachel Wood agreed to feedback and adjust this wording if necessary.

37.3 Resolved – that the Board noted the report from the 25 January 2021 Pensions Committee by, the Director of Law and Assurance.

38. Business Plan Update

38.1 The Board received a Business Plan Update from the Chairman of the Pension Advisory Board (copy appended to the signed minutes).

38.2 The Chairman introduced the report on the Board's performance that provided a review of the Board's key actions over the past year (2020/21). The review was set against the backdrop of the ongoing pandemic and its impact on the Pensions Advisory Board's processes and national initiatives.

38.3 The Board's attention was drawn to the Pensions Committee Business Plan Update Report which noted the risk position as well as progress made against their action plans. The pandemic had also impacted on the Pensions Committee's operations. Rachel Wood explained that this was the penultimate review, by the Committee, of their 2020/21 plan which would be presented to the Pensions Committee meeting in March with a revised plan for 2021/22, setting objectives for the forthcoming year.

38.4 Resolved – That the Board;

- (1) Agrees the performance report for 2020/21, and that the Pensions Committee and Governance Committee be informed.
- (2) Notes the Pensions Committee business plan update report.

39. Administration procedures and performance

39.1 The Board received the Administration Report from the 25 January 2021 Pensions Committee by the Director of Finance and Support Services, for consideration.

39.2 In presenting the report, Tara Atkins confirmed that, as part of the efforts to drive good data improvements, the administration team reviewed Employer Performance for timeliness, financial control, and data quality as part of the Annual Return process. It was noted that sixty employers had been asked to complete a mid-year check on data validation. Forty-two responses had been received so far.

39.3 It was noted that the Pensions Regulator Scheme Return figures had been reported to the Committee and Board. Data was now available

to allow comparison that showed there had been an improvement on last year's scores. The Board was informed that the Fund was in the process of completing an address trace for members who were showing as a 'lost contact'. Once completed, this was expected to improve the common data score.

39.4 It was reported that use of the Members Portal for access to Annual Benefit Statements online, as well as access and update options on personal details, had increased - which was pleasing. The Portal continued to be promoted for business as usual use.

39.5 The Board discussed whether future reporting to the Pensions Committee should include the number of complaints received. Numbers of complaints, across the whole scheme, were noted as low. It was agreed that any reporting should provide information on resolution outcomes.

39.6 Resolved - That the Board note the report.

40. Regulations and Guidance update

40.1 The Chairman presented his report, Regulations and Guidance Update, to the Board and the following key points were noted;

- the Scheme Advisory Board (SAB) meeting discussed the Good Governance Project. As consultation was required, it was expected that any changes to Governance would emerge later in the summer;
- the £95K cap had been revoked by HM Treasury;
- the Pensions Regulator's 2020 survey had been issued and a response had been submitted on behalf of the Board;
- Appendix A was referred to as the report that was submitted to the Pensions Committee in January 2021 on Scheme Changes.

40.2 Resolved - That the Board notes the current issues relating to Scheme Regulations and Guidance.

41. Communication Strategy

41.1 The Board received a report by the Director of Finance and Support Services on Communications Strategy (copy appended to the signed minutes).

41.2 Tara Atkins introduced the report to the Board, confirming that the Communication Policy Statement had been reviewed to reflect the Board's comments at their last meeting.

41.3 The Board was referred to Appendix A which set out the calendar of communication deliverables. The Board's attention was drawn to the Annual Newsletter for pensioners which was scheduled for a full review in 2022. It was anticipated that a digital option would make space available to include both standard information as well as relevant updates such as scam warnings. The Board was asked to feedback their views on the newsletter in advance of the review next year.

41.4 Resolved - That the Board;

- (1) Notes the schedule of Communications drawn from the Communication Policy Statement.
- (2) Notes the updates made to the Communication Policy Statement as set out in paragraph 2.2.

42. Review of Pension Fund Policy Documents

42.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).

42.2 Rachel Wood introduced the report and asked members to consider the list of policy documents at Appendix A. The document included within this agenda was the Treasury Management Statement, which was being seen by the Board in advance of being presented to the Pensions Committee in March. CIPFA Guidance had also been circulated.

42.3 The Board made the following key points;

- The Governance Compliance Statement was noted as last reviewed by the Board in November 2018 and had been scheduled for review at this meeting. The governance framework, including the Regulations and guidance underpinning this statement, are being considered as part of the Scheme Advisory Board's (SAB) Good Governance Review. It was pointed out that progress by the SAB has been delayed by the pandemic. The existing Governance Compliance Statement had not changed since last reviewed by the Board and any further review was therefore noted as deferred until new proposals are known;
- The Treasury Management Statement outlined how cash balances are administered. Funds were noted as cash flow positive with no borrowing and asset transition between portfolios a rare occurrence; and
- The CIPFA Code of Practice was highlighted as out to Consultation. Rachel Wood confirmed that this would be reported to the Treasury Management team and an update would be provided to the Board. The Chairman informed that the Ministry of Housing, Communities and Local Government (MHCLG) Guidance was over twelve years old and in need of update but anticipated that this would be a slow process.

42.4 Resolved – That the Board notes the register of Policy Documents.

43. Training

43.1 The Board considered a tabled document outlining the training that had been recorded for Board members (copy appended to the signed minutes).

43.2 Adam Chisnall introduced the report and noted the progress that had been recorded for the Pension Regulator Toolkit modules. Members were asked to ensure accuracy and make sure all training had been included.

43.3 In noting the training record the Board;

- Noted that the Pensions Regulators Toolkit had another module (pension scams) that the Board may be interested in working through. This would be researched and reported back to the Board in terms of its suitability.
- Miranda Kadwell shared a training overview slide with the Board based on the Good Governance Review and the Pensions Regulators Code of Practice 14. The document could help to evidence the Board's training progress and evidence how the Board is working to comply with guidance. It was seen as a useful way to demonstrate the Board's knowledge and could support them in assisting the Scheme Manager in compliance with Regulations and guidance. It was agreed that this would be circulated to Board Members for further discussion (copy appended to the signed minutes).

43.4 Resolved – That Board members will continue to report progress on training.

44. Date of Next Meeting

44.1 The Board noted that its next scheduled meeting would take place at 9.30am on Wednesday 28 April 2021.

45. Exclusion of Press and Public

Resolved – That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I, of Schedule 12A, of the Act by virtue of the paragraph specified under the item and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

46. Part II Minutes of the last meeting

The Board agreed the Part II minutes of the 13 November 2020 Pensions Advisory Board meeting.

47. Pensions Committee Minutes – Part II

The Board noted the contents of Part II minutes from the meetings of the Pensions Committee held on the 23 October 2020 and the 17 November 2020.

48. AVC

The Board considered the report by the Director of Finance and Support Services from the 25 January 2021 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

49. ACCESS Update

The Board considered the report by the Director of Finance and Support Services from the 25 January 2021 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

The meeting ended at 11.06 am

Chairman