

LOCAL PENSIONS BOARD

Tuesday, 20 March 2018

Present: J Raisin (Chair)
M Hornby R Irvine
D Ridland P Maloney
P Wiggins

Apologies G Broadhead
K Beirne

36 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked to declare any disclosable pecuniary and non-pecuniary interests in connection with any item(s) on the agenda and state the nature of the interest.

No such declarations were made.

37 MINUTES

Resolved – That the accuracy of the Minutes of the Local Pension Board held on 10 October, 2017 be approved as a correct record.

38 LGPS UPDATE

The Pension Board gave consideration to a report of the Director of Pensions that provided Board members with copies of recent LGPS update reports taken to Pensions Committee. The appendices of the report included a Synopsis of Prospective Changes to LGPS & Overriding Pension Legislation November 2017.

Yvonne Caddock, Head of Pensions Administration, outlined details of the reports and responded to members' questions.

Resolved – That the report be noted.

39 PENSION FUND BUDGET

The Pension Board gave consideration to a report of the Director of Pensions that had been approved by Pension Committee on 22 January, 2018.

Donna Smith, Head of Finance & Risk, outlined details of the report to members.

Resolved – That the report be noted.

40 **TREASURY MANAGEMENT STRATEGY**

A report of the Director of Pensions provided Board members with a copy of the Treasury Management Policy taken to Pensions Committee on 22 January, 2018.

The Treasury Management Policy Statement 2018/19 was attached as an appendix to the report.

Resolved – That the report be noted.

41 **DEVELOPMENT & TRAINING PROGRAMME**

A report of the Director of Pensions provided Board members with a copy of the development programme proposed for Pension Committee members. The Director of Pensions reported that a number of these opportunities would also be available to Board members.

Resolved – That the report be noted.

42 **LGPS INVESTMENT PERFORMANCE**

A report of the Director of Pensions provided Board members with information compiled by PIRC relating to the performance of LGPS funds.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

Resolved – That the report be noted.

43 **POOLING UPDATE**

Members gave consideration to a report of the Director of Pensions that provided Board members with copies of recent Pooling update reports taken to Pensions Committee.

The appendix to this report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Director of Pensions expanded on the background and key issues to the report and responded to members' questions.

Resolved – That the report be noted.

44 **MANAGEMENT OF CARBON RISK**

A report of the Director of Pensions provided Board members with a copy of a report on proposals for the management of climate risk that had recently been taken to Pensions Committee.

The appendix to this report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Director of Pensions informed the Board that the Pension Committee had previously approved the development of a Climate Risk Strategy for MPF, based on climate-related investment beliefs: that climate change was a systemic risk and thus, a material long-term financial risk for investors who must meet long-term obligations.

Resolved – That the report be noted.

45 **BOND REVIEW**

A report of the Director of Pensions provided Board members with a copy of the report to Pension Committee on the annual review of potential unfunded liabilities for admission bodies.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

It was reported that in accordance with the Committee decision on 22 March 2000 (Minute 52 refers), officers had been asked to specifically monitor the potential unfunded liabilities in respect of the premature closure of admission bodies. This work had been undertaken by the Actuary performing an annual funding review and officers giving consideration to the financial strength and covenants of the relevant organisations.

Peter Wallach, Director of Pensions and Yvonne Caddock, Head of Pension Administration, responded to Board members questions as to the operational practices to ensure the management of employer liabilities is within scope of the fund's documented risk management framework.

Resolved – That the report be noted.

46 **CONTRACTS TIMETABLE**

A report of the Director of Pensions provided Board members with a copy of the contracts' timetable that had recently been approved by Pension Committee.

The appendix to this report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

Resolved – That the report be noted.

47 **WORKING PARTY MINUTES**

A report of the Director of Pensions provided Board members with copies of working party minutes since the previous Board meeting.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Pension Board commended the format and overall representation at the IMWP as a demonstration of genuine good governance which allowed for detailed examination of specific and technical aspects of pensions investment and administration by Committee members.

The Board did, however, note the limited representation of those responsible for governance at these meetings and was concerned that this potentially limited the benefits that might otherwise accrue.

Resolved – That the report be noted.

48 **EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

Resolved – That in accordance with section 100 (A) of the Local Government Act 1972, the public be excluded from the meeting during

consideration of the following items of business, on the grounds that it involved the likely disclosure of exempt information as defined by relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The public interest test had been applied and favoured exclusion.

49 LGPS INVESTMENT PERFORMANCE EXEMPT

The appendices to the report on LGPS Investment Performance were exempt by virtue of paragraph 3.

50 POOLING UPDATE EXEMPT

The appendices to the report on Pooling Update were exempt by virtue of paragraph 3.

51 MANAGEMENT OF CARBON RISK EXEMPT

The appendices to the report on Carbon Risk were exempt by virtue of paragraph 3.

52 BOND REVIEW EXEMPT

The appendices to the report on Bond Review were exempt by virtue of paragraph 3.

53 CONTRACTS TIMETABLE EXEMPT

The appendices to the report on Contracts Timetable were exempt by virtue of paragraph 3.

54 ADMINISTRATION KPI REPORT EXEMPT

The appendices to the report on Administration KPI Report were exempt by virtue of paragraph 3.

55 WORKING PARTY MINUTES EXEMPT

The appendices to the report on Working Party Minutes were exempt by virtue of paragraph 3.