

## North Yorkshire County Council

### Pension Fund Committee

Minutes of the meeting held on 24 May 2018 at County Hall, Northallerton commencing at 10.00 am.

**Present:-**

County Councillors John Weighell OBE (Chairman), John Blackie, Michael Chambers MBE, Cliff Lunn, Patrick Mulligan, Andy Solloway and Helen Swiers.

David Portlock – Chair of the Pension Board.

Councillor Jim Clark - North Yorkshire District Councils.

Apologies were received from County Councillor Angus Thompson and Councillor Ian Gillies (City of York).

---

**Copies of all documents considered are in the Minute Book**

---

**52. Exclusion of the Public and Press**

**Resolved -**

That the public and press be excluded from the meeting during consideration of Appendices 1 and 2 of Minute No. 60 and Appendices 1 and 2 of Minute No. 61 on the grounds that these involved the likely disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

**53. Minutes**

**Resolved -**

That the Minutes of the meeting held on 22 February 2018, having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.

**54. Declarations of Interest**

There were no declarations of interest.

**55. Public Questions or Statements**

There were no questions or statements from members of the public.

## **56. Pensions Administration Report - Member and Employer Issues**

Considered -

The report of the Treasurer providing Members with information relating to the administration of the Fund over the year to date and providing an update on key issues and initiatives which impact the Administration Team.

The Head of Pensions Administration presented the report, highlighting the following:-

### **Administration Agreements and new Academies**

The demand for admission agreements and conversions to academies remained high.

### **Membership Statistics**

Outstanding work was being cleared providing a more accurate membership position.

### **Throughput Statistics**

Throughput statistics were presented demonstrating the demand the team are experiencing along with the volume of telephone calls and emails handled in the period.

### **Performance Statistics**

Work continued with employers to improve the quality of information received with a view to moving towards more automated and regular data exchanges.

### **Commendations and Complaints**

Details of the commendations and complaints received since January 2018 were outlined, together with the lessons learned in respect of the complaints.

### **Annual Benefits Statements 2018**

Processing of the 2018 year end data had commenced with 80 of the 147 expected returns received by 30 April 2018 and a further 30 having been received prior to the meeting. Good progress was being made on the development of the statements and their progress was in a better position than the previous year.

### **Pensioner Newsletter**

This had been issued to all pensioners on 29 March 2018.

### **GMP Reconciliation**

This was ongoing, with 63k done and a further 30k to complete. It was expected that the 30 September 2018 completion date would be met.

### **General Data Protection Regulations (GDPR) 2018**

A NYPF Privacy Notice had been produced with the assistance of North Yorkshire County Council's Information Governance Team. The Notice had been posted to the NYPF website. Details of the Notice would be provided to Members, along with the other Scheme governance documents, for review and approval, at the July meeting of the Pension Fund Committee.

## **Breaches Policy and Log**

Details were provided as an Appendix to the report, which were unchanged since the previous meeting.

## **Efficiency Initiatives**

Work was ongoing in terms of reducing the list of letters currently used, together with various efficiency initiatives being developed. Progress has slowed due to lack of dedicated resource being available.

## **LGPS Amendment Regulations 2018**

These took effect on 14 May 2018 and work was being undertaken to identify the impact of the Amendment Regulations to ensure the Scheme was operated in accordance with those. An update would be provided to the July meeting of the Pension Fund Committee.

## **Exercise of Discretion for Payment of Death Benefits**

Further to the discussion on this matter at the previous meeting it was noted that this had been referred to the NYPF legal adviser who had suggested changing the wording of the Discretions Policy so that it was less restrictive and less emphasis was placed on the nomination form. An extract from the current Administering Authority Discretions for North Yorkshire County Council document was provided as an Appendix to the report showing the current wording in place. Also included was the proposed wording, as suggested by the legal adviser, which made clear that personal circumstances, at the time of death, would also be taken into account in the decision making process. Also, following on from the previous meeting, legal advice had been sought on the delegation of the decision making process to the Treasurer, as there was a potential that it could relate purely to following a legal route in terms of exercising discretion for the payment of death benefits. The legal advice made it clear that this was not the case and it remained appropriate for such matters to be brought to the Pension Fund Committee and that no change was required in respect of that element of the policy.

## **Member Training/Meeting Timetable**

Details of the Members' training record, upcoming courses, seminars and conferences and the latest timetable for forthcoming meetings were provided as Appendices to the report.

Members discussed the report and the following issues and points were raised:-

- ◆ In respect of one of the complaints outlined within the report and the subsequent potential tax issue, the potential difficulty created for the family was noted.
- ◆ In response to an issue raised by a Member, relating to the NYPF Privacy Notice published in response to GDPR, and that document coming to the Pension Fund Committee in July 2018 for approval, it was noted that the Notice, published in consultation with the County Council's Information Governance Team, provided adequate compliance, prior to approval by the Committee.

- ◆ The pros and cons of the implementation of GDPR were discussed and it was noted that the implementation of the Regulations was designed to protect individuals from the misuse of information.
- ◆ A Member praised the Administration Team for their excellent service to the Pension Fund and moved that the Committee record a note of commendation to the Team.

#### **Resolved -**

- (i) That the contents of the report be noted;
- (ii) That the contents of the Breaches Log be noted;
- (iii) That the change of wording for the exercise of discretion for payment of death benefits (Section 6 and Appendix 4 of the report) be approved;
- (iv) That the Committee commends the Administration Team of North Yorkshire Pension Fund for the excellent service delivered on behalf of the Fund.

### **57. Budget/Statistics**

Considered -

The report of the Treasurer outlining the following:-

- (a) The outturn position for 2017/18.
- (b) The draft 2018/19 budget for the Fund.
- (c) NYPF Business Plan.
- (d) The three year cashflow projection for the Fund.
- (e) Timetable for NYPF accounts approval.

#### **2017/18 Outturn**

The total budgeted surplus of £38m was on a cash basis and included £26m of past service deficit that was paid in advance by employers, relating to 2018/19 and 2019/20. The outturn for 2017/18 was £0.2m below budget with a surplus position of £37.8m. Key variances were:

- ◆ Pensions payments were over budget by £2.6m, lump sums were under budget by £3.5m resulting in a net underspend of £0.9m against the budget.
- ◆ Investment fees and performance fees were over budget by £0.9m and £3.8m respectively.
- ◆ Transfers in were over budget by £6.3m and transfers out by £4m resulting in a net increase in income of £2.3m against the budget.

#### **Draft Budget 2018/19**

Following the presentation of a preliminary draft budget at the February meeting the latest draft budget was brought back to the meeting for Members to approve. The

budget had been prepared under the new format, as outlined at the previous meeting, with the draft budget and cash-flow position of the Fund presented separately.

The total draft Fund budget for 2018/19 was £22.6m. The budget was developed on an accruals basis so reflected all expenditure relating to the financial year rather than what was actually expected to incur on a cash basis.

The budget also included a forecast outturn against the budget which would be updated on a quarterly basis. Any large variances to the budget would be explained in the narrative of the report.

Key changes to the figures from the 2017/18 budget were as follows:-

- ◆ The budget for the Administration Team had increased by £88k.
- ◆ Investment based fees had been increased to reflect the increase in the value of the Fund which the fees were based on.
- ◆ Pooling implementation costs and the GMP project were one off budgets for 2018/19.
- ◆ The budget for ongoing pooling costs had been included in the 2018/19 budget.
- ◆ Other administration and other oversight and governance budgets had been reduced as items had been taken out and included as a separate budget to provide Members with clearer detail.

### **NYPF Business Plan**

A draft NYPF Business Plan would be presented to Members at the July Pension Fund Committee meeting along with other Fund governance documents.

### **Three Year Cash-flow Projection**

The cash position of the Fund was presented as an Appendix to the report. This provided the projected cash-flows of the Fund for the next three years.

The estimated cash-flow for the Fund in 2018/19 was £4.6m deficit. The deficit was due to the £13m prepayment of past service deficit costs by employers relating to 2018/19 in 2017/18. There was also an estimated deficit in 2019/20 again due to prepayment of deficit in 2017/18. In 2020/21 the Fund was estimated to be back in a surplus cash position as it was assumed that deficits would be paid in that year by all employers.

### **NYPF Accounts and Annual Report Approval Timetable**

It was noted that the County Council now had an earlier deadline for the production of the Statement of Final Accounts (SOFA) which would include the North Yorkshire Pension Fund accounts. The deadline to publish the draft SOFA was 31 May 2018 and the deadline for Audit Committee approval of the final SOFA was 31 July 2018. As a result it was proposed that the Pension Fund Committee approve the North Yorkshire Pension Fund draft SOFA on 5 July 2018, the next meeting of the Committee.

The following issues and points were raised during discussion of the report:-

- ◆ The increase in the implementation fees for the pooling arrangements was discussed. A Member suggested that the additional fees would be better utilised by the NYPF. It was acknowledged that implementation fees had increased, however, it was emphasised that when the Pool became operational investment fees should be reduced, which in turn would create savings for the NYPF.

Members were sceptical that the pooling arrangements would create the envisaged savings on investment fees. The Treasurer noting that, as had previously been explained, there would be a period of time before the reduction in investment fees overcame the additional costs required to undertake pooling, with that expected to be around year 6 for NYPF. Members raised concern regarding the potential loss of performance in terms of the investments, through pooling arrangements, in comparison to the performance of the NYPF currently.

- ◆ The Chairman, as at previous meetings, raised the issue of hidden fees and how future transparency would identify those. He considered that Members would then see the full extent of the fees paid in terms of investments and that these were substantially more than were currently identified. It was noted that additional information was now being provided, in terms of fees, which enabled a truer position to be reflected in the budgetary documents provided to the Committee and were included this time, hence the increased figure provided within the report. It was suggested that without the true fees figure being in place it would be difficult to provide a comparison in terms of performance by the NYPF against the Pool's investments. It was noted that some Pension Funds, for example the Tyne and Wear Pension Fund, had begun to identify, and publish, hidden fees and, going forward, it was expected that this would be the case for NYPF. Further updated details would be provided to the next meeting of the Committee.
- ◆ In terms of the three year cash-flow projection it was noted that larger employers could pay their past service deficit three years in advance which resulted in them benefitting from a slightly lower payment.
- ◆ A Member noted that, previously, the report included details of rebalancing undertaken prior to new investments. He noted that this information was no longer provided and asked why this was the case. It was explained that the details were merely funds going in and out of the Fund each quarter, however, it was agreed that the details be provided in future performance reports, as that was of interest to Members.
- ◆ Members stated their appreciation to the new layout of the report, which was much easier to read than previously. The author of the report, Amanda Alderson, was thanked for her approach to this matter and for the work that she and her team had undertaken in relation to this.

#### **Resolved -**

- (i) That the draft 2018/19 budget be approved; and
- (ii) That the contents of the report be noted.

#### **58. Performance of the Fund's Portfolio**

Considered -

The report of the Treasurer providing details of the investment performance of the overall Fund, and of the individual Fund Managers, for the period to 31 March 2018.

The report indicated that the absolute overall return for the quarter (-1.5%) was above the customised benchmark for the Fund (-2.7%) by 1.2%.

The 12 month absolute rolling return was +8.4%, 5% above the customised benchmark. Absolute and relative returns over the rolling years to each of the last four quarter ends were provided by way of comparison.

The report provided details of individual Fund Managers performance in respect of the following asset classes:

- ◆ Overseas equities.
- ◆ Global equities.
- ◆ UK equities.
- ◆ Fixed income.
- ◆ Property.
- ◆ Diversified Growth Funds.
- ◆ Private debt.

Details relating to risk indicators, solvency, rebalancing and proxy voting were also provided.

Leslie Robb, Independent Adviser, was introduced to the Committee. It was noted that Mr Robb would act as Independent Adviser to the NYPF until March 2019, on a temporary basis.

The Fund's Investment Consultants, AON Hewitt, and Leslie Robb, Independent Adviser, provided analysis of the performance of the Fund during the quarter and the following issues were highlighted:-

- ◆ The Fund's investments had seen a slight fall in performance during the quarter with solvency falling from 109% to 107%, a fall in assets of around £4m.
- ◆ There had been a general fall in equity markets during the quarter which had resulted in the small downturn, however, the position appeared to be reversing during the current quarter.
- ◆ The position of Fund Managers was highlighted and it was noted that, generally, the move towards diversification appeared to have been successful.
- ◆ The reason for the slight downturn was highlighted and it was noted that this had resulted from some positive data in the USA, resulting in a series of financial responses.
- ◆ The overall Fund continued to outperform the set benchmark.
- ◆ The key developments in terms of Fund Managers were outlined in detail and the current rating for each were provided.
- ◆ The Independent Adviser, Leslie Robb, also provided his analysis of the quarterly performance.

Members discussed the report and the following issues and points were raised:-

- ◆ Concerns were raised regarding the performance of some of the Diversified Growth Funds (DGFs). The purpose and role of the DGFs was discussed and it was noted that these had been obtained to protect the solvency position of the Fund, in respect of the continued volatility of world markets, and, to some extent, that strategy had been successful. Members suggested that there were alternative methods of investment, which were low risk in terms of market volatility and would produce better returns for the Fund than the DGFs.
- ◆ The ever changing position in terms of socially responsible investment, how this was determined, and the difficulties faced in respect of this in terms of different pressure groups requiring different investments.
- ◆ The cautious strategies of some of the Fund Managers and balancing returns from investments against maintaining the solvency position of the Fund.

#### **Resolved -**

That the report, updates, and issues raised be noted.

### **59. Cash-flow Projection of the Fund**

#### **Considered -**

The report of the Treasurer provided Members with an update on the cash-flow position of the Fund and the estimated date when the Fund would go cash-flow negative.

It was noted that Pension Fund Committee Members had requested an indication of when the Fund was likely to go cash-flow negative and, as a result, the actuary, AON Hewitt, had provided information in relation to that in an Appendix attached to the report.

The Appendix provided an indication of how the contributions to, and benefit payments from, the Fund would progress over the next ten years under the following two scenarios:-

- ◆ Scenario 1 - Assuming that there would be no new entrants to the Fund to replace any leavers.
- ◆ Scenario 2 - Assuming a steady membership.

Key assumptions had been utilised to produce the results of the report and were based on the 2016 triennial valuation. Further details on the assumptions used in the 2016 triennial valuation were attached as Appendix 2 to the report. The assumptions used included:-

- ◆ Membership data.
- ◆ Employer contribution rates and deficit contributions.
- ◆ Life expectancy.
- ◆ Age of drawing pensions.
- ◆ Pay and pension increases.

Under scenario 1 it was estimated that the Fund would remain cash-flow positive until 2021/22. It was emphasised, that the most realistic scenario was no. 2. Under that scenario the Fund was estimated to become cash-flow negative in 2025/26, when the costs of administering the Fund were taken into account, and 2027/28 when they were not. The costs of administering the Fund that had an impact on the cash-flow were



currently estimated at £12.6m per annum as detailed in 2018/19 budget and cash-flow statement.

In conclusion it was suggested that, to ensure that the outflows of the Fund were covered by the inflows, as the Fund moved closer to a cash-flow negative position, alternative income generating opportunities would need to be considered, and these would feature in future investment strategy deliberations. The monitoring of the cash-flow position would continue and feature as part of the new budget report.

It was noted that the Investment Consultants, AON Hewitt, present at the meeting, were not acting on behalf of the actuary, also AON Hewitt.

Members noted that there had been some concerns regarding the possibility of the Fund becoming cash-flow negative in the near future, however, the report indicated that this was not imminent and brought some relief.

The Investment Consultants highlighted the advantages of being in the position detailed and the investment possibilities available.

The reason for providing the two scenarios, despite scenario 1 being unlikely to happen, were clarified.

It was noted that the unsustainability of direct benefits schemes meant that there was likely to be significant change to public sector pensions in the coming years.

#### **Resolved -**

That the contents of the cash-flow report produced by the actuary be noted.

---

**Minute Nos. 60 and 61 included confidential Appendices, as detailed at Minute No. 52, and, as such, the Minutes below reflect the confidential nature of some of that information.**

---

#### **60. Investment Strategy Review Update**

Considered -

The report of the Treasurer updating Members on progress towards the implementation of the agreed Investment Strategy changes as a result of the recent Investment Strategy Review.

Members were reminded that the following changes had been agreed to the current Investment Strategy:-

- ◆ To de-risk the Fund in light of the current funding level by disinvesting 10% from equities.
- ◆ To re-invest this 10% in other alternative property classes, including insurance link securities and property debt.
- ◆ To introduce an element of currency hedging within the Fund.

Updates were provided in relation to these.

## **Insurance Link Securities Manager Procurement**

An appropriate procurement exercise had been undertaken resulting in Leadenhall Capital Partners being awarded the contract as Insurance Link Securities Manager. The initial investment would be £80m in total and officers were currently working with Leadenhall and the consultants to ensure that the necessary documentation was completed to transfer funds by June. In order to provide diversification the investment would be split equally across three Leadenhall funds - Diversified Fund, Nat Cat Focus Fund and Remote Fund. Details of the funds were provided in the confidential Appendices.

It was noted that, due to current capacity limitations within the Leadenhall funds, the initial investment allocation had been lower than the £160m agreed by Members. It was anticipated that the investment would be increased once further capacity was available. Members were asked to delegate authority to the Treasurer to invest up to the agreed £160m investment when the capacity was available.

Details of the disinvestment that had taken place to produce the £160m were outlined and it was noted that this had been placed into a money market fund in the short term until the transfer to the Insurance Link Securities Manager could take place. It was proposed to move the remaining £80m, following the initial allocation in June, to fixed income until the investment opportunity became available and Members were asked to approve this transfer.

A Member raised some issues regarding the procurement process and the specifications for the contract. The Treasurer and the Investment Consultants both explained the parameters of the procurement and emphasised that a quality manager had been appointed as a result. It was expected, given the high standards set, that the performance of the manager would be at an appropriate level for the Fund.

## **Property Debt Manager**

The Treasurer noted that prior to the commencement of a procurement process for a Property Debt Manager, as previously agreed by Members, a property debt workshop had been arranged for 25 May 2018 to provide Members with an educational session on the asset class. The Investment Consultants provided details of who would be attending the workshop and the likely duration of the session.

## **Currency Hedging**

The principle of re-introducing some currency hedging, utilising Fidelity's currency hedging facility, had been agreed, previously, by Members. Work had taken place with Fidelity, and the Fund's consultants, to ensure that the appropriate paperwork was in place to enable currency hedging to be undertaken when appropriate. It was noted that during the Pension Fund Committee meeting in February the currency levels, and timing of hedging were discussed, and it was agreed that 50% of the underlying Euro and Yen currency exposures within Fidelity portfolio be hedged. Following changes to market conditions it was considered appropriate that the Investment Consultants provide an update on this approach at this meeting to determine if it was still appropriate.

The Investment Consultants provided an update highlighting the current position in respect of the proposed currency hedging, indicating that this could still go ahead, however, there was little added value for the Fund in undertaking this and currency hedging would not be offered under the pooling arrangements, therefore, the position would be unlikely to be available once the pooling arrangements were in place. The Independent Adviser also indicated that there appeared to be little gain for the Fund in

undertaking the currency hedging as had been outlined. It was emphasised that it was difficult to predict whether currency hedging would be of benefit to the Fund and, if so, to what level.

Having taken account of the issues raised by Investment Consultants and the Independent Adviser, Members considered it appropriate not to continue with currency hedging.

**Resolved -**

- (i) That the contents of the report be noted;
- (ii) That authority be delegated to the Treasurer to increase the investment in insurance link securities, up to £160m, when the capacity becomes available;
- (iii) That the transfer of £80m into fixed income in the short term, pending opportunities to invest further in insurance linked securities managed by Leadenhall Capital Partners, be agreed; and
- (iv) That the option for currency hedging be no longer pursued following the advice received.

**61. Pooling Arrangements**

Considered -

The report of the Treasurer updating Members on the progress towards the Government's announced proposal to pool the assets of LGPS Funds.

The following updates were provided:-

- ◆ Work continued towards ensuring that the Pool was operational from 2 July 2018.
- ◆ FCA approval had been gained.
- ◆ The ACS prospectus had been developed.
- ◆ A three year operating budget had been approved.
- ◆ The current area of focus related to the launch of the upcoming sub funds, transition planning and the recruitment and TUPE of staff.

**Shareholder Directors on the BCPP Board**

Agreement had been reached to the principle of appointing two Shareholder Directors to the BCPP Board with full standing, including voting rights. The Directors would be selected by the Joint Committee through an exhaustive ballot process at the July 2018 meeting. If selected, current Members of the Joint Committee would no longer sit on that body. Directors appointed through the Joint Committee would serve no more than two consecutive terms. Details of the role were provided in the confidential Appendix to the report. It was noted that Members of the Pension Fund Committee could put themselves forward for the role.

**BCPP Business Plan and Annual Budget**

Shareholders had agreed the Strategic Business Plan and provided support for regulatory capital draw-down in May 2018. Details were provided in a confidential Appendix to the report.

### **Transition Plan**

Details of the current high level draft transition timeline were provided, with internal funds (UK and global equities) being the first area to be subject to transition. A working group of BCPP staff and partner fund officers, including NYPF, were working on the launch of the UK Equities Sub Fund during Quarter 3 2018.

The procurement process for the procurement of external managers was currently being finalised and would be shared with Funds once that was available. An external adviser was being appointed to assist with the early procurement process. BCPP were holding information days with existing Fund Managers to explain the procurement process to them.

The Pension Fund Committee would be provided with appropriate information prior to the launch of the sub funds to enable the transition of funds into sub funds and the disinvestment from current managers. BCPP had appointed Relationship Managers and they would attend future meetings of the Pension Fund Committee to further explain the transition plan and support due diligence information if necessary. A Transition Adviser had been appointed for the internal and UK equity transitions, advising both the Pool and the partner funds.

Members discussed the report and the following issues and points were raised:-

- ◆ The possibility of transferring UK equities to internally held funds, as part of the transition process, was raised. It was emphasised that this would not have to take place in the initial transition tranche, when the internal funds were established, as this would be a change in investment strategy for NYPF, therefore, this could be undertaken, following due diligence, well beyond the start date.
- ◆ It was suggested that a meeting be established between the Pool's Relationship Manager, the Chief Executive of the Pool and Pension Fund Committee Members to discuss the transition procedure and planning, in depth, with a view to providing Members with greater detail on this process. The Treasurer stated that he would make enquiries as to when this could be undertaken.
- ◆ No external fund managers had been appointed as yet, however, the process was due to commence shortly.
- ◆ Details of the proposed replacement of the Interim Chief Investments Officer were provided and it was noted that a permanent appointment would be taking place shortly.
- ◆ A discussion took place involving Members, the Treasurer, the Investment Consultants and the Investment Adviser in relation to the Investment Strategy of NYPF and how that would be developed, going forward, in relation to the pooling arrangements. Issues around investments in equities, bonds and the various diversified funding opportunities that were being explored were highlighted. Concerns were again expressed in relation to the performance of Diversified Growth Funds.

- ◆ Members again emphasised the need to lessen the risk to the Fund's investments and for the exploration of diversified investment opportunities to maintain that strategy.
- ◆ A Member highlighted the importance of the Shareholder Directors that were to be appointed to the Board of the Pool. He emphasised the need for those representatives to be challenging, resilient and able to represent the views of the 12 Pension Funds, ensuring their interests were fully considered. He also called on the arrangements to be made more public and for better communication between the Pool and the Pension Fund Committee. The issues raised were acknowledged and it was emphasised that a meeting between the Pension Fund Committee and representatives of BCPP would be arranged.
- ◆ Information relating to the governance model and the appointment of Internal Auditors was requested. It was stated that these issues had been addressed during the establishment of the Pool, however, checks would be made and information provided to the Member in relation to these. The Treasurer noted that many of the details coming out of the pooling arrangements had, initially, to be approved by the 12 bodies involved and, therefore, delays were experienced in terms of being able to publish that material, until the bodies had given their approval to those. It was expected that information in respect of the governance arrangements would be available for subsequent NYPF related meetings.
- ◆ It was emphasised that BCPP was attempting to be as transparent as possible as the "go live" date approached, however, there were issues still subject to due diligence and, therefore, not able to be published at the present time.
- ◆ It was noted that prior to the transition of the NYPF investment funds these would have been comprehensively discussed at the Pension Fund Committee, with agreement as to how to move forward in relation to that having been established.

#### **Resolved -**

- (i) That the contents of the report, and updates provided, be noted;
- (ii) That arrangements be made for a meeting between the Pension Fund Committee Members and a Relationship Manager/Chief Executive of the Border to Coast Pooling Partnership;
- (iii) That, should he decide to put himself forward for the role of Shareholder Director on the BCPP Board, the Committee supports John Weighell, and should he be successful in obtaining that position, another representative of the Pension Fund Committee be appointed to the Joint Committee of BCPP.

## **62. Pension Board - Draft Minutes of the Meeting held on 12 April 2018**

Considered -

The draft Minutes of the Pension Board held on 12 April 2018.

The Chairman of the Pension Board highlighted the following significant issues that had been discussed at that meeting:-

- ◆ Pooling issues and governance.
- ◆ Budgets/cash-flow.
- ◆ He noted that there had been no applications for the current Employer Representative vacancy on the Pension Board and further consideration would be given as to how to fill the vacancy.
- ◆ An issue discussed at the meeting related to Pension Board Members being required, by statute, to undertake training in respect of their role, but this was not required for Pension Fund Committee Members. Pension Board Members recognised the experience, training and understanding of Pension Fund matters embedded into the current membership of the Pension Fund Committee, but had concerns, going forward, of how those factors would be addressed when the membership of the Committee changed and inexperienced Members were brought in.

Members acknowledged the issues raised and were aware of a move towards accreditation in terms of experience, training and knowledge for Pension Fund Committee Members and it was expected that this would be addressed through regulations in the near future. The Treasurer also stated that discussions were held with new Members of the Pension Fund Committee as to what appropriate training should be undertaken to assist their service to the Committee.

**Resolved -**

That the Minutes, and issues raised, be noted.

The meeting concluded at 13.15 pm

SL/JR