



Local Pension Board

Date Thursday 6 June 2019
Time 2.00 pm
Venue Committee Room 2 - County Hall, Durham

Business

Part A

**Items during which the Press and Public are welcome to attend.
Members of the Public can ask questions with the Chairman's
agreement.**

1. Apologies for Absence
2. Declarations of Interest (if any)
3. The Minutes of the Meeting held on 14 March 2019 (Pages 3 - 6)
4. Observations from Pension Fund Committee held on 6 June 2019
5. Key Performance Indicators - Verbal Update
6. Review Training Approach - Verbal Update
7. Date of Next Meeting
8. Any Other Business

Helen Lynch

Head of Legal and Democratic Services

County Hall
Durham
29 May 2019

To: **The Members of the Local Pension Board**

Scheme Employer Representatives

Councillors A Hopgood and F Tinsley (1 vacancy)

Scheme Member Representatives

IR Densham, N Hancock and G Sykes

This page is intentionally left blank

DURHAM COUNTY COUNCIL

At a Meeting of **Local Pension Board** held in Committee Room 2 - County Hall, Durham on **Thursday 14 March 2019 at 2.00 pm**

Present:

Councillor A Hopgood (Chair)

Scheme Member Representatives:

I R Densham, N Hancock and G Sykes

Officers:

Paul Cooper – Pensions Manager

Beverley White – Finance Manager

Ashleigh Phillips – Pensions Team Leader

Bryan Smith – Legal Manager - Litigation

1 Apology for Absence

An apology for absence was received from Councillor F Tinsley.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes

The Minutes of the meeting held on 6 December 2018 were agreed as a correct record and were signed by the Chair.

Matter Arising

BCPP – Decision-making

At the last meeting Board members had asked Officers to consider the feasibility of establishing a Sub-Committee of the Pension Fund Committee which would be authorised to make decisions relating to pooling between Committee meetings. Paul Cooper advised that the timescales estimated by the BCPP at the Committee in December 2018 were not as immediate as had been expressed, and for the time-being decision-making was in alignment with the Committee cycle.

4 Observations from Pension Fund Committee held on 14 March 2019

Neville Hancock and Ian Densham were in attendance at the Pension Fund Committee and provided observations from the meeting.

Neville Hancock referred to the Cost Management Process which had been paused due to a Court of Appeal case relating to transitional protections for older scheme members in other public sectors on the grounds of age discrimination. Running costs of public sector schemes were below the cost cap floor, resulting in available funds for a package of possible member benefit improvements. The implications of the outcome of the McCloud legal case may change the running cost of the scheme, and the way in which Cost Management is implemented.

Ian Densham observed that there had been questions of the Managers by the Committee and as proposed by the Board, the Chairman had reminded Members to pose the questions suggested by the Advisers to the attending Managers from CBRE and Mondrian.

Neville Hancock noted that the Investment Strategy Statement (ISS) was currently out to consultation with employers, and that the legislation stated that the consultation should also include key stakeholders. He understood that scheme members should be classed as a key stakeholder. Paul Cooper stated that scheme members were represented on the Local Pension Board and had received the ISS as part of the papers for the Pension Fund Committee meeting. The Chair asked that the ISS be sent to the member representatives on the Board to give an opportunity to respond to the consultation.

AGREED that the information given be noted and scheme member representatives be sent a copy of the draft ISS as part of the consultation process.

5 Local Pension Board Annual Report

Members considered the Local Pension Board Annual Report for 2018/2019 which provided an overview of the work completed during the year and confirmed the Work Plan which would help frame the work of the Board over the next two years (for copy see file of Minutes).

In discussing the Annual Report Members requested that a record of member attendance at Board meetings be included.

Performance statistics were scheduled for review in June 2019. Paul Cooper advised that Officers were in discussion with the software supplier to develop a system for presenting key performance indicators but it was unlikely that this would be completed before the June deadline. The Chair asked that the Board be provided with an overview of the position at the next meeting.

AGREED that

- a) the Annual Report be confirmed, subject to the inclusion of member attendance at meetings;
- b) the Report be submitted to Pension Fund Committee on 6 June 2019.

6 Local Pension Board Membership

The Board considered a report of the Corporate Director of Resources which provided Members with an overview of the terms of office for scheme employer and scheme member representatives which expired between June and September 2019 (for copy see file of Minutes).

The expiry date for each Member was included in the report. In accordance with the Terms of Reference, the term of office for Board Members could be extended by the Administering Authority with the agreement of the Board.

The Members present were asked to consider whether they wished to continue for a further term. Councillor Amanda Hopgood, Ian Densham and Neville Hancock confirmed that they wished to extend their terms of office, and Geoff Sykes advised that his membership would end on 26 June 2019. Scheme employer representative Councillor Tinsley's views were not known at present. There was currently one vacant scheme employer position on the Board.

Geoff Sykes asked about the potential legal liability of Board members given their responsibilities in assisting the Administering Authority in securing compliance with the Regulations and ensuring the effective governance and administration of the scheme. This had been raised at the BCPP National Conference last year and the Member enquired if this had been addressed. The Member was advised that this would be explored further.

AGREED that the proposals for advertising for replacement Members and to fill the vacant scheme employer position be noted.

7 Communications Review

The Board considered a report of the Corporate Director of Resources which provided Members with details of how different stakeholder groups received communication from the Pension Fund, and explained plans to develop the Communication Strategy (for copy see file of Minutes).

Board Members considered future developments for employers and members, and discussed at length proposals for a scheme member web facility which would provide a range of on-line services, including annual benefit statements which were currently communicated by post. Geoff Sykes made the point that on-line communication may be an issue for some scheme pensioners.

Councillor Hopgood stated that a single web-based facility would be beneficial and would reduce the existing costs of communication with employers and members.

AGREED that the report be noted.

8 Internal Dispute Review Procedure (IDRP) Cases

The Board considered a report of the Corporate Director of Resources which provided a summary of IDRP cases over the four years from 1 April 2015 to 31 March 2019 (for copy see file of Minutes).

Members were informed that from April 2019 the Pension Fund would monitor and detail the outcome of all Stage Two appeals and any rulings of the Pensions Ombudsman in respect of the Fund or its employers.

In discussing the cases the Board considered that it should be informed when a case had been referred to the Pensions Ombudsman and had not upheld the Administering Authority's decision. This would assist the Board in ensuring that there were no patterns emerging in the way dispute cases were considered. It was also suggested that an annual breakdown of the outcome of cases referred to the adjudicator be included in the Work Plan, together with the rulings of Pensions Ombudsman cases.

AGREED that

- a) the report be noted;
- b) an annual breakdown of cases as outlined above be included in the Work Plan;
- c) the Board be informed of Ombudsman rulings in cases where the decision of the Administering Authority had not been upheld.

9 Date of Next Meeting

AGREED that the next meeting be held on Thursday 6 June 2019 at 2.00pm following Pension Fund Committee.

10 Any Other Business

Neville Hancock reported that Nicholas Wirz had been appointed as scheme member representative on the BCPP Joint Committee. The Board would receive updates from Mr Wirz following Joint Committee meetings.

AGREED that the information given be noted.