

DURHAM COUNTY COUNCIL

At a Meeting of **Local Pension Board** held in Committee Room 2 - County Hall, Durham on **Thursday 6 June 2019 at 2.00 pm**

Present:

Scheme Member Representatives:

Ian Densham, Neville Hancock, Councillor A Hopgood and Geoff Sykes

Officers:

Paul Cooper – Pensions Manager

Beverley White – Finance Manager

Bryan Smith – Legal Manager - Litigation

1 Election of Chair

Resolved:

That Ian Densham be elected as Chair of the meeting.

2 Apologies for Absence

An apology for absence was received from Councillor F Tinsley.

3 Declarations of Interest

There were no declarations of interest.

4 Minutes

The Minutes of the meeting held on 14 March 2019 were agreed as a correct record and were signed by the Chair.

5 Observations from Pension Fund Committee held on 6 June 2019

Ian Densham said that one good feature was that between presentations members had asked questions and commented on what had been reported. He suggested that a dedicated time slot be allocated for the Local Pension Board to feedback to the committee.

Councillor Hopgood pointed out that the Chair had asked the members if they were happy for the Advisers to ask some questions but she would not like to see questions solely from the Advisers. She thought members should be prompted to ask the questions.

Bryan Smith said that there was a right to monitor the level of challenge but rather than making a recommendation this could be monitored at the next meeting, and could be referred to the Chair of the Pension Fund Committee at the next briefing. Paul Cooper added that it was fair to reflect that there were questions asked and that the Chair had asked if members were happy for the Advisers to ask the questions.

Referring to matters arising, Councillor Hopgood said that last time the board had discussed Border to Coast representation and a report was circulated for information. She asked that the report should be included on the agenda for future meetings.

Bryan Smith explained that the main business should be reported to the Pension Fund Committee however, Councillor Hopgood said that this was for information for the scheme members.

6 Key Performance Indicators - Verbal Update

Paul Cooper reported that he had engaged with the software supplier and meetings had been held between the fund's Technical Manager and Civica to discuss what Civica should be focusing on. Key Performance Indicator's (PI's) would be a focus for Civica and would reflect the Disclosure Regulations for all funds, as well as how we could have localised PI's. He added that board members may be able to inform those local PI's and this could be discussed once the intel was available.

7 Review Training Approach - Verbal Update

Paul Cooper advised that last year's self assessment training was completed and it was intended to roll that out again this year.

Councillor Hopgood suggested that this be deferred until September when new members were in post.

8 Date of Next Meeting

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

9 Any Other Business

Ian Densham queried where we were at with the Funding and Investment Strategy Statements as only minor amendments had been published. He also referred to an annual review of the asset allocation.

Paul Cooper advised that the investment strategy is reviewed regularly, and that the Funding Strategy Statement would be reviewed as part of the valuation process.

Referring to the Durham Pension Fund Committee Advisers Ian Densham asked if there was an equivalent on the BCPP Joint Committee. Paul Cooper advised that they do not have an adviser, but the Joint Committee is attended by members of BCPP's Board. The Joint Committee fund representatives are all from Partner Funds, who have their own independent advisers.

Bryan Smith added that the BCPP were experts in delivering the investments and we would be represented at future meetings. A make up of the board would be circulated.

Geoff Sykes asked if there had been a report to committee about how much we put in initially. Paul Cooper replied that the majority of investment costs would be proportionate, based upon the value of assets under management. It was noted that we had not yet invested with BCPP, and our costs incurred to date have reflected the set up and operating costs of the company, and would be reflected in the annual accounts, reported to committee in September.

Referring to the Internal Audit Plan, Geoff Sykes had asked for pooled investment to be included last year. Paul Cooper responded that this had been delayed last year due to not investing in any of BCPP's funds to date. Geoff went on to ask for a review of the whole governance arrangements.

Geoff Sykes asked if the legal liability for board members had been resolved. Bryan Smith replied that as board members were not making decisions the level of exposure would not be high, however he did understand the concern.

Councillor Hopgood added that it would have to be proven that you had been negligent and therefore she did not see any cause for concern. Bryan Smith would look into this and report back.

Paul Cooper would inform the board members should any of the funds be hosting any events regarding the Pension Regulations that they could attend.

With regards to Woodford, Paul Cooper advised that we have no direct investment with Woodford, but have underlying holdings through one of our asset managers, BlackRock. Further details were awaited from Brock regarding the underlying holdings with Woodford though it was noted that the underlying investment was not in The Woodford Equity Income Fund which had been in the news.