

DURHAM COUNTY COUNCIL

At a Meeting of **Local Pension Board** held in Main Hall, Town Hall, Durham on **Thursday 5 December 2019 at 2.00 pm**

Present:

Ian Densham (Chair)

Scheme Employer Representative:

Councillor F Tinsley

Scheme Member Representative:

Neville Hancock

Officers:

Paul Cooper – Pensions Manager

Beverley White – Finance Manager

Ashleigh Phillips – Pensions Team Leader

1 Apologies for Absence

An apology for absence was received from Councillor Hopgood.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes

The Minutes of the meeting held on 17 September 2019 were agreed as a correct record and were signed by the Chair.

Matter Arising from the Minutes

Review of Asset Voting and Engagement Processes

Paul Cooper advised that a revised Responsible Investment Policy and Corporate Governance and Voting Guidelines had been approved by the Pension Fund Committee. The documents were available to view on BCPP's website.

4 Observations from Pension Fund Committee held on 5 December 2019

Ian Densham was in attendance at the Committee, and provided his observations from the meeting. He was pleased that Members of the Committee had asked questions of the Advisers, Managers from CBRE and Rachel Elwell of BCPP.

Paul Cooper highlighted the following key points from the meeting:

BCPP

£1.2bn in equities had been transitioned and Rachel Elwell reported on progress and performance to date. The Fund had an unexpectedly strong performance, and had outperformed by 2%. Durham benefitted by 0.9%. A more detailed update would be presented to the March Committee.

Implementation shortfall was the measure used by the Transition Manager to effect transition. The transition was carried out gradually in a measured way to reduce risk.

CBRE

CBRE had been in attendance and promoted a new product, a Global Alpha Fund designed to improve liquidity and to assist with pooling. The proposal was in the very early stages and Members agreed to wait until more details were received before making a decision.

Multi-Asset Credit (MAC)

The Committee agreed to give its indicative support to BCPP's MAC product, prior to making an investment decision at the March meeting, subject to final details of the offer. Training had been delivered to Members on 2 December to assist with the investment decision, and a further session would be arranged for those Members who had been unable to attend.

AGREED that the observations be noted.

5 Pensions Regulator - Code of Practice for Public Service Pension Schemes - Gap Analysis

The Board considered a report of the Corporate Director of Resources which provided an update on the Council's level of compliance with the Pension Regulator's Code of Practice on the governance and administration of public service pension schemes (for copy see file of Minutes).

Paul Cooper reported that significant work had been carried out in the last year to improve compliance with the Code, including the development of monthly data collection, improvement in data quality and a significant reduction in outstanding work.

Expanding on these areas, Paul Cooper explained that the Council had scored 95% compliance following the work carried out, compared to 75% last year. All outstanding deferred processes had been cleared in advance of the submission of triennial valuation data. A Breach Policy would be developed in conjunction with enhanced reporting and would be submitted to the Board. As with Pension Fund Committee Members, the Local Pension Board had been asked to complete a training self-assessment questionnaire. Ian Densham welcomed the specific training provided for the Committee on asset classes to assist with investment decisions. Work on developing web-based systems for scheme members and employers continued.

Neville Hancock stated that a number of scheme members had said that they had not received a benefits statement for a number of years. Paul Cooper advised that he would explore this further, and report back to the next meeting.

Neville Hancock asked if a template form could be included in respect of Stage 1 IDRPs Appeals. The Board Member was advised that an explanatory leaflet was included in communications. The current arrangements were accepted by the Adjudicator, however this could be discussed with Neighbouring Funds at the next NEPO Forum, and reported to the next meeting of the Board.

AGREED that the report be noted and an update be provided on the matters referred to at the next meeting.

6 Date of Next Meeting

AGREED that the next meeting be held on Thursday 12 March 2020 at 2.00pm.