

DURHAM COUNTY COUNCIL

At a Meeting of **Local Pension Board** held in Committee Room 2, County Hall, Durham on **Thursday 12 March 2020 at 2.00 pm**

Present:

Councillor I Densham (Chair)

Scheme Employer Representatives:

Councillors F Tinsley and A Hopgood

Scheme Member Representative:

Neville Hancock

Officers:

Paul Cooper – Pensions Manager

Beverley White – Finance Manager

Ashleigh Phillips – Pensions Team Leader

Bryan Smith – Legal Manager – Governance and Litigation

Paul Cooper announced the appointment of Mr Les Oliver to the vacant position of scheme member representative. Mr Oliver would be in attendance at the next meeting.

1 Apologies for Absence

An apology for absence was received from Mr Les Oliver.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes

The Minutes of the meeting held on 5 December 2019 were agreed as a correct record and were signed by the Chair.

Matters Arising from the Minutes

Internal Dispute Resolution Procedure (IDRP)

Paul Cooper confirmed that following discussion with neighbouring funds at the NEPO Forum, a template form in respect of Stage 1 IDRP appeals would be drafted and published on the Council's website.

Benefits Statements

At the last meeting it was reported that a number of scheme members had not received benefits statements. On examination it was found that the employees affected did not have a signed admission agreement. Records had now been updated and benefits statements would be issued to those employees.

4 Observations from Pension Fund Committee held on 12 March 2020

Ian Densham and Councillors Amanda Hopgood and Fraser Tinsley were in attendance at the Committee and provided their observations from the meeting.

The Board Members were pleased to note that the Pension Fund Committee had asked some challenging questions of the Managers and Advisers.

Councillor Tinsley referred to the Investment Strategy review and noted the proposed 5% shift from Index Linked Gilts to UK Property but felt that the absence of a risk profile had not been picked up by Members. Paul Cooper advised that a Committee training session on Index Linked Gilts on 6 March 2020 had addressed risks.

Following a question from Ian Densham, Paul Cooper explained that the decision to reduce the allocation to Index Linked Gilts would be included in the ISS, with the Corporate Director of Resources granted delegated authority to update the Strategy to reflect this. The 5% allocation for UK Property would remain with AB for the time-being.

Councillor Hopgood considered that the Pension Fund Advisers' views on the impact of Covid-19 were over-optimistic, and she was concerned about the effects on global and UK markets, and the impact this may have on the Fund. Paul Cooper replied that Durham Pension Fund was a long-term investor, and the 35% allocation in defensive markets would offset the riskier high return investments. The situation would be closely monitored; Officers met regularly with the Chair of the Committee between meetings, and the Chair attended BCPP Joint Committee meetings.

Board Members were informed that the Scheme Advisory Board would review governance arrangements in May 2020. Feedback would be provided at the next Board meeting for consideration, together with a review of the Work Plan.

AGREED:

That the observations be noted.

5 Communications Review

The Board considered a report of the Corporate Director of Resources which provided 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).

Councillor Hopgood referred to the Statement at Appendix 1 and asked if the Local Pension Board should be included in the list of those bodies the Administering Authority communicated with. Paul Cooper confirmed that the Statement would be updated to reflect this.

Neville Hancock noted the proposal for on-line access to benefits statements by scheme members, and welcomed the proposed guide to scheme benefits.

AGREED:

That the Communications Policy Statement be noted, and updated to include reference to the Local Pension Board.

6 Internal Dispute Resolution Procedure (IDRP)

The Board considered a report of the Corporate Director of Resources which provided a summary of the outcomes of internal dispute cases or Pensions Ombudsman cases the Pension Fund had been involved in since April 2019 (for copy see file of Minutes).

Following discussion it was **AGREED:**

That the report be noted.

7 Date of Next Meeting

AGREED that the next meeting be held at 2.00pm on Thursday 11 June 2020.