

DURHAM COUNTY COUNCIL

At a Meeting of Local Pension Board held in the Council Chamber, County Hall, Durham on Thursday 16 June 2022 at 2.00 pm

Present:

Members of the Committee:

Councillors D Stoker

Scheme Member Representatives:

Mr L Oliver and Mrs W Pattison

1 Election of Chair

Nominations were sought for a Chair from the Scheme Member Representatives on the Board.

RESOLVED:

That Mrs W Pattison be elected as Chair.

Mrs W Pattison (in the Chair)

2 Apologies for Absence

Apologies for absence were received from N Hancock and Councillor A Hopgood.

3 Declarations of Interest

There were no Declarations of Interest.

4 The Minutes of the Meeting held on 14 March 2022

The Minutes of the meeting held on 14 March 2022 were agreed as a correct record and were signed by the Chair.

5 Observations from Pension Fund Committee held on 16 June 2022

The Head of Pensions (LGPS), Paul Cooper, informed the Board of the standard items considered by the meeting of the Pension Fund Committee (PFC) in June, including the value and performance of the fund. He noted that the Committee had received reports relating to accounting policies, regulation and a review of Committee terms of reference and training needs. He added the Committee had also received reports relating to investment strategy, though no investment decisions were taken. He explained that the non-Councillor representatives had their term extended for a further four years, retaining their knowledge and experience. He added there had been a report relating to cybersecurity and there had been discussions as regards: the implications of the conflict in Ukraine, including exposure to Russia and the value of those assets being effectively zero; inflation; exposure to China; and the long-term nature of the Pension Fund's investment strategy.

L Oliver asked as regards the size of the investments in Russia that were effectively worth zero, the Head of Pensions noted it depended upon when it was measured, however, it was in the single millions.

RESOLVED:

That the information given be noted.

6 Regulatory Update

The Board considered a report from the Corporate Director of Resources which provided details on developments in matters that were both Local Government Pension Scheme (LGPS) specific, as well as providing an update on non-LGPS specific matters of interest (for copy see file of Minutes).

The Head of Pensions noted Guaranteed Minimum Pension (GMP) was no longer managed by HMRC and therefore all Pension Funds were having to undertake a reconciliation exercise. He noted that had now been completed, with the next stage being rectification of the GMP, adding this was a complex process and the PFC and Local Pension Board (LPB) would be kept up to date as regards progress.

The Chair asked how the GMP was funded, the Head of Pensions noted from the Pension Fund, with pre-1988 and post-1988 elements. L Oliver asked if those elements were treated separately, the Head of Pensions confirmed that was the case.

The Head of Pensions noted other areas referred to included: the Levelling Up White Paper; Good Governance in the LGPS, with a session to follow for Members of the PFC and LPB following receipt of statutory guidance from the Ministry; McCloud; Public Sector Exit Payments Caps; Taskforce on Climate-related Financial Disclosures (TCFD); and boycotts, namely ensuring that Pension Fund decisions were not contrary to UK foreign policy, for example boycotting of Israel. He noted that there was also information relating to 'stronger nudge' and management of direct contributions. He explained that this referred to additional voluntary contributions (AVCs) and the advice given to scheme members.

The Chair asked as regards changes to the protection element, with the Head of Pensions noting that the national minimum pension age would increase to 57 by 2028. L Oliver asked if many people chose to retire at 55, the Head of Pensions noted that for the majority leaving at 55 would result in a hefty reduction in their pension. The Chair asked if the report could reflect changes, the Head of Pensions agreed to consider whether this may be reflected in the report or an appendix reflecting the main changes.

RESOLVED:

That the report be noted.

7 Pension Administration Report

The Board considered a report from the Corporate Director of Resources regarding the Fund's pension administration and service provision to members, as well as providing an update on Key Performance information (for copy see file of Minutes).

The Head of Pensions advised of the performance in the final quarter of 2021/22 with 175 retirement cases, 371 early leavers, 1,504 telephone calls to the Fund's Helpline and 15,995 members had registered for the Fund's Pensions Online portal. He noted that Appendix 2 to the report included information relating to a AVC provider and underperformance. He added that the 2022 Annual Benefit Statement would be shared with the Board.

RESOLVED:

That the report be noted.

8 Training

The Head of Pensions noted a verbal update at PFC in relation to training need analysis and suggested a similar process for the LPB and that a Training Needs Assessment document would be circulated to Board Members.

RESOLVED:

That the update be noted.

9 Satisfaction Survey

The Head of Pensions noted that the Board's previous suggestion of a Satisfaction Survey and confirmed that there was no standard document or suggested approach from the LGA, though he noted it was felt it was an area the LGA could take forward in future. He added there were two possible ways in the interim, to include a survey within the Annual Benefit Statement documentation that was circulated on 31 August to all members, or via an ongoing process, with documentation included at retirement asking for a return.

The Chair suggested there could be benefits in both approaches, with the Head of Pensions noting that he felt it could be preferable to start with inclusion in the Benefit Statement first, then look to returns and receiving feedback on the approach.

Councillor D Stoker asked as regards having the process online, with the Head of Pensions noting that Annual Benefit Statement was available online. L Oliver noted not all members would access information online, the Head of Pensions noting there were a small number of members still receiving paper statements.

RESOLVED:

That the satisfaction survey be included within Annual Benefit Statement documentation.

10 Date of Next Meeting

The next meeting would be held on 15 September 2022 at 2.00 p.m.