

MINUTES of the meeting of the **SURREY LOCAL PENSION BOARD** held at 2.00 pm on 27 July 2015 at Mess Conference Room, County Hall, Penrhyn Road, Kingston-Upon-Thames, KT1 2DW.

These minutes are subject to confirmation by the Committee at its next meeting.

Members:

- * Paul Bundy
- A Tony Geer
- * Mr Nick Harrison (Chairman)
- * Mandy Horrell
- * Mr John Orrick (Vice-Chairman)
- * David Stewart
- A Claire Williams-Morris
- * Trevor Willington

1/15 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Claire Williams-Morris and Tony Geer.

2/15 DECLARATIONS OF INTEREST [Item 2]

There were no declarations of interest. However, Trevor Willington asked that it be noted that he is a governor at Nescot College, an employer in the Surrey Pension Fund. This was a non-pecuniary interest.

3/15 QUESTIONS AND PETITIONS [Item 3]

No questions or petitions were received.

4/15 TERMS OF REFERENCE [Item 4]

Witnesses: Neil Mason, Senior Advisor (Pension Fund)

Key points raised during the discussion:

1. The Chairman welcomed Board members to the first meeting of the Surrey Local Pension Board. He highlighted that the terms of reference had been agreed at full Council on 17 March 2015, and that the Board had been asked to note them.
2. The Board discussed the terms of reference and sought clarity on a number of points. These included:
 - the Board's relationship to other Committees and Boards, in particular the Surrey Pension Fund Board (due to be renamed the Surrey Pension Fund Committee at full Council in October 2015). It was agreed the terms of reference of the Surrey Pension Fund Board would be circulated.
 - The Board's voting rights and whether the Chairman had casting vote. It was agreed that clarification would be sought on this matter.

- The provision within the Terms of Reference for substitutes. The majority of the Board felt the complexity of the work would require either named substitutes with an appropriate level of training or removal of the ability to nominate substitutes from the terms of reference. It was agreed this would be an item at the next Board meeting.
 - The Board's constitution and the provision to include independent members. Officers advised that the appointment panel had felt that the Board would be best placed to decide whether to appoint independent members following the completion of its initial training requirements, as this would highlight any gaps in the Board's knowledge. It was raised by the Board that this could be made more explicit in the terms of reference. Officers agreed to clarify the position and bring an update to the next meeting.
3. The Board discussed the mechanisms by which they could ensure efficient and effective governance, as outlined under 13.2 of the terms of reference. Officers highlighted that there were a number of routes by which to raise concerns, including recommendations to the Surrey Pension Fund Committee, the County Council, the Scheme Advisory Board or The Pensions Regulator.
 4. The Board raised questions about personal indemnity in relation to individual Board members. Officers agreed to seek clarification on this matter.

Actions/Further information to note:

- The terms of reference of the Surrey Pension Fund Board to be circulated.
- Clarity to be sought on the Board's voting rights.
- An item to be brought to the next meeting on the use of substitutes.
- The terms of reference to be updated to clarify the position on independent members and how the Board is constituted.
- An item to be brought to a future meeting on the provision for independent members.
- Clarity to be sought on the personal indemnity in relation to individual Board members.

Resolved:

That the Board **notes** its terms of reference.

5/15 KNOWLEDGE AND UNDERSTANDING [Item 7]

Witnesses: Neil Mason, Senior Advisor (Pension Fund)

Key points raised during the discussion:

1. The Chairman proposed that item seven on the agenda was brought forward, as it would update the Board on the key requirements of the

Attendance and Knowledge and Understanding policy. It was agreed, and officers gave a presentation outlining the proposed training schedule for the next six months.

2. The Chairman requested that Board members review the dates proposed for in-house training and the dates of the Local Government Association training, and inform officers of their availability. It was also highlighted that officers would keep a log of all training undertaken and completed, and Board members were asked to advise them when individual modules and courses were completed.

Actions/Further information to note:

- Board members to review the dates proposed for training, and inform officers of their availability.
- Board members to advise the Board's scrutiny officer when training is completed.

Resolved:

- That the Board **notes** the key requirements relating to knowledge and understanding.

6/15 POLICY DOCUMENTS [Item 5]

Witnesses: Neil Mason, Senior Advisor (Pension Fund)

Key points raised during the discussion:

1. The Board was asked to review its policy documents. It was raised that the attendance and knowledge and understanding policy specified that Board members were expected to attend two meetings a year. It was highlighted that the Board would only be meeting two times a year. It was agreed that this would be reviewed in light of that fact.
2. Officers tabled a change to the Code of Conduct policy and Conflict of Interest Policy, which sought to clarify two of the bullet points under paragraph 2.3.

Actions/Further information to note:

- Officers to review and clarify the attendance requirements.

Resolved:

- That the last two bullet points of paragraph 1.3 of the Code of Conduct and Conflict of Interest Policy are amended to:
 - "In addition to compliance with the Surrey Local Pension Board Code of Conduct & Conflict of Interest Policy, you will sign adherence to the Conflict of Interest Declaration and declare any further potential conflicts of interest that may arise once appointed as a member ;

- You should comply with the Surrey Local Pension Board Code of Conduct and Conflict of Interest Policy in addition to existing compliance with any Councillor or Officer Codes of Conduct that may apply to you.”
- That the Board **notes** its Attendance and Knowledge and Understanding Policy and Code of Conduct and Conflict of Interest Policy.

7/15 KEY PERFORMANCE INDICATORS [Item 6]

Witnesses: Neil Mason, Senior Advisor (Pension Fund)
Phil Triggs, Strategic Manager, Pensions and Treasury

Key points raised during the discussion:

1. Officers gave a presentation on a series of proposed Key Performance Indications (KPIs) that had been developed by the Scheme Advisory Board. It was highlighted that there were nearly 300 employers covered under the LGPS scheme managed by Surrey County Council. This included a number of scheduled and admitted bodies. The Board requested a one page summary of the fund's primary features, such as the number of members and current finances.
2. The Board was advised that the current funding level of the Surrey LGPS was around 74-75%. This reflected the current financial climate, and the expectation was that this would increase as interest rates rose.
3. The Board queried the number of complaints received in relation to the fund. Officers advised there had been 3 complaints leading to a dispute in the last year. It was also advised that the complaints related to employer decisions.
4. The Board agreed that it would include a further set of KPIs to demonstrate how it was meeting its training and knowledge requirements.
5. The Strategic Manager gave an update on the meeting of the Surrey Pension Fund Board on 24 July 2015. It was also highlighted that the Chancellor has made recommendations that funds were combined to be managed on a larger scale. The Board was informed that a government consultation was being undertaken over the summer, and that October would see firmer proposals about how this was implemented. The Board was also advised that the Chairman of the Surrey Pension Fund Board had requested a deep-dive review of the fund's cost base.
6. It was highlighted that any arrangements about combined funds would still require local administration and actuarial arrangements.

Actions/Further information to note:

- Officers to provide a one page summary of the Fund's primary features, such as the number of members and current finances.
- That a report comprised of the primary Key Performance Indicators is brought to the next meeting, and includes a reporting mechanism for the Board's training and knowledge development.

Resolved:

- That the Board **notes** the proposed key performance indicators.

8/15 DATE OF THE NEXT MEETING [Item 8]

The Board was provided with a list of proposed dates and asked to review these. Officers advised that the next meeting would be in October 2015.

Meeting ended at: 3.47 pm

Chairman

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