

**EAST RIDING OF YORKSHIRE COUNCIL**

**LOCAL PENSION BOARD**

**23 FEBRUARY 2018**

**PRESENT:** Councillor A Burton (in the Chair), Caroline Bell, Martin Eaden and Natasha McLaren.

Also in attendance: Julian Neilson (Head of Finance), Graham Ferry (Pensions Manager), Mark Lyon (Head of Investments), Jennifer Gregory (Assistant Pensions Manager) and Liz Vollans (Assistant Pensions Manager)

Also in attendance: Press - 0  
Public - 0

The Board met at Goole Leisure Centre.

**95 APOLOGIES FOR ABSENCE** - Apologies for absence were submitted on behalf of Julie Davey.

**96 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST** - All members of the Board declared a non-pecuniary interest in Minutes 98 to 107 as either members of the Local Government Pension Scheme or in receipt of a Local Government Pension.

**97 MINUTES - Resolved** - That the minutes of the Local Pension Board held on 3 November 2017 be approved as a correct record.

**98 REVIEW OF THE FUND'S INVESTMENT STRATEGY STATEMENT** - The Interim Director of Corporate Resources submitted a report that informed the Local Pension Board that an Investment Strategy Statement (ISS) was required to be published and should be reviewed at least every three years or when there was a material change. The current ISS was reviewed by the Local Pension Board on 17 February 2017 and was formally approved by the Pensions Committee on 17 March 2017. There were a number of potential revisions to be reviewed by the Local Pension Board and Pensions Committee. These related to the Fund's approach to pooling, its corporate governance and voting policies, as well as the consideration of including a statement of investment beliefs.

The Pensions Committee would consider the revised ISS for approval at its meeting on 16 March 2018.

**Resolved** - That the proposed revised Investment Strategy Statement be recommended to the Pensions Committee.

**99 REVIEW OF THE GOVERNANCE POLICY STATEMENT** - The Interim Director of Corporate Resources submitted a report which sets out the Pension Fund's Governance Policy Statement which would be reviewed by the Pensions Committee at its meeting on 16 March 2018. The Pension Fund was fully compliant with the latest statutory guidance on governance. There were no proposed changes other than to amend approval dates and these were shown in tracked changes within the report.

**Resolved** - (a) That the proposed Governance Policy Statement and evidence of compliance be noted, and

(b) that no recommendations be made to the Pensions Committee in respect of the proposed Governance Policy Statement.

**100 REVIEW OF THE COMMUNICATIONS POLICY** - The Interim Director of Corporate Resources submitted a report which informed the Board that the Local Government Pension Scheme Regulations (LGPS) 2013 stated that administering authorities must prepare, maintain and publish a written statement of policy detailing how they communicate with members, representatives of members, prospective members and scheme employers.

The Policy should pay particular regard to:

- The provision of information and publicity;
- The format, frequency and method of delivery, and
- The promotion of the Scheme.

The proposed updated policy covered the communication activities of the East Riding Pension Fund and the impact of ERPF online services.

**Resolved** - (a) That the updated communications policy be noted, and

(b) that no recommendations be made regarding the content and format of the policy.

**101 PENSION FUND RISK REGISTER** - The Interim Director of Corporate Resources submitted a report that presented the six monthly review of the Pension Funds risk register and associated scoring matrix. Minor amendments had been made to the existing risks and a new risk in relation to the transition of assets and staff due to pooling had been added to the register.

The risk register and the record of breaches of the legal requirements that govern the Pension Fund were attached to the report. There was one new breach recorded as a result of 16 Scheme employers failing to provide year end data to the Pension Fund by 31 August 2017.

The Pensions Committee had approved the risk register at its meeting on 2 February 2018.

**Resolved** - That the Pension Fund risk register be noted.

**102 REVIEW OF PROCEDURE ON REPORTING BREACHES OF THE LAW TO THE PENSIONS REGULATOR** - The Interim Director of Corporate Resources submitted a report which informed the Board of the Fund's procedure for reporting breaches of the law to the regulator which had been updated to take account of changes in details of the designated officers since the procedure was first issued and the revised version was attached to the report. The Board was requested to comment on the appropriate methods of communicating the procedures to officers of the scheme employers participating in the fund.

**Resolved** - That the procedure for reporting breaches of the law to the Pension Regulator and the Board's role in reporting breaches be noted.

**103 COMPLIANCE WITH THE GENERAL DATA PROTECTION REGULATION** - The Interim Director of Corporate Resources submitted a report which informed the Board that the General Data Protection Regulation (GDPR) would directly replace the existing Data Protection Act 1998 from 25 May 2018. The legislation would bring in a number of changes which would need to be considered carefully to ensure the East Riding Pension Fund was compliant on 25 May 2018. The Fund was in a relatively strong position, but with the impending changes, the risk of non-compliance with legislation would increase as the GDPR expects organisations to do more.

The Fund was actively planning to ensure compliance with the GDPR. This would include being able to show that both the overall governance structure for data protection and the individual policies and procedure relating to data processing were compliant.

**Resolved** - That the report be noted.

**104 ITEMS FOR INFORMATION** - The Board were presented with the Pensions Committee minutes from 3 November, 15 December 2017 and 2 February 2018 and a report of the LAPFF Business Meeting held in October 2017 and January 2018.

**Resolved** - (a) That the minutes of the Pensions Committee held on 3 November and 15 December 2017 and 2 February 2018 be received, and

(b) that the report on the LAPFF Business Meeting held in October 2017 and January 2018 be received.

**105 EXCLUSION OF THE PRESS AND PUBLIC - Resolved** - That the press and public be excluded from the meeting for consideration of Minutes 106 and 107 on the grounds that they are likely to involve disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. In making this decision the Board confirmed that having regard to all the circumstances it was satisfied that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**106 SHAREHOLDERS VOTING RECORD - QUARTER ENDING 31 DECEMBER 2017** - The Interim Director of Corporate Resources submitted a report which informed the Board of the voting record of the internal investment manager for the quarter ended 31 December 2017. Of the 274 proposals voted, the internal manager voted in accordance with the UK Corporate Governance Code on 99.6% of occasions.

Schroders had also provided the voting record for their discretionary equity portfolios for the quarter ended 31 December 2017. Of the 25 proposals voted the manager voted in accordance with its stated policy on 92% of occasions.

**Resolved** - That the report be noted.

**107 UPDATE ON BORDER TO COAST PENSIONS PARTNERSHIP** - The Interim Director of Corporate Resources submitted a report which reminded the Board that the new LGPS Investment Regulations required LGPS funds to pool their assets in order to achieve cost savings whilst maintaining investment performance. The Pension Fund had taken a leading role in the creation of the Border to Coast Pension Partnership (BCPP). The project was running behind time but Border to Coast was still expected to be operational by June 2018. The project was now ahead of its original budget and a request for an increase in the implementation budget was approved by the BCPP Joint Committee at its meeting on 16 January 2018. The Pensions

Committee approved the £75,000 increase to the Pension Fund's share of the budget at its meeting on 2 February 2018.

- Resolved** - (a) That the report be noted;
- (b) that further reports be brought to future meetings of the Local Pension Board, and
- (c) that thanks be recorded to Mark Lyon for his work with the Local Pension Board.