

EAST RIDING OF YORKSHIRE COUNCIL

LOCAL PENSION BOARD

4 NOVEMBER 2016

PRESENT: Councillor A Burton (in the Chair), Caroline Bell, Julie Davey and Natasha Halsall.

Also in attendance: Caroline Lacey (Director of Corporate Resources), Julian Neilson (Interim Head of Finance), Graham Ferry (Pensions Manager) and Mark Lyon (Head of Investments).

Also in attendance: Press - 0
Public - 0

The Board met at County Hall, Beverley.

38 DECLARATIONS OF PECUNIARY AND NON PECUNIARY INTERESTS - All members of the Board declared an interest in Minutes 41 to 51 as members of the Local Government Pension Scheme.

39 ELECTION OF CHAIRMAN - Nominations were sought for the position of Chairman following Brendan Arnold standing down having left his position at Hull City Council. Councillor Burton indicated his willingness to Chair this meeting and then for election of Chairman to be considered at the next meeting when all Board members were in attendance.

Resolved - (a) That Councillor Burton be elected Chairman for this meeting, and
(b) that election of Chairman be added to the agenda for the next meeting.

40 MINUTES - Resolved - That the minutes of the Local Pension Board held on 1 July 2016 be approved as a correct record.

41 REVIEW OF LOCAL PENSION BOARD'S TERMS OF REFERENCE - The Director of Corporate Resources submitted a report which reminded the Board that the Public Service Pensions Act 2013 required Pension Boards to be established to assist administering authorities with all aspects of governance and administration of the Local Government Pension Scheme (LGPS). At its meeting on 2 October 2015 the Board approved the Terms of Reference and considered the number of meetings per year to be held and agreed that initially this be set at three in 2016 given the possible volume of work that the Board may need to undertake. The Board was asked to consider the continuation of three meetings per year.

Resolved - (a) That the Board continue to meet three times a year in 2017, and
(b) that the Terms of Reference be reviewed on an annual basis.

42 LOCAL PENSION BOARD WORK PLAN 2017 - The Director of Corporate Resources submitted a report reminding the Board that the Public Service Pensions Act 2013 required Pension Boards to be established to assist administering authorities with all aspects of governance and administration of the Local Government Pension Scheme (LGPS). To meet those requirements the East Riding Pension Fund Local Pension Board (The Board) determined its own work plan for 2015-16 and covered a number of topics at each meeting. The Board was

now requested to agree the work plan for 2017 including future meeting dates in addition to the meeting scheduled for 17 February 2017.

Resolved - (a) That the Board agrees the dates of meetings for 2017, and

(b) that the Board agrees the items to be included on the work plan for 2017.

43 LOCAL PENSION BOARD TRAINING PROGRAMME 2017 - The Director of Corporate Resources submitted a report requesting members of the East Riding Pension Fund Local Pension Board (The Board) to consider specific Local Government Pension Scheme (LGPS) topics for their training programme for 2017. Training sessions based on agreed topics would be arranged to meet individual and group training requirements.

Resolved - (a) That the requisite level of knowledge and understanding required for the role of the Board be noted;

(b) that the Board agree the training identified for 2017;

(c) that Board members complete the e-learning modules provided by the Pensions Regulator, and

(d) that Board members familiarise themselves with the Fund's core documents.

44 PENSION FUND RISK REGISTER - The Director of Corporate Resources submitted a report which presented the new format of the Pension Fund Risk Register. Following the review of the format of the Risk Register, the existing risks had been amalgamated into a number of new key risks. For ease of understanding, the original risk number had been included.

As well as the Risk Register, the report contained the record of breaches of the legal requirements that govern the Pension Fund. The Pension Committee reviewed the Pension Fund Risk Register at its meeting on 22 July 2016. There were no material changes to existing risks and no new risks were identified.

Resolved - That the contents of the Pension Fund Risk Register be noted.

45 PENSION FUND ANNUAL REPORT AND ACCOUNTS 2015-16 - The Director of Corporate Resources submitted a report which provided the final version of the Pension Fund annual report and accounts 2015-16. The accounts had been audited and an unqualified audit opinion was issued on 23 September 2016. KPMG's Annual Governance Report 2015-16 was also contained within the report and made no recommendations with regard to the Pension Fund Annual Report and Accounts.

Resolved - That the report be noted.

46 ITEMS FOR INFORMATION - The Board were presented with the Pension Committee Minutes from 22 July 2016 along with a report regarding the LAPFF business meetings held in June and October 2016.

Resolved - (a) That the minutes of the Pensions Committee Meeting held on 22 July 2016 be received, and

(b) that the reports from the LAPFF Business meetings be noted.

47 EXCLUSION OF PRESS AND PUBLIC - Resolved - That the press and public be excluded from the meeting for consideration of Minutes 48 to 51 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 its 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.

48 ANNUAL PERFORMANCE REPORT AND REVIEW 2015-16 - The Director of Corporate Resources submitted a report that provided a detailed analysis of the Internal and External Manager's performance for the financial year ended 31 March 2016 including an analysis of the longer term track record.

Resolved - That the report be noted.

49 2016 FORMAL FUNDING VALUATION INITIAL RESULTS - The Director of Corporate Resources submitted a report which sets out the process for the adoption of the formal funding basis for the 2016 valuation which had been presented to the East Riding Pension Fund by the Fund's actuary Hymans Robertson. The report also set out the timetable for the valuation process and details of the actuarial presentation.

Resolved - That the report be noted.

50 SHAREHOLDERS VOTING RECORDS - QUARTERS ENDED 30 JUNE 2016 AND 30 SEPTEMBER 2016 - The Director of Corporate Resources submitted a report which informed the Board of the voting record of the Internal Investment Manager for the quarters ended 30 June 2016 and 30 September 2016.

Schroders had also provided the voting record for their discretionary equity portfolios for the quarters ended 30 June 2016 and 30 September 2016. All proposals were voted in line with their stated policy.

Resolved - That the report be noted.

51 UPDATE ON BORDER TO COAST PENSION PARTNERSHIP - The Director of Corporate Resources submitted a report which reminded the Board that the Chancellor's budget announcement in July 2015 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), a pool of 13 funds with circa £36bn in assets.

Resolved - That the report be noted.