

# Minutes of the Pensions Board Meeting held on 15 December 2023

Present: Rob Birch (Chair)

Attendance
Corrina Bradley

## Also in attendance:

**Apologies:** John Mayhew

## Part One

### 24. Apologies

### 25. Declarations of Interest

There were no declarations of interest on this occasion.

### 26. Minutes of the meeting held on 29 September 2023

**Resolved** – That the minutes of the meeting held on Friday 29 September 2023 be confirmed and signed by the Chairman.

### 27. Matters arising from:

### 28. Pensions Committee - Minutes of the meeting held on 29 September 2023

On 22 November 2023 DLUHC issued their response to the Consultation on asset pooling. Despite a number of responses from Pension Funds challenging the various proposals, DLUHC decided to progress with the ambition for Pension Funds to transfer Listed Assets into a Pool by March 2025. However, DLUHC had introduced a "Comply or Explain" aspect to this which, whilst demonstrating DLUHC's clear desire to see an increase in pooling, also recognised the challenges in doing so quickly and did allow Funds a degree of flexibility. The Staffordshire Pension Fund had sufficient reasons to explain why it would continue with its current investment strategy, whilst continuing to consider future pooling opportunities.

DLUHC had also provided a response relating to the requirement for Funds to allocate 5% of assets to support Levelling Up in the UK. It was noted that DLUHC had initially required Funds to develop a plan to demonstrate how this would happen. Whilst it was still expected that the plan would be required, the 5% was no longer mandatory and had instead been highlighted as an ambition. The same ambition had been proposed for the

allocation of 10% to Private Equity.

## **29. Pensions Committee - held on 15 December 2023**

There were no comments on the meeting held on Friday 15 December 2023

## **30. Staffordshire Pension Fund Risk Register - Funding**

At a meeting on 7 November 2023, the Officer working group, together with a member of the Local Pensions Board, reviewed the risk area of Funding. Pre and post control ratings were re-assessed, considering any new controls or sources of assurance. New areas of potential risk were also considered. Post control, Fund Officers believe there are no areas of high risk and eight areas of medium risk.

The eight areas of medium risk relate to several things including:

- i) The procurement of an Actuary - the current contract is due to expire on 30 April 2024, and a tender exercise will be undertaken in 2023/24.
- ii) Ensuring contribution rates are appropriate and affordable for each employer – the current economic environment will lead to competing demands on employers' budgets.
- iii) Employer funding monitoring – the volatility within the current economic environment can have a major impact on an employer's funding level in relatively short spaces of time.

**Resolved** – That the Local Pensions Board notes the risks, relating to Funding, from the current Staffordshire Pension Fund Risk Register, as presented in Appendix 1.

## **31. Appointment of Members and Staffordshire Local Pensions Board Constitution**

In November 2023, nominations were sought by the Staffordshire Chief Finance Officers Group (SCFOG) for a Scheme Employer representative and one such nomination was received.

- Becky Smeathers - Executive Director of Finance and S151 Officer at Tamworth Borough Council.

Becky was invited to meet with the Scheme Manager and Chair of the Board, so that the role and responsibilities of a Board Member could be discussed, together with Becky's relevant skills and experience. As a previous member of another local LGPS Pensions Board, Becky had a clear understanding of the Board remit and had also undertaken training

in line with the CIPFA Knowledge and Skills Framework requirement.

Following this meeting, Becky was offered the position on the Board for a four-year term until 2027 and has accepted (subject to the Board's approval).

The Board also received a report from the Deputy Chief Executive and Director of Corporate Services regarding proposed amendments to the Pensions Board Constitution.

The Board was reminded that in April 2015 Staffordshire County Council set up a Local Pensions Board ("the Board"), and when the Board was originally set up the membership consisted of a maximum of six members made up of three Scheme Employer Representatives and three Scheme Member Representatives. It was noted that the Board Constitution stated that one of the Scheme Employer representatives must be an Elected Local Authority Member and one Scheme Employee representative must be a Trade Union representative. The Board was made aware of the efforts throughout 2022 and 2023, to find suitable nominees to appoint to these specific positions on the Board, without success.

Following discussions at the September 2023 Board meeting, it was proposed that the Scheme Manager consider reducing the number of members on the Board from six to four, and in doing so remove the specific stipulation from the Board Constitution that the Board membership must include an Elected Local Authority Member and a Trade Union representative. It was made clear that this amendment did not mean that Elected Local Authority Members or Trade Union representatives could not become members of the Board, it simply removed the stipulation that there must be two such representatives. It was highlighted that the proposal remained consistent with the Local Government Pensions Scheme Regulations 2013.

The Board heard that Trade Unions had been informed of the proposals and were asked to provide feedback. One response was received, from Unison, which stated an appreciation of the issue and given that they had no suitable candidate to put forward they confirmed that there was no objection to the proposal.

Whilst changes to the Board Membership were being considered, the opportunity was also taken to make some amendments to the "Member Appointment Process" included within the Board Constitution, to ensure it remained consistent with current appointment practices. It was noted that the constituted appointment process focussed on the selection process undertaken when the Board was originally established. Whilst it also included additional steps that concentrated on the recruitment of

replacement Board members, the process no longer needed to consider the appointment of an original Board, and the proposed amendments meant that the process focussed on the appointment of replacement Board members only. It was also highlighted that the proposed appointment process was tried and tested as it followed the same appointment process that was used to recruit co-opted members to the Pensions Committee.

**Resolved** – That (a) the Pensions Board approves the appointment of Becky Smeathers to the Board, as a Scheme Member Representative, to represent the Employers of the Staffordshire Pension Fund

(b) that the Pensions Board notes the changes made to the Pension Board Constitution and Appointment Process as approved by the Pensions Committee at their meeting on 15 December 2023.

### **32. Local Government Association/Scheme Advisory Board Update**

The Board received a presentation on current issues being considered by the Local Government Association and Scheme Advisory Board.

The Board were updated on the following;

#### **Local Government Association Update**

- Pensions Dashboard Programme
- LGPS Statistical Information 2022/23
- McCloud remedy
- Inflation figures for September 2023
- Pensions (Extension of Automatic Enrolment) Act 2023 received Royal Assent on 18 September 2023

#### **Scheme Advisory Board Update**

- Pensions Annual Report Guidance
- DLUHC Consultation and Next Steps for Investment in the LGPS (E&W)

**Resolved** – That the Board notes the update received.

### **33. Dates of Future Meetings**

The following dates for the meetings of the Pensions Board were provided:

- Friday 24 March 2024
- Friday 28 June 2024
- Friday 27 September 2024

- Friday 20 December 2024

**Resolved** – That the dates for the meetings of the Pensions Board be noted.

#### **34. Exclusion of the Public**

**Resolved:** That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972 indicated below.

#### **35. Exempt Minutes from the meeting held on 29 September 2023**

**Resolved** – That the exempt minutes of the meeting held on 29 September 2023 be confirmed and signed by the Chairman.

#### **36. Exempt matters arising from:**

#### **37. Pensions Committee - Minutes of the meeting held on 29 September 2023**

There were no comments on the minutes from the meeting held on 29 September 2023.

#### **38. Pensions Committee - held on 15 December 2023**

There were no matters arising from the meeting held on 15 December 2023.

#### **39. Internal Audit Reports - Recommendations Progress Log**

At their meeting in June 2021, the Pensions Board noted the content of the Internal Audit Report on Staffordshire Pension Fund's Pension Investment (Property).

The final Internal Audit report on the Pensions Administration – Altair Pensions System was issued on 23 June 2023 with an award of adequate assurance.

The final Internal Audit report on the annual Pensions Administration audit for 2022/23 was issued on 24 July 2023 with substantial assurance.

**Resolved** – That the Pensions Board notes the summary of the progress that has been made against the recommendations from the following Audit Reports:

- A. Pensions Administration – Altair Pensions System
- B. Pensions Administration 2022/23

**40. LGPS Central Pool - Local Pensions Board Chairs Meeting of 23 October 2023**

The Chair presented the notes from the meeting of the Local Pension Board Chairs of LGPS Central Partner Funds.

**Resolved** – That the report be received.

**Chair**