

## Public minutes of the Pension Fund Committee

Date: 20<sup>th</sup> July 2023

Time: 10:00am – 12.05pm

Venue: New Shire Hall, Alconbury Weald

Present: County Councillors M Black (Vice Chair), A Costello, H Batchelor (substituting for Cllr MacDonald), A Whelan (Chair); Peterborough City Councillor A Coles; Lee Phanco and Matthew Pink

Officers: B Barlow, C Blose, D Cave, F Coates, S Heywood, M Hudson and M Whitby

Advisors: Sam Gervaise Jones, Peter Gent and Chris West

The Chair extended a special welcome to Cllr Mike Black, attending his first meeting, as Vice Chair. She also thanked the outgoing Vice Chair, Cllr Cathie Rae, on behalf of the Committee, for all her work.

### 132. Apologies for absence and declarations of Interest

Apologies for received from Liz Brennan, Councillor McDonald (Cllr Batchelor substituting) and Councillor Sharp.

Lee Phanco declared an interest as Chair of the Board of Trustees and Directors of the Cambridge Sports Hall Trust.

Councillor Batchelor declared an interest as his father was in receipt of a County Council pension.

Matthew Pink declared a personal interest as both he and his wife were active members of the LGPS.

### 133. Public minutes of the Pension Fund Committee meeting held 8<sup>th</sup> June 2023

The public minutes of the Pension Fund Committee meeting held on 8<sup>th</sup> June 2023 were approved as a correct record.

The Action Log was noted.

134. Petitions and Public Questions

There were no petitions or public questions.

135. Cambridgeshire Pension Fund – Review of Employer Contribution Rates Policy

The Committee considered a draft policy on the circumstances under which the Fund may review employer contribution rates between triennial valuations.

Members were reminded that when the Funding Strategy Statement was reviewed for the 2023 valuation, a number of ancillary policies were stripped out. Whilst the substance and effect of the Employer Contribution Rate policy had not changed materially, the policy had been restructured so that it worked as a stand alone document. The main purpose of the policy was for Fund led changes to employer contributions between valuations, where it was felt that there had been a material change to the employer's circumstances. An example was given of a situation where the policy may be used in practice. It was confirmed that any such review of contribution rates would be carried out on the advice of the actuary.

It was unanimously resolved to:

approve the Review of Employer Contribution Rates policy.

136. Cambridgeshire Pension Fund Training Strategy Review

The Committee considered a review of the Pension Fund Training Strategy. Due to the change in approach to the Fund's core training requirements, officers had reviewed the Strategy to ensure the new approach was appropriately reflected in the Strategy, and that expectations were clear.

The changes primarily related to incorporating and embedding the new core training approach, the LGPS Online Learning Academy (LOLA), run by Hymans Robertson. The other key change was the length of time given to complete the training: for the Pensions Regulator Toolkit, this would be six months from the appointment as a Member, and twelve months for core modules. This training would be complemented with specialist training as and when necessary. The Training Strategy had been considered by the Local Pension Board and had been well received. If any Member was unable to access the LGPS Online Learning Academy, they were urged to contact Michelle Oakensen or Mark Whitby.

A Member asked how information on individual Member's training was treated and shared. i.e. would it be publicly available, and what actions would be taken for any members failing

to meet the training requirements. Officers confirmed that failure to progress would certainly result in a discussion between officers and the Chair, as it was felt that the twelve month requirement for core modules was easily achievable.

A Member asked if the Pensions training was added to individual Member's profiles on the County Council website, which included a section on training. It was confirmed that this did not currently cover Pensions training, and another Member observed that other authorities did not publish this information. It was agreed that this would be reviewed. **Action required.**

The Chair observed that CIPFA guidance required Members to have the appropriate knowledge and skills to carry out their duties, but there was nothing to compel members to undertake this training. However, it was noted that training was a legal requirement for Local Pension Board Members, and would inevitably become a legal requirement for Pension Fund Committee Members in future.

A Member observed that individual Committee Members received a lot of information about training courses from external sources, and he asked how Committee Members should evaluate what was useful. It was noted that the training opportunities circulated to Members was based on the CIPFA Skills and Knowledge framework. Other opportunities which may be of interest were also sent to Members, and set out in the quarterly Governance reports. If Members received external training invites, they were welcome to check with the Pensions team whether they were worthwhile. There was a budget for external events, and sometimes the Fund was granted a number of free places. The Chair highlighted the importance of all Members undertaking the training within twelve months, in line with the policy.

It was unanimously resolved to:

approve the Cambridgeshire Pension Fund Training Strategy.

### **137. Pension Fund Annual Report and Statement of Accounts 2022-23**

Members received a report on Pension Fund Annual Report and Statement of Accounts 2022-23. It was noted that these documents were unaudited at this stage, and Member comments were welcomed, either during or following the meeting. The draft accounts would also be considered by the Local Pension Board and the Audit and Accounts Committee. The Annual Report was the responsibility of the Pension Fund Committee, whereas the Statement of Accounts was the responsibility of the Audit and Accounts Committee. There were some third party information still awaited.

Highlights in the accounts were noted, including:

- the value of the fund had reduced by around £71M, which was not as bad as originally anticipated, given the invasion of Ukraine;
- contribution receipts had increased by £14M, in line with the changes to contribution rates and employer number changes;
- benefits had increased by £5M;
- transfers-in, which were largely demand-led, were up by £7M;
- the Fund was still cash positive after management expenses paid. Management expenses were lower overall due to reduced performance.

A Member asked if the reduction in the value of the Fund was wholly due to exceptional events such as the Ukraine invasion and the ensuing economic turbulence. It was confirmed this was the case, and the later report on performance would set out how performance across different manager and asset classes had resulted in the fall in the value of the Fund.

It was noted that there were ongoing delays in the External Audit taking place. The Annual Report would be considered before the end of the calendar year, but it was unlikely that the Audit Opinion will have been received by that date. It was noted that whilst the Pension Fund accounts formed part of the Authority's Statement of Accounts, they were subject to both a separate audit and separate ISA 260 report. The date for commencement of the external audit was not confirmed, but a November start date looked likely.

A Member asked if delays in providing audit may lead to issues with qualification. Officers confirmed that this was unlikely from a Pension Fund perspective. The County Council's Executive Director Finance and Resources advised that there may be a recommendation to carry the Pension Fund's Statement of Accounts outside of the County Council's i.e. for the Pension Fund to become stand alone from an accounting entity perspective. This would be helpful going forward, as the reason for the delay was linked to the County Council and the District authorities' situation, and the wider national debate on how auditors treat the valuation of assets and liabilities. However, there were no such qualification issues for the Pension Fund.

It was resolved unanimously to:

note the Draft Annual Report and Statement of Accounts of the Pension Fund for the 2022-23 financial year.

### 138. Cambridgeshire Pension Committee Forward Agenda Plan

It was resolved to note the Committee Agenda Plan.

139. Exclusion of Press and Public

It was resolved unanimously that the press and public be excluded from the meeting on the grounds that the following items contain exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to the financial or business affairs of any particular person (including the authority holding that information).

140. Confidential minutes of the Pension Fund Committee meeting held 8 June 2023

It was resolved to approve the confidential minutes of the Pension Fund Committee meeting held 8 June 2023.

141. Annual Investment Review

The Committee considered a report reviewing the performance of the Fund's Investment Managers for the year ended 31st March 2023.

It was resolved unanimously to note the Mercer presentation – Annual Investment Review.

142. Annual Investment Consultancy Provider Review

The Committee considered the Annual Investment Consultancy Provider Review.

It was resolved unanimously to approve the report recommendations.