

Pension Board Supplemental Agenda

Date: Wednesday 2 December 2020

Agenda - Part I

7. **Review of Pension Fund Committee Items - 25 November 2020** (Pages 3 - 6)
Appendix 2 to the report of the Director of Finance and Assurance.

Agenda - Part II - Nil

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Updated Note of matters considered by the Pension Fund Committee on 25 November 2020.

1. The matters considered by the Pension Fund Committee at its meeting on 25 November 2020 are summarised in the table below. The Committee's decisions are highlighted in bold type.

Report	Comments
Part I	
Pension Fund Annual Report and Accounts 2019-20 – Outcome of External Audit	<p>The Committee considered the report from external auditors (Mazars) and was asked to approve the audited documents for publication. The external auditor's report is included in full elsewhere on the agenda for consideration at this meeting.</p> <p>After considering the report and asking a number of questions, the Committee</p> <ul style="list-style-type: none"> i. noted the auditor's findings and action being taken to address those ii. approved the audited Pension Fund Annual Report and Accounts 2019-20 shown at appendix 2 and authorised the signing thereof by the Director of Finance and Assurance, and iii. authorised the Director of Finance and Assurance to make any final amendments to the Pension Fund Annual Report 2019-20 arising from the external audit prior to the signing by the auditor.
Regulatory Changes and Court Judgements affecting the LGPS	<p>The Committee received a report on several items which are having / will have a significant impact on the administration of the Pension Fund.</p> <p>In particular it was asked to approve the adoption of measures to manage the conflict between the Restriction of Public Sector Exit Payments Regulations 2020 and the current LGPS Regulations, and to endorse the approach being taken to manage the impacts of the other items.</p>

	<p>The report is included in full on the agenda for this meeting.</p> <p>After considering the report and asking a number of questions, the Committee</p> <ol style="list-style-type: none"> 1. agreed that, until the LGPS Regulations 2013 ('the Regulations') are amended, where a member aged 55 or over is made redundant and the £95k exit payment cap would be breached by reason of the payment of pension strain, the following should be offered to the member: <ol style="list-style-type: none"> a. An actuarially reduced pension under Regulation 30(5) of the Regulations; or b. A deferred pension under Regulation 6 of the Regulations. 2. agreed that the draft actuarial factors issued by the Government Actuary Department be used in the calculation of pension strain unless and until different factors are issued. 3. noted the implications of the McCloud/Sargeant judgment 4. noted the implications of the Goodwin judgment 5. noted the new Employer Flexibilities.
<p>Pension Fund Risk Register</p>	<p>The Committee reviewed and considered changes to the Pension Fund Risk Register.</p> <p>These documents are reported in full elsewhere on the Board's agenda for consideration at this meeting.</p> <p>The Committee reviewed and commented upon the updated risk register, and approved the revised format set out in appendixes 2 and 3 of the report.</p>

Report	Comments
Performance Dashboard and Update on Regular items	<p>The report summarised the position of the Fund at 30 September 2020 and set out a proposed work programme for the Committee for the remainder of 2020-21.</p> <p>The performance dashboard is attached at appendix 1.</p> <p>The Committee noted and commented on the report, and agreed that the training session before the Committee’s next meeting would focus on the currency hedging of the Fund’s global equity portfolio undertaken by Record Currency Management.</p>
Part II	
Investment Strategy Review	<p>Members received a confidential report of the Director of Finance and Assurance on the Investment Strategy Review and were recommended to approve a number of actions to progress the Review.</p> <p>The Committee approved a number of recommendations relating to the review of its equity portfolio, and agreed that the next stage of the review will be to consider the Fund’s diversifying return assets and its risk control assets.</p>

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