

North Yorkshire County Council

Pension Fund Committee

Minutes of the meeting held on 22 November 2019 at Racecourse Lane, Northallerton, commencing at 10 am.

Present:-

County Councillors John Weighell OBE (Chairman), Michael Chambers MBE, Cliff Lunn, Patrick Mulligan, Helen Swiers and Angus Thompson.

Councillor Jim Clark - North Yorkshire District Councils.

David Portlock - Chair of the Pension Board.

Apologies were received from County Councillor Andy Solloway and Councillor Ian Cuthbertson (City of York representative).

Copies of all documents considered are in the Minute Book

144. Exclusion of the Public and Press

Resolved -

That the public and press be excluded from the meeting during consideration of Minute No. 149 on the grounds that this involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

145. Minutes

Resolved -

That the Minutes of the meeting held on 13 September 2019 were confirmed as read and signed by the Chairman as a correct record.

146. Declarations of Interest

There were no declarations of interest.

147. Public Questions or Statements

There were no public questions or statements.

148. Budget/Statistics

The Chairman agreed to bring this item forward on the agenda as it involved discussions relating to the Investment Consultants fees, and they would remain out of the room while the discussions were taking place, allowing them to return for the remainder of the meeting.

Considered-

The report of the Treasurer relating to the 2019/20 budget (cost of running the Fund) and the 2019/20 cash flow projection for the Fund.

The report indicated that the latest forecast outturn position for the 2019/20 budget, attached as an Appendix to the report, highlighted an overspend of £6.5m which was, in the main, due to overspends on investment fees (£6.2m) and Consultant's fees (£230k).

The investment fees overspend was due mainly to fees becoming more transparent, following the implementation of the Transparency Policy, and were not, therefore, additional fees. As such, these did not have an impact on performance or cash flow. It was noted that, over the previous quarter, there had been a reduction in investment fees, which was mainly due to the Baillie Gifford Global Alpha Fund.

The overspend in respect of the Consultant's fees related to the establishment of equity protection, due diligence on a number of BCPP sub funds and the Investment Strategy review undertaken as part of the 2019 triennial valuation. It was noted that fees were identified within the budget, but those reported at the meeting were increases on the 2019/20 budget.

An Appendix to the report outlined the current cash flow position of the Fund and a one year cash flow projection.

Following the initial report a number of issues and points were raised as follows:-

- ◆ An issue relating to a potential increase in pooling costs was outlined.
- ◆ A Member asked about the advisory purpose of the Investment Consultants and Independent Investment Adviser to the Fund, following transition to the BCPP sub funds. In response it was noted that there would still be a role for the Investment Advisers for at least 2-3 years, going forward, as advice would be required in relation to investment into the sub-funds and, also, some of the North Yorkshire Pension Fund's (NYPF) investments continued to be outside the pooling arrangements. It was likely that the role of those advisers would alter going forward and it would be for the Committee to determine the shape of that role. It was noted that currently, and for the foreseeable future, the Investment Advisers would be required to give their views on market conditions and the NYPF's Investment Strategy.
- ◆ It was unclear, at this stage, how the BCPP would be undertaking monitoring of investments and whether they would appoint their own Investment Consultants/Advisers. It was noted that the matter had been raised by representatives of the NYPF, however, the matter was yet to be given full consideration by BCPP.
- ◆ In relation to this it was asked what arrangements were in place to scrutinise BCPP itself, similar to the Pension Board arrangements for the Pension Fund Committee. In response it was stated that it was expected that appropriate arrangements would be put in place, although, currently BCPP needed to develop further before these arrangements were established. Members raised concerns regarding the blurring of the separation between shareholders and clients and it was emphasised that they would wish to see a full separation of those roles, in the governance arrangements, going forward.

- ◆ A Member asked, in relation to the Consultant's fees, whether there was other hidden expenditure yet to be revealed, as the figures presented were a fairly large overspend in terms of the proportion of fees paid. In response it was stated that the Consultant fees would be budgeted for appropriately going forward, and would take account of the due diligence being undertaken on behalf of the NYPF in relation to the sub-funds within BCPP being considered. It was noted that, rightly, the NYPF had undertaken very thorough due diligence, led by the Investment Consultants, in terms of the Fund Managers within the pool, which had resulted in a large increase in the fees generated.

Resolved -

That the report be noted.

Minute No. 149 - 2019 Triennial Valuation - Update - included confidential details, as outlined at Minute No. 144, and, as such, the Minutes reflect the confidential nature of some of that information.

149. 2019 Triennial Valuation - Update

Considered -

The report of the Treasurer updating Members on the progress made to date on the 2019 triennial valuation.

Members were reminded that the initial Fund level results of the 2019 triennial valuation were reported to the previous meeting of the Pension Fund Committee. The Funding Strategy Statement (FSS) was also brought to that meeting for approval and the key changes for the approach were detailed as a reminder. Following approval of the FSS and the assumptions of the 2019 triennial valuation an employer event was held to discuss the Fund level results and what impact these might have on different categories of employers.

Following on from the event the actuary had started to provide the Fund with employer results in tranches and, once received, the results had been issued to individual employers. There was now a six week consultation period in which employers could raise any queries or issues on their results and negotiations could take place where necessary. The results of the main Councils and the other main scheduled bodies, together with the colleges and universities, were provided, with details attached as Appendices to the report.

The main scheduled bodies had seen an improvement in their funding position and most of them were now in a surplus position, with this surplus being refunded back over a 21 year period. The college and universities had seen an improvement in their funding position but had small increases in contribution rates due to changes in assumptions as a result of their move from the scheduled body basis to the intermediate funding basis.

The remaining results were to be provided by the actuary in further tranches prior to the end of the calendar year at which point remaining employers would be put into their six week consultation period.

The FSS consultation was due to conclude on 31 December 2019 and all contribution rates would be finalised with the actuary at the end of the consultation period. The rates and adjustment certificates would then be produced by the actuary to be signed

by the Fund and issued on the NYPF website in advance of the 31 March 2020 deadline.

Following the initial report Members undertook a discussion and the following issues and points were raised:-

- ◆ It was noted that the employer event had been successful with over 30 different employers in attendance and the majority pleased with the details provided. There had been a number of queries following the event in respect of the slight increases in contributions for some bodies, however, generally these had been accepted. It was acknowledged that it was difficult to explain to some bodies why costs had increased when funding was at a higher level, however, the position had been explained and was accepted by the majority.
- ◆ It was clarified that as the Fund was over 110% funded the main employers would be provided with an enhanced settlement in comparison to previous years, however, this would not be provided in one go and would be implemented over 21 years, allowing the NYPF to alter those payments, should this be required, if the funding position was to alter substantially.
- ◆ It was noted that further updates would be provided to the Committee, at the next meeting.

Resolved -

- (i) That the progress made on the 2019 triennial valuation be noted.
- (ii) That the initial results for employers, as detailed in Appendices to the report, be noted.

150. Investment Consultant Strategic Objectives

Considered -

The report of the Treasurer requesting Members to set strategic objectives for the Fund's investment consultants, AON.

The representative of the Treasurer explained that from 10 December 2019 the Competition and Markets Authority (CMA) introduced a new order aiming to address several issues found by the CMA as part of its investment consultancy and fiduciary management market investigation which required new duties for Members and officers of pension Funds.

Part of the new requirements applied to all defined benefit and defined contribution pension schemes based in the UK and were to set strategic objectives for their investment consultants. It was expected that MHCLG would be introducing regulations, in line with those introduced by the Department for Works and Pensions (DWP), the adoption of which would be monitored by the Pensions Regulator (tPR). The new requirements were expected to be:-

- ◆ Set strategic objectives for investment consultants.
- ◆ View the performance of the investment consultants against three objectives at least every 12 months.
- ◆ Review the objectives set at least every three years and immediately following any significant change in investment policy.

Guidance on setting objectives for providers of investment consultancy services had been produced by tPR and were attached as an Appendix to the report.

It was noted that it was also good practice, in terms of governance, to set objectives for investment consultants to enable the Fund to be in a better position to assess the quality of service received.

A list of strategic objectives for the Fund's investment consultants had been drafted, in consultation with AON, the current investment consultants for the Fund, and were as follows:-

- (i) Support the Fund in the development and implementation of a suitably diversified investment strategy.
- (ii) Support the Fund in influencing the development of suitable sub-funds within the Border to Coast Pensions Partnership pool.
- (iii) Provide clear, concise timely and understandable investment advice to the Pension Fund Committee and officers of the Fund.
- (iv) Support the Fund in ensuring that its investment arrangements are in accordance with relevant regulations.
- (v) Provide advice and assistance to the Pension Fund Committee, or officers of the Fund, on any other relevant issues that could impact on the Fund's ability to achieve its long term investment objectives.

The Fund was required to set the objectives for the investment consultants by 10 December 2019 and these would then be monitored annually by officers.

A detailed list of the operational objectives under each of the strategic objectives listed above were attached as an Appendix to the report.

Following the completion of various consultations on the new guidance changes to the requirements may be issued at a later date and Members were asked to delegate authority to the Treasurer of the Pension Fund, in conjunction with the Chair of the Committee, to amend the objectives if required.

The objectives would be brought back to the Committee at least every three years for review.

Following the initial presentation of the report a number of issues and points were raised as follows:-

- ◆ It was clarified by the investment consultants that these were the right objectives for the Pension Fund Committee and the NYPF.
- ◆ A Member noted that the Pension Fund Committee had a good relationship with its advisers and asked how the objectives would enhance that position. In response it was stated that while the relationship between Committee and advisers was good, then the objectives did little to enhance that relationship, however, these added a level of security for situations when differences arose between the Committee and its advisers.
- ◆ A Member noted that the new regulations were being applied to investment consultants and asked whether the regulations were to be extended to

independent investment advisers. In response it was stated that there was nothing in place as yet, but there was an expectation that these regulations would be extended to cover all investment advice provided to Pension Funds, going forward. The independent investment adviser to the Pension Fund Committee agreed that this was likely to be the case, but raised concerns that such regulations could eliminate truly independent advice, as advisers would likely be put in a position of having to adopt a corporate approach and becoming part of organisations that provided such advice. He emphasised that, in the meantime, he would continue to provide independent advice to the Fund and would take account of regulations as they developed. Members stated that they preferred to have genuine independent advice alongside the advice of the investment consultants. It was noted that the independent investment adviser had a contract with the Pension Fund Committee which set out terms, conditions and objectives.

Resolved -

- (i) That the draft strategic objectives for the Fund's investment consultants, AON, as detailed in section 3.2 of the report, be approved.
- (ii) That authority be delegated to the Treasurer of the Fund, in conjunction with the Chairman of the Pension Fund Committee, to amend the objectives following the issuing of any further guidance.

151. Pensions Administration Report

Considered -

The report of the Treasurer providing Members with information relating to the administration of the Fund over the years to date and providing an update on key issues and initiatives which impacted the administration team.

The report provided details on the following issues:-

- ◆ Admission agreements and new academies.
- ◆ Administration - membership statistics, throughput statistics, performance statistics, commendations and complaints.
- ◆ Annual Benefit Statements (ABS) 2019.
- ◆ Issues and initiatives
 - GMP reconciliation
 - Breaches Policy and Log
 - Efficiency initiatives
 - Administration system review.
- ◆ Member training.
- ◆ Meetings timetable.

The following issues were highlighted in relation to the report:-

- ◆ An issue relating to the transfer of staff from York College to the Grimsby Institute, requiring a transfer of money to the East Riding Pension Fund as a result, had been under negotiation since January 2010. A conclusion had been reached in relation to this and a sum of £2.73m would be transferred. This would be reflected in forthcoming accounts.
- ◆ Annual Benefit Statements (ABS) 2019.

At 31 August 2019, 1342 statements were still outstanding. Subsequently this had been reduced to 329 and the reasons for the non-issuing of those statements was set out in the report. This was the final position for the 2019 ABS and details had been entered into the Breaches Log.

The issue of the breach had been discussed with the Pension Board and detailed discussions of why this had occurred were undertaken. Given the much improved position in comparison to previous years, in relation to issuing the statements, and the work being undertaken to address the position with employers, a decision had been taken not to report the breach to tPR at that time. The Chairman of the Pension Board stated that, at the time of the meeting, Members had been ambivalent in terms of reporting the breach and the issue was subject to further discussion with officers to determine the action being taken to address the statements that had not been issued. It had subsequently been agreed that appropriate action was being undertaken, which was why the breach had not been reported.

It was noted that, due to 100% of ABS not being published by 31 August the position was technically a breach of the Regulations and therefore had been included in COP14. It was emphasised that officers had done all that was possible to issue statements and that there had been a significant reduction in outstanding, unissued statements in comparison to previous years. Therefore there was some comfort in not reporting the breach to tPR.

- ◆ GMP Reconciliation

The contractor, ITM, had now undertaken a dry run of the rectification calculation for pensioner and dependant members which had resulted in around 500 needing re-calculations. Details of the dry run were provided in Appendices to the report and a summary was provided in the report.

It was noted that all differences would be corrected, with payments and interest provided in relation to underpayments and, although overpayment monies would not be recovered, a correction would be made to the position to ensure that the payments were correct, going forward.

It was noted that a decision had been taken to only write and inform those of the corrections taking place where the change was £5 or above, to ensure that this was cost effective.

- ◆ Breaches Log

The Breaches Log had been updated and was provided in an Appendix to the report, and now included details of the 2019 ABS.

- ◆ Administration System Review

A full two years' extension of the Altair system would be undertaken when the contract expires on 31 December 2019 allowing a full review and procurement process to be undertaken. A new specification document was now being prepared and details of what was required from the system were outlined in the report. A number of site visits were being undertaken to observe the potential systems in action.

Approval had been obtained from the Project Board to proceed to procure the following:-

- Employer online portal.
- Member online portal.
- Administration system.
- Integrated payroll.

This would enable the service to move to monthly online returns, removing the need for the larger year end process and also remove the need to input data manually onto separate payroll systems and the overhead of maintaining and managing two separate sets of data.

Following the presentation of the report a number of issues and points were raised as follows:-

- ◆ The upturn in the number of outstanding cases was noted by a Member and it was explained that as the year end came about the number of cases increased, and these were being dealt with effectively. The issuing of ABS also led to more enquiries, which had seen an increase in cases being investigated.
- ◆ The Chairman encouraged Members to attend at least one conference per year, noting that details of upcoming courses and conferences were contained within the report.
- ◆ It was noted that, in terms of the meetings timetable, ordinary meetings of the Pension Fund Committee had now moved to Fridays with workshop events being held on the Thursday immediately prior to the main meeting.
- ◆ It was noted that the July meeting did not correspond with Thursday and Friday dates and it was agreed that this matter be checked out and clarified with Members.
- ◆ It was noted that the report stated that there would be meetings with BCPP sub-fund Managers at workshop events, however, this was an error and should read meetings with representatives of BCPP and remaining Fund Managers.

Resolved -

- (i) That the contents of the report be noted.
- (ii) That the contents of the Breaches Log be noted.

152. Performance of the Fund

The Fund's investment consultants, AON, had provided a report which gave an in-depth analysis of the investment performance of the Fund.

This performance was discussed with Members and the following issues and points were highlighted:-

- ◆ The total asset value of the Fund had risen by £8.3m during the quarter (period to 30 September 2019), a 2.2% increase, which had seen funding levels rise to 119%. The main drivers behind the performance were outlined.
- ◆ Details of the performance of individual Fund Managers were provided and a commentary was given in relation to their specific performance.

- ◆ Details were provided in relation to the performance of the portfolio including gilt yields and global equities. Issues relating to how equity protection had gained value were discussed.
- ◆ Consideration was given to investments in direct lending and the performance of the Fund Managers in relation to that.
- ◆ Work was still taking place in respect of the move towards the new investment portfolio, together with the transition of funds to BCPP and details were set out in the report provided by AON.
- ◆ Key movements within the structures and organisation of key Fund Managers were provided.
- ◆ Issues around the performance of Dodge and Cox were discussed, particularly in respect of their recent investments. AON explained that the investment was held temporarily and brought balance to the portfolio in terms of it having a different style in comparison to other investments.
- ◆ It was noted that forthcoming transfers into BCPP sub-funds would see a decrease in some of the investments with current Fund Managers.
- ◆ The independent investment adviser highlighted the need to closely monitor the impact of Typhoon Hagibis on the insurance linked securities, as this may have a much more substantial effect than has currently been seen.
- ◆ It was expected that future reports would include more information in relation to the BCPP investments, as they were currently at their initial stages, with little detail to report at this stage. Members asked that details of the performance of the individual Managers within the sub-funds be included in those reports.

Resolved -

That the investment performance of the Fund for the period ending 30 September 2019 be noted.

153. Investment Strategy Review

Considered -

The report of the Treasurer requesting Members to:-

- (i) Consider an allocation to BCPP's Multi-Asset Credit Fund (MAC).
- (ii) Consider a short term allocation to PIMCO's pooled Multi-Asset Credit Fund (MAC).
- (iii) Take account of the BCPP responsible investment policies.
- (iv) Consider an update on the UK equity transition.

Allocation to Multi-Asset Credits (MAC)

The BCPP Multi-Asset Credit (MAC) sub-fund is due to launch in the second half of 2020 and is intended to meet partner funds' requirements for higher return, harder to access credit investments that offered diversification from equities. This would be a mainly externally managed sub-fund using a core and satellite approach, with one core

manager, investing across multiple asset classes, generating performance through asset class allocation and a number of satellite managers, specialising in different asset classes expected to deliver performance through stock selection. Details of the structure for the Fund were provided.

PIMCO have been appointed as the core manager and will support BCPP in the appointment of satellite managers and finalisation of the product design.

In order to inform the RFP for the satellite managers, BCPP had asked for Committees to confirm commitments to this Fund by the end of December 2019. The issue had been discussed with representatives of BCPP at a Pension Fund workshop meeting held on 20 November 2019.

The Fund has a strategic allocation of 7.5% in liquid credit and, at the September meeting of the Committee, it was recommended that this allocation be invested across the BCPP MAC and investment grade credit sub-funds subject to further due diligence on those.

Detailed design work was still ongoing, therefore, further work was still outstanding in areas such as asset allocation, internal/external management, liquidity management and cost sharing. An initial high level review had been carried out by the Fund's investment consultants and the queries raised through that had been discussed at the Pension Fund workshop.

It was recommended, at this stage, that the Committee consider an allocation of up to 5% in the BCPP MAC fund, subject to further due diligence.

PIMCO MAC Fund Investment

A number of partner funds had expressed an interest in being able to invest in a MAC investment in advance of the BCPP MAC fund. An option available for partner funds was the ability to invest in PIMCO's diversified income fund (DIF), an existing pooled MAC fund, in the short term, until BCPP's MAC fund was available.

The PIMCO's DIF was already 'buy' rated by AON and due diligence had been carried out on the DIF specifically for the NYPF.

In terms of suitability, AON considered the PIMCO DIF to be a suitable investment that was appropriate for the NYPF. The Fund currently included an allocation of around 24% to investment grade credit in addition to sub-investment grade investments making it align well to the overall risk and return objectives for the Fund's 7.5% allocation to liquid credit. The PIMCO DIF was liquid and dealt on a daily basis. It did not impose any lock-up or extended notification periods, however, it could provide a limit to redemptions on any dealing date up to the value of 10% of the total fund assets.

Representatives of PIMCO had attended the pension Fund workshop on 21 November 2019 and provided further information.

The report set out the benefits that could be obtained by investing with PIMCO in the short term, as well as the risks. It was emphasised that AON did not believe that an investment with the DIF would expose the NYPF to any exceptional risks.

Issues around the limited capacity available for investment in the DIF were set out and, subject to partner Fund interest, it could be that the full desired allocation could not be achieved. Further discussions would be held with PIMCO on their availability should the Committee wish to invest.

AON's due diligence was highlighted at the pension Fund workshop held on 21 November 2019 and it was recommended that the Committee consider an investment of 5% in the diversified income fund in the short term, until the BCPP MAC fund was launched.

Details of options available for the funding the 5% were provided as follows:-

1. Partial sale of the excess M & G gilt allocation.
2. Use of the current NYCC Treasury Management cash holdings.
3. Full disinvest from the Newton Real Return Holding.
4. Disinvest from equity holdings.

It was noted that the preferred option would be Option 1.

Should an investment in PIMCO's DIF be approved Members were asked to determine where the investment should come from.

BCPP Responsible Investment Policy

The BCPP responsible investment policy and corporate governance and voting guidelines were developed in 2017, in conjunction with partner Funds, and were both reviewed annually. The latest versions were attached as Appendices to the report. The documents had been taken to BCPP Joint Committee for review on 20 November 2019 and, as part of the process, Pension Fund Committees were also asked to review these documents and consider the adoption of the principles within the Fund's own responsible investment policies.

UK Equity Transition

The final residual balance of £8m had been transferred out of Standard Life during the quarter and their account was now closed. The total transitions cost had been calculated as £1.7m. A reconciliation had been carried out and the remaining variance between the assets that left Standard Life and those transitioned into BCPP UK Equity Alpha Fund over the full transition period was, due to market movement, around - £6.9m.

Following the initial report Members undertook a discussion and the following issues and points were raised:-

- ◆ It was noted that the allocation to multi-asset credit, both the BCPP MAC fund and an investment into PIMCO's MAC fund, had been the subject of extensive discussion at the previous day's workshop. The Chairman highlighted the issues raised at the workshop, which would be set out in the resolution in the Minutes relating to this matter. He noted this highlighted the concerns of the Pension Fund Committee in relation to the investment with BCPP and ensured that these were emphasised.
- ◆ The Chairman of the Pension Board noted issues that he had raised in relation to the resolution, which he considered should be added to ensure there was no ambiguity. It was agreed that the issues raised should be included within the final resolution to mitigate against those concerns.
- ◆ It was noted that Option 1, a partial sale of the excess M & G gilt allocation to bring it more in line with the new reduced total allocation of 10%, had been

identified as the most appropriate method of funding the short term investment in the PIMCO MAC fund.

- ◆ In relation to the responsible investment policy of BCPP Members emphasised that it was appropriate that each of the partner Funds should have the same policy and it was noted that the NYPF's policy would be based on that provided by BCPP, going forward.
- ◆ In respect of the transition to the BCPP UK Equity Alpha fund it was asked whether, overall, this had cost £6.9m. In response it was stated that the actual cost was £1.7m for the transition, the remainder of the sum up to £6.9m had been created by market variations and it was emphasised that these would have occurred whether the transition had taken place or not. In total a sum of £167m had been moved from the NYPF to the BCPP UK Equity Alpha Fund.

The investment consultants noted that there had been some difficulties for the NYPF in the transition into this sub-fund as this had been undertaken later than the other Funds involved in the pool, and there was some advantage to transitions being undertaken in a co-ordinated manner, rather than acting alone. It was expected that the Global Equity transition would be much more effective.

Resolved -

- (i) That an investment of up to 5% in BCPP's MAC fund be undertaken, subject to further due diligence.
- (ii) That the following statement be conveyed to BCPP in relation to the commitment to invest in BCPP's MAC sub-fund:-

"Having reviewed the MAC sub-fund the PFC has considered that, on balance it is willing to commit, in principle, up to 5% of fund assets. The PFC has concerns around the EMD \$ internally managed sleeve as the Fund has a preference for external fund management. However the Fund is willing, in principle to invest up to 5% of assets in the BCPP MAC fund, subject to further due diligence including the following:

- Further detail on the asset allocation process to ensure:-
 1. that the balance between the different sleeves is determined based on an appropriate level of risk and with full consideration of the drivers of, and correlations within, those risks; and
 2. that there is sufficient flexibility to allow timely decisions to be taken on asset allocation outside of the routine reviews, in extreme circumstances.
- An outline of the internal team structure; its processes; risk controls; and succession planning.
- Assessment of the level of resource in place to manage the internally managed sleeve, including assurance that the CIO is personally satisfied that this resource level is adequate to allow the mandate to be managed successfully.
- Commitment to ongoing monitoring and reporting of the internal management of the EMD mandate over the medium term and, in the

event that this is not effective then a move to external management rather than continuing with a business strategy of internal management.

We also believe that it is important the proposed asset allocation approach, and scoring structure to choose the specialist managers, are discussed with Funds, their advisers and investment consultants before these are finalised.”

- (iii) That a short-term investment in the PIMCO DIF be approved.
- (iv) That the partial sale of the excess M & G gilt allocation be undertaken to fund the short-term investment in the PIMCO DIF.
- (v) That the updated BCPP responsible investment policies be noted and the principles adopted in the NYPF's policies.
- (vi) That the update on the UK equity transition be noted.

154. Pension Board - Draft Minutes of the meeting held on 3 October 2019

The Chairman of the Pension Board presented the Minutes of the meeting held on 3 October 2019, highlighting the following:-

- ◆ A number of Members of the Fund, and the Independent Chairman, who had been appointed at the inception of the Fund in 2015 had come to the end of their terms of office and, subsequently, had either agreed to continue their role or step down from the Board. As a result the Chairman, Gordon Gresty and Louise Branford-White had sought re-election to the Board, for a further four years and County Councillor Mike Jordan had stepped down. At the meeting of the County Council in November the three Members indicated had been re-appointed and County Councillor Bob Baker had been appointed as the North Yorkshire County Council employer representative, in place of County Councillor Jordan.
- ◆ Also in relation to this matter it was noted that an application had been received for the current employer representative vacancy from the Vice-Principal at York College. The applicant had been invited to an interview prior to the meeting of the Pension Board in January 2020 with a view to an appointment being made.
- ◆ The issue in relation to the publication of Annual Benefit Statements 2019 had been discussed earlier in this meeting.
- ◆ The issue of the reporting of Internal Audit reports had been discussed at the meeting, in relation to a statement that had been made by the Fund's Independent Observer relating to Internal Audit reports not being taken to the Pension Fund Committee. The Chairman asked whether Members would like to have sight of the Internal Audit reports at the Committee or whether they were satisfied with the current arrangements, whereby issues would be raised by the Pension Board or the Treasurer to the Fund. In response Members suggested that they were satisfied with the current arrangements and considered it appropriate that, should matters of concern arise, these would be referred to the Pension Fund Committee by the Treasurer to the Fund or the Board.

Resolved -

That the Minutes of the meeting of 3 October 2019, together with the highlights provided by the Chairman of the Pension Board, be noted.

The meeting concluded at 11.40 am.

SL/JR

DRAFT