

BATH AND NORTH EAST SOMERSET

PENSION BOARD

Tuesday, 4th March, 2025

Present:- Nick Weaver (Chair), Helen Ball (Member Representative), Alison Wyatt (Member Representative) and Jon Evans (Employer Representative)

Also in attendance: Nick Dixon (Head of Pensions), Liz Woodyard (Group Manager for Funding, Investment & Risk), Claire Newbery (Pensions Operations Manager), Carolyn Morgan (Governance and Risk Advisor), Rebecca Clark (Member Services Manager), Anne Black (Business Change Manager) and Claire Moon (Digital Services Manager)

40 EMERGENCY EVACUATION PROCEDURE

The Chair welcomed everyone to the meeting and asked the Democratic Services Officer to read out the Emergency Evacuation Procedure.

41 APOLOGIES FOR ABSENCE

The Democratic Services Officer informed the Board that apologies had been received from Steve Harman (Employer Representative) and Stuart Anstead (Employer Representative).

42 DECLARATIONS OF INTEREST

There were none.

43 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

44 ITEMS FROM THE PUBLIC

There were none.

45 ITEMS FROM MEMBERS

There were none.

46 MINUTES OF PREVIOUS MEETING: 5TH DECEMBER 2024

The Board approved the minutes of the previous meeting and they were duly signed by the Chair.

47 INVESTMENTS UPDATE

The Group Manager for Funding, Investment & Risk addressed the Board. The following points were raised in her update to them.

Consultation on LGPS reform

- The Fund issued its response to the consultation by the 16th January deadline. Pools had to issue their response to the proposals by 1st March. No further response has yet been received from the Government / Treasury department.

Pooling – reforming the pools

- AAs to fully delegate implementation of investment strategy to, and take principal investment advice from, the pool.
- All pools to be regulated by FCA – Brunel already are.
- All legacy assets to be transferred to the pools.

UK Investment – in localities and regions

- Set target allocation to local investment with input from other local authorities/bodies to agree priorities and identify opportunities.
- Record of local investments to be included in annual reports and ISS.

Governance – strengthening governance of LGPS funds and pools

- Builds on many of the recommendations of SAB's Good Governance review.
- Further requirements around transparency and reporting, and board membership of pools.

Proposals and impact on APF

- Strategic asset allocation: APF sets high level investment objectives & allocate in line with defined set of asset 'buckets'. Brunel allocates to their portfolios to meet the objectives set by the APF. Risk Management strategy is more complex and need to discuss with Brunel how this will be managed.
- Primary advice: Brunel is primary strategic advisor. APF can take independent strategic advice to set high level objectives.
- Cash: Brunel to manage investment balances. APF to manage Treasury cash (used for day-to-day banking). Possible area of tension due to liquidity needs.
- Governance: With change in responsibilities, pool governance will be adapted; may have implications for APF governance arrangements.

Current activity

Brunel & Clients

- Identifying potential changes and workstreams
- Identifying impact on governance arrangements
- Need Pensions Bill to be laid before commit to extra budget/spend

APF

- Closely involved in Client group discussions
- Take issues for consideration to Panel (changes to strategy implementation) or Committee (strategic / governance changes) as necessary.

Alison Wyatt asked about Brunel's capacity to undertake these new proposals.

The Group Manager for Funding, Investment & Risk replied that they would likely have to buy in the advisory role and build out that capacity. She added that they will also have to increase their Investment and Operational teams.

She stated that it was also important that they maintain the investment stream with regard to the Local Impact portfolio.

Jon Evans asked if there would be any duplication of roles between Brunel and the APF.

The Group Manager for Funding, Investment & Risk replied that officers would still be required to hold Brunel to account and were likely to become more involved in the 'local' work. She added that they would also act as conduit to other parties.

She said that Brunel will need to resource impact reporting and that she expected a closer partnership in terms of strategies.

Jon Evans asked if a project manager was required to oversee these forthcoming changes.

The Group Manager for Funding, Investment & Risk replied that Brunel have already appointed a project manager.

The Board **RESOLVED** to note the update that had been provided.

48 PENSION FUND ADMINISTRATION - PERFORMANCE REPORT

The Pensions Operations Manager introduced the report to the Board and highlighted the following points.

- Recruitment – final stages in progress.
- Pensions Ombudsman – 2 cases raised (1 found in favour of APF and 1 against)

The Chair asked if the events of the case found against the Fund could happen again.

The Pensions Operations Manager replied that this should not be possible now as a bank account validation process was now in place.

Jon Evans asked how long it usually takes for a Pensions Officer to be fully trained following recruitment.

The Pensions Operations Manager replied that she felt it takes around 18 months for them to become fully operational and to understand the regulations and systems that they have to work within. She added that an attention to detail was paramount for the role, ideally with some element of a finance background.

SLA monthly performance average Jan 2024 to January 2025

- Averaging between 87% - 90%
- Increase in some areas of activity over the Christmas period

KPI's case by age %

- Attempting to keep below 10%

Service performance – plan v's actual – 2nd Feb 2025

- The Fund remains ahead of the plan as of Q3 2024.

Helen Ball asked if it was known why there had been a notable drop in the figures recorded for Retirement (Active) – Quote (46% in Jan 25 down from 86% in Dec 24).

The Pensions Operations Manager replied that this was likely due to the number of enquiries that had been received at this time of year as members look to potentially change their circumstances as they enter a New Year.

The Chair asked if the Fund were aware of any impending large redundancy numbers that would affect employers within the fund.

The Pensions Operations Manager replied that they were not and to attempt a degree of mitigation, quarterly meetings are held with other Local Authorities.

Jon Evans asked how often they receive bulk enquiries.

The Pensions Operations Manager replied that they have noticed a trend of enquiries around January / February from people considering retirement. She added that they will aim to have further resources in place for the coming year for such enquiries.

Non KPI workload

- Leavers: 3,994 – Need to reduce this figure. Project for data cleansing to enable clarification of addresses.

Jon Evans asked if customer satisfaction could be measured through the Fund website.

The Pensions Operations Manager replied that this functionality was not currently available to them.

The Board, having been satisfied that the public interest would be better served by not disclosing relevant information, **RESOLVED**, in accordance with the provisions of the Section 100(A)(4) of the Local Government Act 1972 that the public should be excluded from the meeting for this item of business, because of the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act as amended.

The Board **RESOLVED** to note the service performance for the period ending 31st January 2025.

49 SERVICE PLAN, PROJECTS AND CHANGE PROGRAMME

The Pensions Operations Manager introduced the report to the Board and highlighted the following points.

Strategic Roadmap & Business Change 2025-26

2024 / 2025 – Highlights and Achievements

- People:
 - Restructure done
 - 16 New starters
 - 24 Promotions within existing team
 - Creation of Business Change function
- Performance:
 - Backlog reduction of KPIs
 - 39 new employers onboarded to the fund
 - Webinar based training introduced for scheme employers
- Process:
 - All employers now on i-Connect
 - Policy approvals for GMP / Unders and overs

- Digitalisation
 - New Employer website live
 - New employer webforms introduced to improve data submissions
 - Bank Account Validation implemented

2025 and beyond, Priorities & Objectives

- People:
 - Fully resourced
 - Fully trained
 - Ongoing development and opportunities
- Performance:
 - Within SLA for all KPIs
 - Meet needs of **Pensions Dashboards**
 - Compliance with regulatory changes i.e. **McCloud**
- Process:
 - Effective controls, proportionate to risk
 - All process mapped
 - Clear and concise user guides & training
- Digital Transformation:
 - Automation of key processes
 - **Member portal upgrade** to unlock the digitalisation of processes
 - **Transition to hosting solution**

Note: In bold denotes priorities.

Helen Ball asked if there was a driver behind the new employers into the Fund.

The Pensions Operations Manager replied that this was mainly due to Academies and then their outsourcing of certain contracts for cleaning, catering etc.

Jon Evans asked what measures will be taken to measure customer satisfaction.

The Pensions Operations Manager replied that work will begin to be undertaken in 2025/26 to find out more from members about what they think of the Fund and the information they want to receive.

Business Change

The Business Change Manager explained that the team was established in late 2024 and is dedicated to managing change effectively by delivering projects or providing project best practice guidance. She added that the team works alongside other APF teams balancing resources to fulfil regulatory requirements and to manage BAU alongside change.

- Key Focus Areas for the teams in 2025/26 are Member engagement, McCloud & Dashboard compliance and Procurement. We will progress Transformation and Digitalisation where resource allows.

Prioritisation process

- We continually review our projects, evaluating them to ensure they continue to deliver the right benefits to our members and administration teams. By carefully managing our resources, we can maximise the impact of our efforts and achieve our objectives efficiently.

Jon Evans commented that he felt that the Change Programme was interesting and that the Board should maintain their awareness of it.

Helen Ball agreed and said that she would welcome hearing about its progress and suggested the Board meet informally via Teams.

The Pensions Operations Manager replied that she would seek to find a potential date in April to be able to update the Board.

The Chair commented that it was good to have the priorities identified and agreed that the Board should be updated on their progress. He thanked the Pensions Operations Manager and Business Change Manager for their presentation on behalf of the Board.

50 THE PENSION REGULATOR'S GENERAL CODE OF PRACTICE (TPR GCOP)

The Governance & Risk Advisor introduced the report to the Board and highlighted the following points.

- In March 2024 The Pensions Regulator combined various codes of practice into a single General Code of Practice which is applicable to most public and private occupational pension schemes, including the LGPS.
- Conducting an assessment against the requirements has allowed the Fund to create an action plan detailing owners and timescales with the aim of reaching compliance with the code over the next year.
- In summary the Fund was compliant with approximately 70% of the requirements. The other 30% are partially compliant. Most actions are minor or are areas where significant work is already being undertaken. Eg – implementation of changes to internal controls, review and testing of the Business Continuity Plan. Some of the key areas of the work will be in the following areas:
 - Knowledge & Skills of Committee & Pension Board members.
 - Communications & disclosure of information to members.
 - Review of record keeping and data improvement plan.
 - Monitoring Advisors & contracts

- Progress against the action plan will be shared with Committee and Pension Board on a quarterly basis.

Jon Evans asked how much of the work was dependant on the Business Change programme.

The Governance & Risk Advisor replied that there was not much of a dependency between the two work elements.

The Chair commented that Board and Committee members have a role to play in making sure their training records are up to date / complete.

Helen Ball asked if there was either an internal or external timescale to become fully compliant.

The Governance & Risk Advisor replied that TPR had not set a deadline but there was an expectation that the Fund should be working towards compliance. The Fund has set its own deadline of 31 March 2025. She added that The Pension Regulator could inform the Fund of a planned visit and that officers would need to show that a plan is in place.

The Board **RESOLVED** to note the assessment and action plan.

51 RISK MANAGEMENT UPDATE - RISK REGISTER

The Governance & Risk Advisor introduced the report to the Board and highlighted the following points.

- The quarterly review of the risk register has taken place and no changes have been made to scores for this quarter.
- The Fund has just completed its review and testing of its Business Continuity Plan. As part of this work risks identified in the plan have been checked for consistency against the risk register. As a result of this risk NR06 has been reworded to better reflect the risk of losing IT, which could be due to a cyber attack, but also due to other factors such as loss of power.
- The top three risks remain:
 - NR06 – the loss of IT including cyber attack and loss of power. The fund is planning to move its admin system to a Heywood hosted solution and appropriate data protection and cyber assessments are being carried out.
 - NR01 – Poor service levels below agreed standards. The current factors impacting this risk are set out in the Pension Fund Administration report. As part of the Business Continuity Plan review a service level plan and crisis communication plan have also been agreed.

- NR05 – Failure to manage personal data per regulations. The volume of personal data the Fund manages in day-to-day processing keeps this risk high on the register. The Operations Teams plan to introduce process changes to remove duplication of checking and bulk processing. Additional data protection assessments will be carried out as part of the implementation.

Jon Evans commented that he felt that the levels of mitigation were quite high and asked how likely it was that any Ambers could be moved to Green.

The Governance & Risk Advisor replied that she would be cautious over that prospect as some elements remain out of direct control of the Fund.

The Board **RESOLVED** to note the report.

52 GOVERNANCE UPDATE

The Governance & Risk Advisor introduced the report to the Board and highlighted the following points.

- The training plan sets out the timeframes for studying the Hymans training modules as set out in Appendix 2. The plan will be refreshed in April 2025.
- Board member recruitment remains ongoing, specifically to seek a further Member Representative and Employer Representative.

The Board **RESOLVED** to:

- Note the workplan & training plan for 2025
- Note the dates for future meetings.

The Head of Pensions addressed the Board. He explained that the Avon Pension Fund Committee were due to discuss the issue of Aerospace & Defence Investments at their meeting on March 28th following a number of statements from members of the public at their December 2024 meeting.

The meeting ended at 12.12 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services