

## **BATH AND NORTH EAST SOMERSET**

### **AVON PENSION FUND COMMITTEE**

Friday 27th June 2025

**Bath and North East Somerset Councillors:** Toby Simon (Chair), Shaun Stephenson-McGall (Vice-Chair), George Leach, Chris Dando and Joanna Wright

**Co-opted Voting Members:** Councillor Robert Payne (North Somerset Council), Councillor Fi Hance (Bristol City Council), Charles Gerrish (Academies), William Liew (HFE Employers), Wendy Weston (Trade Unions), Pauline Gordon (Independent Member), John Finch (Independent Member) and Jackie Peel (Independent Member)

**Co-opted Non-voting Members:** Shona Jemphrey (Unison)

**Advisors:** Steve Turner (Mercer), Paul Middleman (Mercer) and Nick Page (Mercer)

**Also in attendance:** Nick Dixon (Head of Pensions), Liz Woodyard (Group Manager for Funding, Investment & Risk), Nathan Rollinson (Investments Manager), Carolyn Morgan (Governance and Risk Advisor), Jeff Wring (Director of Financial Services, Assurance & Pensions) and Claire Newbery (Pensions Operations Manager)

#### **1 EMERGENCY EVACUATION PROCEDURE**

The Democratic Services Officer announced the emergency evacuation procedure.

#### **2 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Edmund Cannon had sent his apologies to the Committee.

#### **3 DECLARATIONS OF INTEREST**

Councillor George Leach declared an 'other interest' with particular regard to agenda item 14 (Governance Update). He is an employee of Hymans Robertson who provide LGPS training services, but he has no direct professional links with Avon Pension Fund.

#### **4 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR**

There was none.

#### **5 ITEMS FROM THE PUBLIC - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS**

Youssef Ezzat Ibrahim addressed the Committee in the absence of Ray Wilson who had registered to make a statement but was unable to attend. A copy of Ray Wilson's statement is available as an online appendix to these minutes, and a summary of the statement given is set out below.

He stated that the climate crisis is at a breaking point and that the Avon Pension Fund was still investing in companies that will make it worse.

He said that the ongoing conflicts that involve weapons funded by Avon Pension Fund are having a devastating overall effect on the planet. He added that they are destroying its natural structure, poisoning the environment and leading to a climate breakdown.

He said that the arms companies that profit from these wars are facilitating a climate emergency.

He asked if all the Fund members realise that they are investing in the acceleration of a climate crisis and funding war crimes?

He demanded that a full consultation of all members is carried out, not just a sample of them. He said that people were feared of being shut down and want to know that their pension is protecting the planet and not funding war crimes.

He stated that the Fund cannot claim to support peace and climate justice by still funding these crimes.

He said that he was disappointed that the Committee had not already made a decision to disinvest from companies involved in the arms trade that is supporting the genocide in Gaza.

Benazir Jatoi addressed the Committee, a copy of her statement is available as an online appendix to these minutes, and a summary is set out below.

'I speak before you today as an Avon Pension Fund Scheme member, a Bath resident and a passionate believer in peace and justice – which means no war, no weapons and definitely no investment of my pension money in arms companies and weapons manufacturers.

Unfortunately, at the last Committee meeting, it was decided that the committee will continue to maintain the status quo – i.e continue to invest our money in arms companies.

As a reminder: Your fiduciary duty, as trustees of our money, is not, as some wrongly believe, only about ensuring maximum returns for the best interest of members. You can exclude sectors if they would cause legal, environmental or reputational risks relevant to beneficiaries.

You have discretion and we know you know how to use it – you have rightly recognised the risk to the Fund from climate change and recognise your power as a shareholder to influence change.

Given the grave environmental impact of weapons production and the devastating death and destruction they cause to people and planet around the world, I cannot emphasis enough the need for a transparent, thorough, and robust consultation that is widely carried out with all its members. I welcome that research partners are being consulted.

Since the last Committee meeting, a small group of members, here in Bath, have organised to draft, print and post over 10,000 flyers and letters to employers and employees from the Avon Pension Fund - alerting them of an upcoming consultation. We are all waiting for this consultation.

Dr Eldin Fahmy addressed the Committee, a copy of his statement is available as an online appendix to these minutes, and a summary is set out below.

'Israel's ongoing assault on Gaza is a moral catastrophe without recent parallel. There is no comparable case where a captive population has been so relentlessly persecuted, terrorised, and killed on this scale by a State actor - and UK ally. The suffering Israel is inflicting in Gaza and beyond is undermining international law and global security. If we do not act, there may yet be worse to come in Gaza...

The Avon Pension Fund continues to invest members' deferred wages in companies profiting from arms exports to Israel which facilitate illegal occupation of territory and egregious human rights abuses.

The Committee has suggested without evidence that jobs in Bristol are at risk if we do not continue to invest in arms companies facilitating war crimes in Palestine. In fact, arms companies are doing brisk business - global defence spending is now at heights not seen for over 40 years.

The Committee believes that investing in arms companies facilitating war crimes in Palestine helps 'keep us safe'. In fact, it is the predatory and expansionist activities of military powers like Israel, the USA, and Russia which are destabilising the international order.

The Board acknowledged in March the need to consult members on their wishes. It is regrettable that the Board has chosen to consult on maintaining the status quo – and to do so based on their own political views, opinions and interests.

Decision-making bodies usually consult on maintaining the status quo (i.e. literally consult on doing nothing). It would be shameful if personal and institutional vested interests were allowed to skew the consultation in this way. But it is difficult to see how choosing to consult on doing nothing is consistent with good governance principles.

It would also be regrettable if the consultation was limited to only a small sample of APF members, however representative they may be. APF Committee is responsible for investing members' deferred wages. For practical purposes, it is THEIR money - and ALL members must be entitled to express a view on this matter in any consultation. This is highly feasible due to developments in online survey methods which are now routinely used in UK Government surveys at very low cost.

So far, APF Committee has made no public statement about how any consultation will be conducted, who will be included, and what questions will be asked.

It is time for APF Committee to come clean about their plans - and to expedite them ASAP. It is time to let all members have their say.'

Roger Thomas addressed the Committee, a summary of their statement is set out below.

He explained that he was a member of the scheme and was disappointed that no progress had appeared to have been made within the last three months, and that more weapons would have been sold as no change to the investment plans of the Fund have taken place.

He stated that these weapons are being used against civilians, that they are bombing women and children and that innocent people were being attacked while waiting for food, water and aid.

He said that any member of the Committee that has a conflict of interest and has a role in the procurement of weapons should declare it to the Committee.

He urged the Committee to vote for a full consultation of its members as he was sure that none of them want blood on their hands.

Eileen Kay addressed the Committee, a copy of her statement is available as an online appendix to these minutes, and a summary is set out below.

'I urge the Board to ensure that the upcoming consultation on arms divestment is conducted in good faith and reflects the principles of transparency and democracy. All members of the Avon Pension Fund, whose deferred wages are being invested, deserve a meaningful say in this decision.

The consultation must be open to *all* members, not just a sample, and must provide the necessary information and context to allow members to make an informed and independent decision. This includes the ethical, social, financial and environmental implications of continued investment in arms companies, including those arming governments accused of human rights abuses.

UWE UNISON, represent members in one of the largest contributing cohorts to the fund. We urge the Board to uphold your decision made in March to consult your members regarding divestment from the Aerospace and Defence sectors. Members have a right to say how they wish their deferred wages are invested, and we should be allowed to do this without further delay.

Freedom of Movement is protected by International Law. The right to work and just and favourable conditions is protected by International Law. The right to Health is protected by International Law. The right to Education is protected by International Law. The right to Water and Sanitation is protected by International Law.

Palestinians are denied safe and fair access to **all these rights**. By investing our wages in companies like BAE systems that help Israel maintain its illegal occupation of Palestinian territories – you are making us complicit in human rights violations without our consent. We have a responsibility as individuals and groups to 'promote and protect universally recognised human rights and fundamental freedoms', this has been recognised in International Law since 1999.

The British Army emits around 11 million tons of CO2 annually, equivalent to over 60 other countries combined, with 30% of those emissions being attributed to BAE Systems.

UWE staff are one of the largest contributors to APF. As the recognised trade union body representing staff that feed significantly into the fund, UWE UNISON is calling APF to:

- Conduct a full democratic consultation of all members of the fund
- To include an alternative in the form of the Paris Climate Fund

UWE UNISON members are asking APF to choose Welfare not Warfare.'

Loulou Brouard addressed the Committee, a summary of their statement is set out below.

She began by seeking clarification on whether there was any outcome from a conflict of interest complaint against Councillor Dando.

She said that she was an advocate for the Fund to carry out a consultation on its investments as there needs to be a stable, positive and liveable future.

She stated that it was her view that the weapons industry needs to be scrutinised and that she had not yet been consulted on the question of divestment.

She said that she expected the Avon Pension Fund to invest her money responsibly and to gain consent for how her money is invested. She added that she suspected that many members of the Fund were unaware of how their money was being invested.

She said that the ongoing conflicts were also causing an environmental devastation alongside the human impact from bombing schools, hospitals and civilians.

Sheila Caffrey (NEU) addressed the Committee, a summary of their statement is set out below.

She said that the Union were in a strong position to support their staff on this matter and were seeking for pensions to be provided ethically.

She stated that by holding a consultation it was a chance for members to voice their opinion. She added that many other unions support their views on divestment.

She called for notification of a timeframe for the consultation to be given as soon as possible and said that all current and receiving members should be consulted.

She questioned how the data following the consultation would be shared with the public and how would it be ensured that all voices will be heard.

She said that all conflicts of interest should be shared with the Committee and that members must be accountable for their decisions.

The Chair commented that members of the Committee are obliged to declare any disclosable pecuniary interests. Members may also choose to declare 'other interests' at their own discretion. Any concerns about such declarations should be addressed to the Council's Monitoring Officer.

He also said that Avon Pension Fund had now selected a research partner for the survey, which would now work with the Fund to design the survey, including the questions, methodology, and sample population.

He outlined a provisional timeline for the survey process:

- **July 2025** – Development of survey methodology and sample population; Committee briefing
- **August 2025** – Survey testing and data preparation
- **September 2025** – Survey launch
- **October/November 2025** – Public out-of-cycle Committee meeting to review results and make a final decision on Aerospace & Defence investments. This meeting will be open to the public

Shona Jemphrey asked if the name of the research partner could be disclosed.

The Head of Pensions replied that they were called Prevision Research and that they had robust experience working across the public sector with this type of work.

Councillor Joanna Wright said that she had received many letters from the public on this issue and asked if there was any way in which the process could be sped up.

The Head of Pensions replied that he had to be mindful of several competing priorities that affect the timing of the survey, including, migration of the core administration system to the cloud, regulatory deadlines for Annual Pension Statements, changes to investment pooling arrangements and the summer holiday period. The timeline outlined would thus be how the matter would be progressed.

The Chair thanked the members of the public for attending and those that had made statements to the Committee.

## **6 ITEMS FROM COUNCILLORS AND CO-OPTED AND ADDED MEMBERS**

There were none.

## **7 MINUTES: 28TH MARCH 2025**

The Committee **RESOLVED** that the minutes of the meeting on 28<sup>th</sup> March 2025 be confirmed as a correct record and signed by the Chair.

## **8 DRAFT PENSION BOARD MINUTES: 3RD JUNE 2025**

The Committee **RESOLVED** to note the draft minutes of the Board meeting held on 3<sup>rd</sup> June 2025.

## 9 DRAFT FUNDING STRATEGY STATEMENT 2025

The Group Manager for Funding, Investment & Risk introduced the report. She explained that a review of the Statement takes place every 3 years to coincide with the completion of a full statutory actuarial valuation. She added that the report reflects the workshop discussion that took place earlier in the month.

Paul Middleman, Mercer, addressed the Committee and highlighted the following points to them.

In the draft Funding Strategy Statement 2025 the following changes are being incorporated:

- **Discount Rate basis for past service liabilities (funding target)** - The key assumption which drives the value of the pension Fund liabilities (the future benefit payments) and therefore deficit or surplus is the discount rate. This is set by the Fund, based on advice from the Actuary, to reflect the overall investment return which we expect to achieve on the Fund's assets (within reasonable risk parameters) over the long term with a suitable and necessary allowance for prudence to support contribution sustainability.
- The discount rate reflects the "real" expected asset return above the CPI baseline assumption when assessing the long-term solvency target. Increases in inflation will increase the liabilities as the benefits are inflation linked and potentially it can also reduce the real return on assets. A judgement is needed as to expected future inflation, with the risk that understating inflation and its persistency in this valuation will transpire into higher contributions at the next valuation in 2028.
- The Actuary is proposing to increase the expected level of real return above CPI by 1.80% from the 2022 valuation to CPI+3.30% per annum, which includes an appropriate level of prudence to support contribution sustainability (as in the probability of achieving the discount rate) taking into account a range of factors/assumptions including the economic and geopolitical environment. The level of prudence includes judgement for the Actuary on the level of uncertainty of these factors in the context of the current global environment.
- **Future service rate (FSR) discount rate basis** - The future service liabilities are calculated using the same assumptions as the funding target except that a different financial assumption for the discount rate is used. A critical aspect here is that the Regulations state the desirability of keeping the "Primary Rate" (which is the future service rate) as stable as possible so this needs to be taken into account when setting the assumptions.
- As future service contributions are paid in respect of benefits built up in the future, the FSR should take account of the uncertainty in market conditions applying at future dates, not just the date of the valuation, it is justifiable to use a lower expected return from the investment strategy compared to the past service discount rate.

- The Actuary's view is that the real return applied in 2022 can be increased by 0.25% to CPI +2.25% per annum. As a result, there will be a reduction in FSR (all other things equal).
- **Mortality assumption** - The baseline and short-term trend in mortality will be adjusted to reflect the Fund's experience since 2022. The full demographic analysis has yet to be completed. However, the initial demographic analysis indicates that life expectancy has in general fallen (the exception being amongst female pensioners) which will reduce the baseline liabilities. The longevity assumption used to date is in line with current Continuous Mortality Investigation (CMI) (2023) with a long-term improvement trend of 1.75% p.a. and this is set out within the FSS. This will be updated to use the 2024 CMI tables once they are available, and the Actuary will consider further the long-term improvement trend in light of the additional analysis that will follow.
- **Surplus Reserve Policy** - The Fund is now in a stronger funding position than at recent previous valuations and some employers may have moved into surplus position, so an enduring surplus policy is required. The Fund's objective is to maintain stability of contributions and in the 2025 valuation circumstances of worldwide financial market turmoil, there is a need for a surplus reserve to protect against adverse experience leading to unsustainable contribution levels.
- Relatively small surpluses are also fragile in the context of the daily variations in funding level and so the introduction of a sustainability reserve aims to provide a cushion against adverse experience to support the sustainability of contributions rates.
- The FSS sets out differing surplus reserves by employer characteristics, given that some employers' funding positions will be more sensitive to changes in market conditions, for example, than others, and at future valuations as the circumstances require the surplus reserve could be nil.
- A critical consideration for committee is whether the reserves should vary by employer type (linked to the sensitivity of funding position to changes in assumptions) or maintain a constant reserve for employers and accept the potential lower likelihood of sustainable contributions. The draft policy shows provisional surplus reserves for the different categories of employer e.g. a 5% reserve for Councils/public bodies to allow for this variability in a practical way, along with circumstances where they would be considered on a case by case basis.

William Liew commented that he felt that it was right for the Fund to build in prudence, that he felt that employers value the certainty and therefore a 5% reserve was reasonable.

Jackie Peel queried whether the reserves should vary by employer type as it seemed like a level of complexity that wasn't really needed.



Paul Middleman replied that he was content to keep it simplistic and that the Committee could consider having one reserve level. He said that this would be consistent and easier to understand for all. He added that an employer could always choose to contribute more if they wish.

Jackie Peel asked if she could send in further comments in writing.

The Group Manager for Funding, Investment & Risk replied that officers would be able to receive comments over the next couple of weeks.

The Committee **RESOLVED** to;

- i) Approve the draft Funding Strategy Statement as set out in Appendix 1 for wider consultation, subject to the insertion of information which can only be included when the actuarial valuation and consultation processes are complete.
- ii) Delegate power to officers, having taken advice from the Actuary, to amend the draft FSS for technical updates and updated information as appropriate.

## **10 FUND GOVERNANCE FRAMEWORK**

The Governance & Risk Advisor introduced the report to the Committee and highlighted the following areas.

- No changes have been made to the Terms of Reference (ToR) for the Committee & Investment Panel apart from minor job title changes. The minor changes were approved by Council on 22nd May.
- The Committee's role is strategic in nature, setting the policy framework and monitoring compliance within that framework. Due to the wide scope of the Committee's remit, investment issues are delegated to the Investment Panel, (a sub-committee of the Committee) which explores the issues in greater detail before making decisions and/or recommendations to the Committee. The implementation of strategic decisions is delegated to Officers.

She stated that changes to the framework were expected following any decision on the pooling arrangements for LGPS funds.

Jackie Peel referred to page 168 of the agenda pack and said that the second paragraph under 'Committee Scope' should read "The Avon Pension Fund is a member of the Brunel Pension Partnership (Brunel). Brunel Pension Partnership Ltd (BPP Ltd) is responsible for implementing the Fund's Investment Strategy.

Councillor Fi Hance commented that a summary of the amendments would be appreciated.

The Governance & Risk Advisor replied that any significant changes would have been highlighted in the report and that at this time only minor job title changes had taken place.

The Chair stated that any member of the Committee was welcome to attend future meetings of the Local Authority Pension Fund Forum (LAPFF) and said that some conferences were also upcoming.

The Committee **RESOLVED** to:

- i) Approves the Terms of Reference of the Committee & Investment Panel
- ii) Approves the Governance Compliance Statement, including draft Representation Policy.
- iii) Approves the Scheme of Delegation
- iv) Approves the changes to the Conflicts of Interest Policy
- v) Notes the Decision Making Matrix.
- vi) Notes the roles and responsibilities of the members, advisors and officers
- vii) Agrees independent member representation of the Brunel Working Group.
- viii) Agrees substitute of Brunel Oversight Board. Chair of Investment Panel
- ix) Agrees the member(s) to represent the fund on the Local Authority Pension Fund Forum. Chair of the Committee
- x) Agrees to delegate the drafting of the Annual Report to Council to Officers and the Chair (subject to informal consultation with Committee members prior to the Chair approving the report).

## **11 INVESTMENT STRATEGY (FOR PERIODS ENDING 31 MARCH 2025)**

The Investments Manager introduced the report to the Committee and highlighted the following areas.

- Over one year the Fund delivered an absolute return of -0.6% and underperformed its benchmark by 5.4% in relative terms, where most portfolios underperformed their respective benchmarks. Of the listed equity portfolios, underperformance was most pronounced in the Global Sustainable Equity portfolio, with Global High Alpha also lagging its benchmark return. A key driver of this underperformance was the Fund's underweight exposure to the 'Magnificent 7' technology stocks which were the primary contributors to global equity gains during the period.
- The equity protection strategy, designed to mitigate downside risk, also detracted from returns in what was a positive but narrowly led equity market. This environment proved particularly challenging for active managers as gains were concentrated in a small subset of mega-cap technology names.
- Brunel have been invited to a future meeting of the Investment Panel to discuss performance levels.
- The Investment Panel were informed that the remaining £30m uncommitted local impact capital would be allocated to the Fund's existing three managers: Schroders Greencoat (Renewable Infrastructure), Octopus (Affordable Housing) and Foresight (SME Private Equity).

- Mercer has previously provided suitability advice on all three managers and is supportive of the proposal given all managers have a demonstrable pipeline of opportunities and have successfully deployed capital in relatively short order. A 'top-up' of this size is unlikely to materially increase portfolio concentration in any one area or asset.
- The Fund will be considering whether to raise its allocation to local impact as part of the 2025 Investment Strategy Review.

Steve Turner, Mercer addressed the Committee and highlighted the following points from Appendix 1.

- The funding level is in a healthy position at around 105% / 106%.
- Continued rate cuts by most developed market central banks, European politics and tariffs were the key themes driving markets in the first quarter of 2025.
- Overall, global equities ended the quarter in the red driven by the considerable uncertainty from tariff and growth concerns.
- Changes in bond yields were mixed across developed markets. The curve steepened in the UK amidst hawkish BOE cuts, tariff woes and revised budget spending plans.
- Markets have not been hugely impacted by the ongoing conflicts around the world.
- Portfolios are well diversified, but it was recognised that there is room for improvement in the performance of Brunel.

Councillor George Leach commented that he would welcome seeing figures for five years within the report.

Steve Turner replied that these figures would be available and could form part of future reports.

Charles Gerrish asked if despite being underweight to certain big US technology stocks, had the Fund benefitted from the value of the US dollar falling.

Steve Turner replied that the Fund had benefited from this through their hedging arrangements.

William Liew asked for officers to monitor Brunel with regard to any issues of key staff retention.

The Head of Pensions replied that the Committee would be updated of any key changes.

The Committee **RESOLVED** to note the information set out in the report and appendices.

## 12 PENSION FUND ADMINISTRATION - OVERVIEW & SUMMARY PERFORMANCE REPORT

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

### SLA monthly performance average April 2024 to April 2025

- Peaked at 89% (Feb 2025). Average at around 80%
- High influx of member inquiries had an impact on staff resources. Letters sent re: McCloud and tracing, year-end work and Pensions Increase a factor over this period.
- Team is working as hard as ever and we remain above our projected expectations.

Recruitment – The fund has successfully recruited 11 new officers joining the Operations and Business Change teams in the last month, 10 of which were in Administration. This leaves a further 4.5 vacant posts including 1 within Business Change team, recruitment is ongoing.

The introduction of Hybrid Mail has already improved the timescales for certain tasks for officers and should lessen the possibility of any data breaches.

McCloud – A further update would be provided to the Committee in September.

### Administration Software Procurement

- New 7- year contract signed with Heywood via the COTS agreement with Softcat 17 April 2025
- New contract covers existing Altair & i-Connect plus new Products & Services - Hosting, Dashboard ISP, Data Cleanse, Engage (with SMS & EIDV), Enhanced Admin to Pay
- Reinforced and improved our relationship with Heywood
- Sets foundation for Digital improvement
- Supports regulatory needs for Pensions Dashboard

### Migrating from 'On-premises' to 'Hosted'

- **WHY?** - To support **B&NES Cloud First** programme moving the application software and databases from a B&NES on-premises server to a cloud hosted solution.
- **WHO?** - **Heywood**, our software provider for Altair and associated modules, will provide hosting services via their supplier, Service Express.

- **WHEN?** - In progress now. BANES IT & Financial Systems are supporting us with the move. Aiming to complete move by **end July 2025**.

#### Avon Pension Fund: Connecting to Pensions Dashboards

- The Avon Pension Fund is preparing to link with the Pensions Dashboard, making it easier for our members to access their pension information. This will be carried out in phases with the aim of being live and connected by 31<sup>st</sup> October 2025.
- Phase 1 – Complete - System Configuration / Upload member data and resolve errors captured (scenario testing) / Set Matching requirement.
- Phase 2 - Configure live matching rules / Registration with TPR / Test Admin processes for enquiries.

Wendy Weston asked if it was still the case that staff within the Fund were being poached by larger companies or was it in a stronger position to retain them now.

The Pensions Operations Manager replied that staff retention has improved, and that recent turnover of staff had been limited. She added that the improved pay offer for many members of staff had helped in this process.

Shona Jemphrey asked what figures were involved in the member tracing work.

The Pensions Operations Manager replied that a member tracing project to trace around 6000 “gone away” members is underway prior to connection to the Pension Dashboard.

Charles Gerrish commented that there had been a fall in the percentage of death grants in April 2025.

The Pensions Operations Manager replied that this had been due to slight peak and further training was being provided to officers in an attempt to improve this area in the coming months.

The Chair, on behalf of the Committee, wished to thank all officers within the service for their ongoing work.

The Committee **RESOLVED** to note the service performance for the period ending 30th April 2025.

### **13 RISK MANAGEMENT PROCESS & RISK REGISTER**

The Governance & Risk Advisor introduced the report to the Committee and highlighted the following areas.

- The quarterly review of the risk register has taken place and a couple of changes have been made to scores for this quarter. Some amendments have also been made to current impacting factors.

- Risk NR19 - structural reform to LGPS / Pooling has been amended to 'Move to new asset pool'. The score has been updated to reflect the likelihood increasing from likely to almost certain.
- Risk NR07 – Employers Data. Following the successful roll out of I-Connect to all employers and more employer training taking place the likelihood has been reduced from likely to possible.
- Our top 3 risks have been updated to reflect the change of score to the pooling risk:
  - 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.
  - NR19 – Move to new asset pool. Work and discussions are ongoing with pool and advisors. See full report within June Committee report.

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

## 14 GOVERNANCE UPDATE

The Governance & Risk Advisor introduced the report to the Committee and highlighted the following areas.

- In March 2024 The Pensions Regulator (TPR) 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.
- The purpose of the report is to summarise the Fund's view of compliance with the Code. There are a number of criteria which Funds must comply with in order to satisfy the requirements of the various sections of the Code.
- Appendix 1 sets out the requirements in more detail and records the findings from the assessment by Fund officers across all relevant subject areas. Conducting the 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 app 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. The key areas of the work will be in the following areas:

- Knowledge & Skills of Committee & Pension Board members
  - Internal Controls
  - Communications & disclosure of information to members
  - Review of record keeping and data improvement plan
  - Review of breaches policy
  - Business Continuity Plan
  - Monitoring Advisors & contracts
- Progress against the action plan will be shared with Committee and Pension Board on a quarterly basis.

The Committee **RESOLVED** to:

- i) Note TPR GCOP action plan
- ii) Note the Committee workplan & training programme
- iii) Note the service plan monitoring report

## 15 STRATEGIC INVESTMENT REVIEW

The Committee, 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.

## 16 LGPS POOLING - UPDATE

The Committee, 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 meeting ended at 1.02 pm

Chair(person) .....

Date Confirmed and Signed .....

**Prepared by Democratic Services**