1. Apologies for Absence

The Chair noted that with all Trustee Members present, no apologies had been received.

2. Declaration of interest

Following enquiry from the Chair, there were no new declarations of interest.

3. Minutes and Synopses

3.1 Minutes and Synopsis of the Governing Body meeting held on 25 July 2017

The minutes of the Governing Body meeting held on 25 July 2017 were APPROVED as a true and accurate record of the meeting.

The Governing Body discussed the purpose and information provided within the synopsis documents and AGREED that this should be reviewed and clarified.

3.2 Minutes and Synopsis of the Governing Body meeting held on 25 September 2017

The minutes and synopsis of the Governing Body meeting held on 25 September 2017 were APPROVED as a true and accurate record of the meeting.

3.3 Notes from the Governing Body Strategy meeting held on 25 September 2017

Subject to drafting amendments, the Governing Body AGREED the notes.

4. Matters arising and action points

Progress with the completion of actions as shown in the action log was NOTED by the Governing Body.

5. Financials, Performance & Investments

5.1 Chief Executive’s Report
The Governing Body discussed the CEO’s report on developments since the last meeting. The CEO provided updates to the Governing Body on:

i. NEST operations and volumes;
ii. NEST Corporation staffing;
iii. The Pensions Dashboard project; and
iv. The potential impacts of the Fraud Compensation Fund levy for master trusts.

5.2 Corporate Reporting Pack

The Corporate Reporting Pack was NOTED by the Governing Body and had been discussed as part of agenda item 5.1.

5.3 Transfers Report

The Chief Customer Officer introduced the transfers report which provided an overview of NEST’s early experience in supporting transfers in and out of the Scheme, post the lifting of restrictions on NEST in April 2017. The report was NOTED by the Governing Body.

The Chair noted that further reporting on transfers should be provided within the Corporate Reporting Pack, including a slide outlining pipeline/stock and flow detail on transfers in and out.

5.4 Chief Investment Officer’s Report

The Chief Investment Officer introduced the report, which would be submitted to the Governing Body on a quarterly basis to provide an in-depth update on investments. It was noted that the report had been discussed at the NEST Investment Committee and the content agreed by the Committee Chair. The report was NOTED by Trustee Members.

6. Principal Matters for Decision

6.1 NEST Rules Consultation

The Director of Pensions and Public Law introduced the report, which requested Governing Body approval for a consultation on NEST’s Rules. The report was NOTED by the Governing Body.

Following further discussion, the Governing Body RESOLVED to:

i. APPROVE the draft Rules consultation for publication;
ii. DELEGATE to the NEST Chair the power to approve a revised version of the Rules consultation, should this be required; and
iii. DELEGATE to the NEST Chair the approval of the handling plan and press release that will accompany publication.

6.2 Managing Investment Conflicts of Interest

The Chief Investment Officer introduced the proposed Conflicts of Interest Policy. It was reported that the policy was drafted following the discussion at the Governing Body meeting on 2 March 2017, in relation to the potential for conflicts of interest, or the perception of a conflict, to arise from NEST’s various roles as an institutional investor, service provider, and public body with specific statutory responsibilities as part of automatic enrolment reforms.

Following further discussion, the Governing Body RESOLVED to:

i. APPROVE the Conflicts of Interest Policy in relation to NEST’s role as an asset owner and steward;
ii. AGREE that the policy should be made publicly available; and
iii. APPROVE the conflicts resolution process set out within the Policy.
6.4 Value for Members Summary document

The Chief Customer Officer presented to Trustee Members the recommendation that a summarised version of the Value for Members (‘VFM’) report which was previously approved by the Governing Body at the meeting on 28 March 2017, should be published externally.

Trustee Members discussed the summary report. It was noted that the data and information included within the report was not up to date and since the next Value for Members summary report would be ready for publication in March 2018, the Governing Body AGREED that the proposed summary document should not be published, and a summary document should instead be published following completion of the next Value for Members assessment.

13. Regulatory Landscape & Corporate Governance

13.1 Trustee Member Travel and Expenses Policy

The General Counsel and Corporate Secretary presented the proposed Travel and Expenses Policy for Trustee Members, which had been reviewed and updated as part of the annual review of the policy.

Following discussion, the Governing Body AGREED the policy in principle and noted that, following clarification of some of the processes to claim expenses, the power to approve the final version of the policy should be and hereby was, delegated the NEST Chair.

13.2 Trustee Member Recruitment 2018

The General Counsel and Corporate Secretary introduced the report, which outlined the proposed skills and experience which it was recommended should form the focus of the recruitment process for new Trustee Members in 2018. It was reported that a detailed skills and experience gap analysis had been completed by Secretariat and the results were used to inform the skills required for the recruitment exercise. These had been discussed with the Nominations and Governance Committee at the meeting on 27 September 2017. The report was NOTED by the Governing Body.

15. Committee & Panel Reports/Minutes

15.1 Audit Committee

Iraj Amiri, Chair of the Audit Committee provided an overview of the meeting held on 12 September 2017 and the draft minutes were NOTED by the Governing Body.

15.2 Risk Committee

As Chair of the Risk Committee, Graham Berville provided a summary of discussions at the Committee meeting on 12 September 2017. The draft minutes were NOTED by the Governing Body.

15.3 Investment Committee

As the Chair of the Investment Committee, Sally Bridgeland provided an oral update on the Committee meeting held on 27 September 2017.

15.4 Remuneration Committee

As the Chair of the Remuneration Committee, Caroline Rookes provided an oral update on the Committee meeting held on 12 October 2017. The minutes would be included within the Governing Body meeting papers in November 2017.
15.5 Nominations and Governance Committee

The Chair provided an update on the discussions at the Nominations and Governance Committee meeting on 27 September 2017.

15.6 Determinations Committee

Jill Youds, Chair of the Determinations Committee, provided an overview of the meetings held on 25 July and 10 August 2017. The minutes of the meetings were NOTED by the Governing Body. It was reported that the minutes of the meeting on 3 October 2017 would be included within the November 2017 Governing Body papers.

15.7 Propositions Committee

Graham Berville provided an update on the discussions at the Propositions Committee meeting on 21 September 2017. The minutes of the meeting would be provided within the next Governing Body meeting papers.

15.8 Members’ and Employers’ Panel Report

The Governing Body NOTED the key messages of the Members’ Panel meeting held on 5 September 2017, and the Employers’ Panel meetings on 17 July and 19 September 2017.

16. Meeting effectiveness

The Governing Body discussed the effectiveness of the meeting.

17. 2017 Board Calendar

The Governing Body NOTED the 2017 year to view calendar of business for scheduled reporting items. The Chair reported that the 2018 calendar would be included within the November 2017 Governing Body meeting pack.

18. Any Other Business

Following enquiry from the Chair, there was no other business which any Trustee Member wished to raise.

19. Date of Next Meeting

It was reported that the date of the next meeting was 28 November 2017.