

PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 8 September 2023 commencing at 10.15 am and finishing at 1.25 pm

Present:

Voting Members: Councillor Bob Johnston – in the Chair (items 1 - 14)
Councillor Kevin Bulmer (Deputy Chair) – in the Chair (items 15 – 19)

Councillor Kevin Bulmer (Deputy Chair)
Councillor Imade Edosomwan
Councillor Nick Field-Johnson
Councillor John Howson

Non-Voting Members: District Councillor Jo Robb, District Councils (non-voting)
Alistair Fitt, Oxford Brookes University (non-voting)
Steve Moran, Pension Scheme Member (non-voting)

Local Pension Board Members in Attendance: Alistair Bastin
Angela Priestley-Gibbins
Liz Hayden

By Invitation: Phillip Hebson (Independent Investment Adviser)

Officers: Sean Collins (Service Manager, Insurance and Money Management)
Sally Fox (Pension Services Manager)
Mukhtar Master (Governance & Communications Manager)
Lorna Baxter (Director of Finance)
Gregory Ley (Financial Manager – Pension fund Investment)
Josh Brewer (Responsible Investment Officer)
Anna Lloyd (Governance & Communications Officer)
Sharon Keenlyside (Law and Governance)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports copies of which are attached to the signed Minutes.

29/23 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies for absence were received from Alan Staniforth, Academy Sector (non-voting).

30/23 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda No. 2)

There were none.

31/23 MINUTES

(Agenda No. 3)

The minutes of the meeting held on 9 June were amended to include the write off of £55.31 in minute number 27/23, and approved as a correct record.

32/23 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were none.

33/23 MINUTES OF THE LOCAL PENSION BOARD

(Agenda No. 5)

In the minutes of the Local Pension Board, Councillor Bob Johnson had been added to the list of voting members in error and this would need to be amended by the Chair of the Local Pension Board at their next meeting.

34/23 REPORT OF THE LOCAL PENSION BOARD

(Agenda No. 6)

The report set out the items the Local Pension Board wished to draw to the attention of this committee following their meeting on 7 July 2023.

Alastair Bastin, a Local Pension Board Member, presented the report and outlined the costs and performance of the investment management portfolios run on behalf of the Pension Fund Committee, arrangements for assessing satisfaction, and the recruitment of two Employer Representatives, having had two representatives leave the Local Pension Board.

Officers informed the Committee that the closing date for the Employer Representative vacancies had passed and there had been one formal expression of interest.

RESOLVED to note the report of the Local Pension Board.

35/23 ANNUAL BUSINESS PLAN 2023/24

(Agenda No. 7)

The Committee had before it a report setting out the latest progress against key service priorities, set out in the business plan for the Pension Fund for 2023/24, as agreed by the March meeting of this Committee.

The Service Manager for Pensions, Insurance and Money Management presented the report, outlining the four key objectives and delivery of the regulatory changes as set out by the Government.

The Committee discussed receiving a comparison of gross fees pre and post Brunel and the difficulties involved in comparing the data.

RESOLVED to:

- a) note progress against each of the key service priorities as set out in the report,**
- b) agree no further actions need to be taken to address those areas not currently on target to deliver the required objectives,**
- c) receive a report comparing gross fees pre and post Brunel.**

36/23 GOVERNANCE AND COMMUNICATIONS REPORT

(Agenda No. 8)

The Committee had before it a report setting out the key governance and communication issues for the Fund and breaches of regulation in the last quarter.

The Governance and Communications Team Lead presented the report and introduced Anna Lloyd, the new Governance and Communication Officer.

RESOLVED to:

- a) note the latest governance matters and agree the schedule for the review of fund policies,**
- b) agree the proposal to carry out a survey of members regarding investment matters.**

37/23 REVIEW OF THE EFFECTIVENESS OF THE COMMITTEE

(Agenda No. 9)

The Committee had before it a report setting out items identified in the survey completed at the end of the last meeting and any changes required to promote the long-term effectiveness of the Committee.

The Service Manager, Insurance and Money Management, presented the report, referring to comments relating to the reduction in voting members and invited the Committee to determine what, if any, action should be proposed to the full Council in respect of any further changes to the constitution of the Committee itself.

The Committee discussed the long-term risks to the Committee's effectiveness in having only 5 voting members, concerns that the Committee meetings could easily be inquorate due to low numbers of committee members and that there was not necessary a diversity of views within such a small group. Also discussed were concerns regarding the risk of the highly experienced and skilled committee members being lost at the next Council elections.

During discussions, the Committee considered the problem of attracting members and the large amount of training and commitment necessary for new members.

RESOLVED to:

- a) **note the key issues arising from the survey undertaken at the end of the June Committee meeting,**
- b) **increase the number of voting members of the Pension Fund Committee, who shall be County Councillors, from 5 to 7,**
- c) **remove the 2 non-voting Academy Representatives,**
- d) **advise the Local Pension Board to consider increasing its members from the academy sector.**
- e) **submit the proposal to the Audit and Governance meeting in September and full Council in November.**

38/23 RISK REGISTER

(Agenda No. 10)

The Committee had before it a report setting out the latest risk register.

The Governance and Communications Team Leader presented the report and explained the issues affecting risk scores and mitigation plans.

The Chair thanked the Governance and Communications Team Leader for the report.

RESOLVED to note the latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and the mitigation plans, where required, are appropriate.

39/23 ADMINISTRATION REPORT

(Agenda No. 11)

The Committee had before it a report which updated the Committee on the key administration issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

The Pension Services Manager presented the report and referring, in particular, to debt management and informed members that she would report back to the Committee regarding the older, lower value debts totalling £3,803.44 which were

being chased up. The Pension Services Manager welcomed two new members of staff to the Employer Team, and awaited start dates for three new administrators who had been appointed to the Benefit Team.

The Chair thanked the team for their extremely good performance.

RESOLVED to:

- a) note the progress against the Administration objectives for the year,**
- b) note the details of the write offs agreed under the Scheme of Delegation,**
- c) agree to write off £255.93 in respect of deceased pensioners, and**
- d) endorse the management actions in respect of the most recent Internal Audit Report as set out in annex 3 and that no further actions need to be taken.**

40/23 ADMINISTRATION STRATEGY

(Agenda No. 12)

The Committee had before it a report updating members on the changes being made to the administration strategy and to seek their views on any further changes ahead of consulting with scheme employers.

The Pension Services Manager presented the report and outlined the Administration Strategy and outlined the minor changes and updates to it.

The Committee welcomed and discussed the levy of charges as set out in the strategy.

The Chair thanked The Pension Services Manager for an excellent and comprehensive report.

RESOLVED to:

- a) note this report and the draft Administration Strategy,**
- b) approve the draft Administration Strategy as the basis for consultation with scheme employers and the Local Pension Board.**

41/23 APPROACH TO MITIGATE THE RISK OF PENSION SCAMS

(Agenda No. 13)

The Committee had before it a report, requested by the Committee at the last meeting, to update members on pension scams and actions taken by Pension Services to mitigate those threats.

The Pension Services Manager presented the report and highlighted the different types of pension scams, methods scammers used, data scams and potential fraud, such as, when a scheme member has died, and the pension continues to be claimed.

The Committee asked the Pension Services Manager to provide further information on the number of people that have been prosecuted.

RESOLVED to:

- a) **note the report,**
- b) **recommend the report to the Local Pension Board for consideration,**
- c) **include information on scams in the Member Survey,**

42/23 RESPONSE TO GOVERNMENT CONSULTATION ON INVESTMENT ISSUES

(Agenda No. 14)

The Committee had before it a report which highlighted the key issues raised in the recent Government Consultation titled LGPS: Next Steps on Investments.

The Service Manager, Insurance and Money Management, presented the report, and informed the Committee that the deadline for the consultation response was 2 October 2023.

The Chair highlighted a typing error in paragraph 1 of the report which should read 'the **long-awaited** consultation'.

RESOLVED to:

- a) **agree the key principles as set out in Annex1,**
- b) **delegate to the Service Manager (Pensions), responsibility for drafting the final response to the Government Consultation.**

43/23 REPORT OF THE INDEPENDENT INVESTMENT ADVISOR

(Agenda No. 15)

The Committee had before it a report which gave an overview of the financial markets, the overall performance of the Fund's investments against the Investment Strategy Statement and commentary on any issues related to the specific investment portfolios. The report included the quarterly investment performance monitoring report from Brunel.

The Independent Investment Advisor, presented the report and informed members that the full confidential report, which included other Funds, is available and would be

circulated if required. The Independent Investment Advisor answered a number of questions.

The Committee discussed the rising price of oil and how to mitigate risk in the short to medium term. Also discussed was accessibility and accountability of officers at Brunel and concerns that they were not providing the expertise that was required.

RESOLVED to:

- a) note the report of the Independent Investment Advisor**
- b) agree that a separate item is brought to the next meeting of the Pension Fund Committee to discuss information required from Brunel and the additional cost for this information.**
- c) Agree that a separate item is brought to the next meeting of the Pension Fund Committee to discuss the volatility of the market and mitigation measures to be considered.**

44/23 ANNUAL REPORT AND ACCOUNTS INCLUDING TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT.

(Agenda No. 16)

The Committee had before it a report which set out the draft Annual Report for the Pension Fund, including the latest TCFD report, and progress against the targets set in the Fund's Climate Change Policy.

The Financial Manager- Pension Fund Investment, presented the report and answered a number of questions.

Officers confirmed that the 2020/21 accounts would be signed within the next few weeks and the 2022/23 accounts in November. The 2022/23 audit should start in January 2024.

Councillor Howson informed officers that there was an error in the Committee Membership and Attendance 2022/23 table on page 19 of the report. Councillor Howson had been on the committee since 2020 not 2022.

RESOLVED to:

- a) note the Annual Report for the Pension Fund.**
- b) agree to receive a report at the meeting in December on proposals for a suite of climate change metrics such that individual whereby metrics are not considered in isolation.**

45/23 STEWARDSHIP CODE AND COMPANY ENGAGEMENT

(Agenda No. 17)

The Committee had before it a report which included the Stewardship Policy submitted to the Financial Reporting Council as the application under the Stewardship Code. The report also covered the latest Responsible Investment and Stewardship Outcomes Summary published by Brunel.

The Service Manager, Insurance and Money Management, presented the report and feedback from the application.

The Service Manager informed the Committee that the outcome of the application submitted to the Stewardship Code, was a pass and discussed improvements going forward. A press release went out earlier in the week.

The Chair commented that the Committee was delighted with the outcome of the application under the Stewardship Code and the status achieved.

RESOLVED to:

- a) endorse the Stewardship Report at Annex 1,
- b) note the result of the application under the Stewardship Code and the resultant feedback,
- c) agree the actions set out in the report.

46/23 EXEMPT ITEMS

(Agenda No. 18)

The Chair read out the exempt statement.

The Committee **RESOLVED** that, having been satisfied that the public interest test would be better served by not disclosing relevant information, and in accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business because of the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of Part 1 of Schedule 12A of the Act as amended.

47/23 CONTRACT FOR THE PROVISION OF INDEPENDENT INVESTMENT ADVISORY SERVICES

(Agenda No. 19)

The Committee had before it a report which gave an update on the current contractual position for the provision of independent advice and recommended the Committee on the approach to future provision.

The Service Manager, Insurance and Money Management, presented the report and answered questions raised.

The Committee discussed the options available.

RESOLVED to:

- a) agree to exercise the option to extend the current contract for the provision of independent investment advice for a maximum of 3 years, and,
- b) delegate to the Service Manager (Pensions) after consultation with the Chairman and Deputy Chairman, responsibility for selection of the new named adviser.

..... in the Chair

Date of signing