



To: **Members of the Local Pension Board**

Notice of a Meeting of the Local Pension Board

Friday, 12 July 2019 at 10.30 am

Room 3 - County Hall, New Road, Oxford OX1 1ND

Yvonne Rees
Chief Executive

July 2019

Committee Officer: **Julie Dean**
Tel: 07393 001089; Email: julie.dean@oxfordshire.gov.uk

Membership

Chairman – Mark Spilsbury

Scheme Members:

Alistair Bastin	Stephen Davis	Sarah Pritchard
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Employer Members:

Lisa Hughes	Councillor Bob Johnston	One vacancy
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Notes:

- **Date of next meeting: 25 October 2019**

Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned.....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines.

<http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Glenn Watson on **07776 997946** or glenn.watson@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. **Welcome by Chairman**
2. **Apologies for Absence**
3. **Declarations of Interest - see guidance note opposite**
4. **Petitions and Public Address**
5. **Minutes (Pages 1 - 6)**

To approve the minutes of the meeting held on 26 April 2019 (**LPB5**) and to receive information arising from them.

6. **EXCLUSION OF PRESS AND PUBLIC**

The Committee is RECOMMENDED that the public be excluded for the duration of item 7 in the Agenda since it is likely that if they were present during this item there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

THE REPORT RELATING TO THE EXEMPT ITEM HAS NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS STRICTLY PRIVATE TO MEMBERS AND OFFICERS ENTITLED TO RECEIVE IT.

7. **EXEMPT MINUTES (Pages 7 - 8)**

To approve the exempt Minutes of the Local Pension Board meeting held on 26 April 2019 (**PF7**).

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would distort the proper process of free negotiations with another party.*

READMISSION OF PRESS AND PUBLIC

8. **Annual Report of the Local Pension Board (Pages 9 - 12)**

This report (**LPB8**) presents the work of the Local Pension Board for the last year, for inclusion within the Fund's Annual Report and Accounts, as well as being published on the Board's web pages. It sets out the key issues considered during 2018/19 and the work programme for 2019/20.

The Board is RECOMMENDED to approve the Local Pension Board Annual Report for 2019/20

9. **Employer Management - Improvement Plan (Pages 13 - 28)**

The attached report (**LPB9**) is the latest in the series of reports to the Pension Fund Committee and this Board. It sets out the latest position against the objectives and milestones, as set out in the Improvement Plan. The Board will be given a verbal update on the situation since the Pension Fund Committee meeting.

10. **Review of the Annual Business Plan (Pages 29 - 70)**

The Board is invited to review the latest position against the Annual Business Plan for 2019/20 (**LPB10**), as considered by the Pension Fund Committee at its meeting on 7 June 2019.

11. **Risk Register (Pages 71 - 78)**

The latest Risk Register, as considered by the Pension Fund Committee on 7 June 2019 is attached at **LPB11**. The Board is invited to review the report and to offer any further views back to Committee.

12. **Annual Review of Fund Policies (Pages 79 - 186)**

The report (**LPB12**) covers the annual review of the Fund's policy documents, as agreed by the Pension Fund Committee at its meeting on 7 June 2019. The report has been amended to reflect the revised recommendations agreed by the Committee. For the information of the Board, the decisions made by the Committee were as follows (for confirmation at the September Committee):

'to approve the revised Investment Strategy Statement as set out in Annex 2, noting the changes as discussed in the report and

- (i) endorse the current approach and direction of travel as set out in the Addressing Climate Change Position Statement, including:
 - the integration of consideration of environmental and social risks, as well as good governance and stewardship into all decision-making processes
 - contributing to a more sustainable and resilient financial system *in*

alignment with the UN Sustainable Development Goals

- ensuring all portfolios across all asset classes are carbon and climate aware
 - decarbonising the listed portfolios, and developing measurable objectives and targets
 - accessing positive climate impact investment opportunities. such as the 35% investment in renewable energy funds within the infrastructure portfolio
 - active engagement with the underlying companies through asset managers, engagement and voting specialists and collaborative forums with other investors
 - improving the transparency of reporting including carbon footprinting and fossil fuel exposure and the impacts of our engagements
- (ii) ask Officers to set up a Climate Change Workshop in the Autumn **to define timescales, milestones and reporting mechanisms for the above approach** and to contribute to the Climate Change Policy being developed by Brunel, seeking participation from a wide range of stakeholders to ensure a balanced discussion; and
- (iii) note the view of Brunel that in light of the above approach, they do not consider a top down approach to divestment to be an appropriate strategy for its clients.
- (b) In relation to Annex 3 – the Governance Policy and Governance Compliance the Committee discussed the proposal put forward by the Local Pension Board at its last meeting that consideration be given by the Committee to mandating attendance by Committee members at certain training events. During discussion of this proposal, the Committee considered that a form of mandatory training was desired, however, that further thought was required and investigation carried out into this matter. It was therefore **AGREED** to refer these changes to the next meeting of Committee in September following further work;
- (c) to **APPROVE** the revised policy documents as set out in Annexes 1, 4, 5 and 7, noting the changes in the documents as discussed above;
- (d) **AGREE** the delegation to the Service Manager (Pensions) the responsibility for exercising the new discretionary decisions as set out in paragraph 47 above, and the subsequent changes in the scheme of delegation to ensure it is consistent with the schedule of Administering Authority Discretions; and
- (e) note that no new changes have been made to the Scheme of Delegation and the Procedure for Reporting Breaches of Law to the Pension Regulator’.

13. Monitoring Fund Manager Fees (Pages 187 - 190)

This report has been included as a result of a request of the Board for a report every 6 months on the latest data on Fund Manager fees (**LPB13**).

The Board is invited to consider the information contained in this report;

determine what conclusions it can draw from the data; and advise Pension Fund Committee accordingly.

14. Items to Include in Report to the Pension Fund Committee

The Board is invited to confirm the issues it wishes to include in its latest report to the Committee.

15. Items to be included in the Agenda for the next meeting of the Board

Members of the Board are invited to identify any issues they wish to add to the Agenda for the next meeting of this Board.