

PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 9 June 2023 commencing at 10.15 am and finishing at 12.45pm

Present:

Voting Members: Councillor Bob Johnston – in the Chair

Councillor Kevin Bulmer (Deputy Chair)

Councillor Imade Edosomwan

Councillor Nick Field-Johnson

Councillor John Howson

Non-Voting Members: Shelley Cook, Academy Sector (non-voting)
Alistair Fitt, Oxford Brookes University (non-voting)
Steve Moran, Pension Scheme Member (non-voting)
Alan Staniforth, Academy Sector (non-voting)

Local Pension Board Members in attendance: Alistair Bastin (Remotely attended)
Marcia Slater (Remotely attended)
Stephen Davis (Remotely attended)

By Invitation: Philip Hebson (Independent Investment Adviser)

Officers: Sean Collins (Service Manager, Insurance and Money Management)
Sally Fox (Pension Services Manager (Remotely attended))
Mukhtar Master (Governance & Communications Manager)
Joshua Brewer (Responsible Investment Officer)
Chris Reynolds (Law and Governance)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with [a schedule of addenda tabled at the meeting][the following additional documents:] and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports [agenda, reports and schedule/additional documents], copies of which are attached to the signed Minutes.

17/23 ELECTION OF CHAIR FOR THE 2023/24 COUNCIL YEAR

(Agenda No. 1)

RESOLVED to appoint Councillor Bob Johnston as Chair for the ensuing Council year.

(Councillor Johnston in the Chair)

18/23 ELECTION OF DEPUTY CHAIR FOR THE 2023/24 COUNCIL YEAR

(Agenda No. 2)

RESOLVED to appoint Councillor Kevin Bulmer as Deputy Chair for the ensuing Council year.

19/23 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 3)

Apologies for absence were received from District Councillor Jo Robb.

20/23 MINUTES

(Agenda No. 5)

The minutes of the meeting held on 3 March 2023 were amended to include apologies for absence from Alastair Fitt and approved as a correct record.

21/23 MINUTES OF THE LOCAL PENSION BOARD

(Agenda No. 7)

22/23 REPORT OF THE LOCAL PENSION BOARD

(Agenda No. 8)

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

Alastair Bastin, a Local Pension Board Member presented the report and outlined the discussions and recommendations regarding communication and engagement, improvements to performance reporting and the costs of managing the various investment portfolios,

RESOLVED to note the report of the Local Pension Board

23/23 REVIEW OF THE ANNUAL BUSINESS PLAN 2023/24

(Agenda No. 9)

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

The Service Manager for Pensions, Insurance and Money Management presented the report. He referred, in particular, to the difficulty in assessing work required to address changes in Government regulations, recruitment to the vacancy for Governance Officer, an update on the application for the Stewardship Code. He said that a further report would be brought to the September meeting on the application and work on improved quarterly reporting on delivery of responsible investment responsibilities.

The Service Manager also reported on the on-going work within the Brunel Pension Partnership to develop a climate solutions portfolio focussed on investments within the area covered by the partnership funds. A final decision to invest, which would be consistent with the target in the Climate Change Policy to increase investments in climate solutions was likely to be required before the next meeting of the Committee.

RESOLVED to

- a) **note progress against each of the key service priorities as set out in the report**
- b) **agree any further actions to be taken to address those areas not currently on target to deliver the required objectives.**
- c) **delegate authority to the Head of Finance to make necessary arrangements regarding the new Fund**

24/23 REVIEW OF GOVERNANCE POLICY & GOVERNANCE COMPLIANCE STATEMENT

(Agenda No. 10)

The Committee had before it a report setting updates to the Governance Policy and Governance Compliance Statement which were last reviewed in 2019.

The Governance and Communications Team Leader presented the report and outlined the proposed changes.

RESOLVED to approve the revised draft Governance Policy and Governance Compliance Statement attached at Appendix 1 and 2 respectively.

25/23 REVIEW OF BREACHES POLICY

(Agenda No. 11)

The Committee had before it a report setting out proposed changes to the Breaches policy which was last reviewed in June 2019.

The Governance and Communications Team Lead presented the report and explained the proposed changes to the policy.

During discussion members considered the types of breaches that should be reported to the Committee in future and, in particular, whether systematic failures that could lead to breaches should be included.

RESOLVED to

- a) **approve the revised draft Breaches Policy attached at Appendix 1.**
- b) **Agree that all known breaches should be reported to the Committee on a quarterly basis**
- c) **review the types of breaches to be reported at the December meeting when the Hymans Toolkit would be available for use by the Pension Fund**
- d) **ask the Director of Finance to submit a report on measures that could be taken to mitigate the risk of fraud and other financial crime which could impact upon the Pension Scheme**

26/23 RISK REGISTER

(Agenda No. 12)

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 the risk scores and mitigation plans.

RESOLVED to:

- a) **note the latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate.**
- b) **endorse the request from the Fire Service for additional resource to support with work of the remedy workload and the 'second options' exercise for all on call fire fighters**

27/23 ADMINISTRATION REPORT

(Agenda No. 13)

The Committee had before it a report providing an update 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 answered a number of questions. She gave further information on the complaints received and data breaches being dealt with by the Information Management Team.

RESOLVED, 4 voting in favour and 1 abstention, to:

- a) note the progress against the Administration objectives for the year;**
- b) agree to the write off of**
- c) ask the Director of Finance to provide additional information on monitoring of contributions in future reports**

28/23 REPORT OF THE INDEPENDENT INVESTMENT ADVISOR

(Agenda No. 14)

The Committee had before it a report from the Independent Investment Adviser which provided an overview of the financial markets, the overall performance of the Fund's investments against the Investment Strategy Statement and commentary on issues related to the specific investment portfolios. The report also updated the Committee on the latest position regarding the changes to the Strategic Asset Allocation as discussed at the March meeting and the quarterly investment performance monitoring report from Brunel.

The Independent Investment Adviser presented the report and answered a number of questions. He referred, in particular, to recent issues affecting the banking sector and the global financial position.

The Service Manager (Pensions) presented to the Committee the report previously presented to the Climate Change Working Group (contained as an addenda item to the published Committee papers) setting out the options for re-allocating investments away from the current UK equity portfolio, including information on carbon intensity, green revenues and investment performance net of fees.

During discussion, members referred to the types of information they would wish to receive in the monitoring of investments and the changes required to the investment portfolio.

RESOLVED to:

- a) note the report**

b) agree the following changes in fund investments:-

- (i) a reduction in the allocation to UK equity to 20% of the total equity allocation, and ask Brunel to develop a suitable alternative to the current FTSE 100 benchmarked portfolio which better reflected the UK economy and which was more consistent with the Fund's Climate Change Policy**
- (ii) divestment from emerging markets portfolio**
- (iii) invest the Funds released under i) and ii) above into the Sustainable Equities and Paris Aligned Benchmarked portfolios, such that both formed an equal weight of the total investments of the Fund**
- (iv) no hedging**

..... in the Chair

Date of signing