

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 17 July 2020 commencing at 11.00 am and finishing at 11.59 am

Present:

Voting Members: Paul Blacker – in the Chair

Alistair Bastin
Stephen Davis
Councillor Bob Johnston
Angela Priestley-Gibbins
Sarah Pritchard

Officers: S. Collins (Service Manager, Pensions); S. Fox (Pension Services Manager); Sue Whitehead (Law & 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.

12/20 WELCOME BY CHAIRMAN

(Agenda No. 1)

The Chairman welcomed members to the meeting explaining that he was the Interim Independent Chairman.

13/20 APOLOGIES FOR ABSENCE

(Agenda No. 2)

An apology was received from Lisa Hughes.

14/20 MINUTES

(Agenda No. 3)

The Minutes of the meeting held on 24 January 2020 were approved as a correct record to be signed when circumstances allow subject to the following.

Angela Priestley-Gibbins name corrected under apologies and Minutes of last meeting.

Minute 7/20 – The date in the first sentence of the preamble corrected to read 2019.

Minute 11/20 – the heading corrected to read: **FUTURE ARRANGEMENTS.**

15/20 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE OPPOSITE

(Agenda No. 4)

There were no declarations of interest made.

16/20 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 5)

There were none.

17/20 MINUTES OF THE PENSION FUND COMMITTEE -

(Agenda No. 6)

The Local Pension Board received the Minutes of the meetings of the Pension Fund Committee held on 6 March 2020 and 7 May 2020 for information.

In response to a query, members were advised that only confirmed Minutes were included and that the minutes of the June meeting having not been confirmed were not attached. It was agreed that the Chairman of the Pension Fund Committee be requested to consider allowing draft minutes to be included in this item in order to provide timely information.

During discussion Members highlighted the importance of keeping the risk register under continuous review. It was agreed that it become a standard item on future agendas even when there were no changes.

18/20 INVESTMENT STRATEGY

(Agenda No. 7)

It was agreed to consider Item 7, Investment Strategy and Item 8, Climate Change Policy Implementation Plan together.

The Local Pension Board had before them the report to Pension Fund Committee that provided the feedback to the Committee on the recent consultation exercise on the Investment Strategy Statement including the Climate Change Policy, and that proposed final changes to the draft document.

The Local Pension Board also had before it a report to Pension Fund Committee that set out how the Pension Fund plans to implement its Climate Change Policy (hereinafter referred to as 'the Policy'). The key commitment of the Policy is to transition investment portfolios to net-zero Greenhouse Gas Emissions (GHG) by 2050, consistent with seeking to limit the temperature increase to 1.5°C above pre-industrial levels. The actions in the implementation plan had been developed to work towards delivery of this commitment.

Sean Collins, Service Manager Pensions introduced the contents of both reports. He noted that the number of consultation responses had been disappointing but that those received were mostly in support of the direction of travel. The second report looked at actions to be taken in support of the Policy and included carbon emission targets. Sean noted that there was still a lot of work to do and there would be quarterly progress reports. They continued to work with Fossil Free Oxfordshire, and

Sean added that Alistair Bastin was a scheme member representative on the Working Group that had been established. Sean also noted that the collaboration was being written up nationally as a case study and Alistair commented that he would be happy to be involved in that. It was agreed that Alistair receive a copy of the draft case study for comment. Sean advised that following a lengthy debate at the last meeting the Pension Fund Committee had endorsed the Policy and the implementation plan.

During discussion members:

- Highlighted that the pandemic had had a profound effect on the use of fossil fuels with oil consumption down and large producers being forced to make write offs on 'to be exploited' assets. This would need to be taken into account in future investment decisions. Sean commented that those issues were what would be considered as part of those investment decisions but that it did not affect the Investment Strategy or implementation plan.
- Queried why there were no performance figures to the June meeting of the Pension Fund Committee. Sean explained that the situation was too volatile and that the figures for March 2020 would have been irrelevant to the situation in June 2020. There had been a summary from the Independent Financial Adviser.
- Commented that the active management response to covid 19 was worse than the passive fund management. Referred to information on asset allocation and queried why the Committee had not moved into Passive Low Carbon options. Sean explained that this had been fully discussed at the March meeting of the Committee. The current low carbon option was not compliant with The Policy and Brunel were developing compliant passive fund options. Once developed the funds would be moved just the one time into the compliant options. It was expensive to transition twice.

RESOLVED: To note both reports and that the comments and responses above be reported to the Pension Fund Committee.

19/20 CLIMATE CHANGE POLICY IMPLEMENTATION PLAN

(Agenda No. 8)

Discussion on this item is set out at Minute 18/20 above.

20/20 PENSION ADMINISTRATION REPORT

(Agenda No. 9)

The Local Pension Board considered the Pension Administration Report that covered, workload, performance and staffing.

Sally Fox, Pensions Services Manager, introduced the contents of the report highlighting the impact of home working during the pandemic and shared a performance spreadsheet.

Responding to a question on vacancies Sally indicated that they hoped to interview in the next few weeks and it could be a month following the interviews before people were in post. There was some discussion of the difficulties faced in recruiting staff

with the Chairman, Paul Blacker confirming that similar problems were encountered in Gloucestershire.

Sean updated members on the response received to the McCloud judgement. It was clear that significant administration efforts would be needed. The consultation report would be going to the Pension Fund Committee in September and would be circulated to Local Pension Board members. In response to a question from Angela Priestley-Gibbins as to what she could do to help as an admitted employer, Sean replied that it would be important to identify all the issues and that if he could contact her then her issues could be built into the consultation report.

The Local Pension Board noted the report.

21/20 ANNUAL REPORT OF THE LOCAL PENSION BOARD
(Agenda No. 10)

Under the constitution of the Board, an annual report on the work of the Board should be produced for inclusion in the Fund's own annual report; and it should be presented to the Pension Fund Committee within 6 months following the end of the municipal year. The Local Pension Board considered a report that met that requirement for the 2019/20 financial year, covering the work from the July 2019 Board meeting to their meeting on 24 January 2020 (N.B. The meeting scheduled for 1 May 2020 was cancelled due to the lockdown restrictions in place at that time as a result of the Covid-19 pandemic).

Sean introduced the contents of the report and noted that training undertaken by Board Members would be included in the final report.

Members welcomed the inclusion of information on member training and Sean undertook to circulate the training plan to ensure nothing had been missed. There was some discussion over the National Knowledge Assessment and Sean was pleased to say all seven members of the Board had completed this. More information would come to future meetings.

RESOLVED: to approve the report subject to the inclusion of the information on member training.

..... in the Chair

Date of signing