



To: **Members of the Pension Fund Committee**

Notice of a Meeting of the Pension Fund Committee

Friday, 5 March 2021 at 10.10am

Please note that due to guidelines imposed on social distancing by the Government the meeting will be held virtually. If you wish to view proceedings please click on this [Live stream link](#)

However, that will not allow you to participate in the meeting.

Yvonne Rees
Chief Executive

25 February 2021

Committee Officer: **Khalid Ahmed**
Tel: 07990368048; E-Mail: khalid.ahmed@oxfordshire.gov.uk

Membership

Chairman – Councillor Kevin Bulmer
Deputy Chairman - Councillor Nicholas Field-Johnson

County Councillors

Ian Corkin
Mark Lygo
Charles Mathew

John Sanders
Roz Smith
Lawrie Stratford

Alan Thompson
Alaa Al-Yousuf
Jo Robb

District Councillors (Co-optees - Voting)

Alan-Al-Yousuf

Jo Robb

Notes:

- ***Date of next meeting: 11 June 2021;***
- ***The formal meeting of the Committee will be preceded at 9:30 am by a private training session delivered by Greg Ley on Reporting under the Task Force on Climate-Related Financial Disclosures Template (TCFD).***



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.

Items for Decision

1. **Apologies for Absence and Temporary Appointments**
2. **Declarations of Interest - see guidance note**
3. **Minutes** (Pages 1 - 12)

To approve the minutes of the meeting held on 4 December 2020 (PF3) and to receive information arising from them.

4. **Petitions and Public Address**

This meeting of the Pension Fund Committee will be held virtually in order to conform with current guidelines regarding social distancing. Normally requests to speak at this public meeting are required by 9 am on the day preceding the published date of the meeting. However, during the current situation and to facilitate these new arrangements, we are asking that requests to speak are submitted by no later than 9am four working days before the meeting i.e. 9 am on 1 March 2021. Requests to speak should be sent to khalid.ahmed@oxfordshire.gov.uk together with a written statement of your presentation to ensure that if the technology fails then your views can still be taken into account. A written copy of your statement can be provided no later than 9 am 2 working days before the meeting.

Where a meeting is held virtually, and the addressee is unable to participate virtually their written submission will be accepted.

Written submissions should be no longer than 1 A4 sheet.

5. **Minutes of the Local Pension Board** (Pages 13 - 18)

10:15

A copy of the unconfirmed Minutes of the Local Pension Board, which met on 22 January 2021 (PF5) is attached for information only.

6. **Overview of Past and Current Investment Position** (Pages 19 - 30)

10:20

The Independent Financial Adviser will review the investment activity during the past quarter, present a summary of the Fund's position as at 31 December 2020, and highlight any key performance issues, with reference to Tables and Graphs, the Investment Performance Reports produced by Brunel.

The Committee is RECOMMENDED to receive the tables and graphs, and that the information contained in them be borne in mind, insofar as they relate to items on the agenda.

7. **Brunel** (Pages 31 - 82)

10.25

David Vickers, the recently appointed Chief Investment Officer from the Brunel Company will attend to discuss the latest position on the investments through Brunel and his vision for future developments, with reference to the Investment Performance Reports.

8. EXEMPT ITEMS

The Committee is RECOMMENDED that the public be excluded for the duration of items 9, 10 and 11 in the Agenda since it is likely that if they were present during those items 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 REPORTS RELATING TO THE EXEMPT ITEMS HAVE NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS STRICTLY PRIVATE TO MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

NOTE: In the case of item 11 there is no report circulated with the Agenda. Any exempt information will be reported orally.

9. Overview and Outlook for Investment Markets (Pages 83 - 90)

11.25am

Report of the Independent Financial Adviser (**PF9**).

The report sets out an overview of the current and future investment scene and market developments across various regions and sectors. The report itself does not contain exempt information and is available to the public. The Independent Financial Adviser will also report orally and any information reported orally will be exempt information.

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 prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to receive the report, tables and graphs, to receive the oral report, to consider any further action arising on them and to

bear the Independent Financial Adviser's conclusions in mind when considering the Fund Managers' reports.

10. Report on Legacy Fund Managers (Pages 91 - 98)

11.35am

The Independent Financial Adviser will report on the recent meetings held with Legal and General, the Partners Group and Insight.

11. Summary by the Independent Financial Adviser

11.40am

The Independent Financial Adviser will, if necessary, summarise the foregoing reports of the Fund Managers and answer any questions from members.

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 prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC

12. Report of the Local Pension Board (Pages 99 - 106)

11.45am

In a response to a request from the Chairman of Pension Fund Committee to have a dedicated item on each Committee agenda for the work of the Local Pension Board, attached at PF12 is the report by the Independent Chairman of the Local Pension Board.

The Committee is RECOMMENDED to note the comments of the Board as set out below and take these into account when discussing the relevant items on the agenda.

13. Governance Review (Pages 107 - 156)

11.55am

This report will highlight the key findings from the recent governance review of the Fund undertaken by Hymans Robertson and set out any proposed issues to include in a future improvement plan.

1. *The Committee is RECOMMENDED to*

- a. *Provide any feedback on the findings of the report from Hymans Robertson,*
- b. *Ask the Officers in consultation with Hymans Robertson to provide a report to the first meeting of the new Pension Fund Committee in June 2021 on proposals to take forward recommendations 1, 3-10 from the report, subject to any comments in a. above, and*
- c. *Recommend Council to consider any changes to the Constitution of the Pension Fund Committee in light of recommendation 2 of the Hymans Robertson report, such that these can be taken into account in establishing the new Pension Fund Committee after the May 2021 elections.*

14. Annual Business Plan (Pages 157 - 178)

12.25pm

This report will set out the strategic priorities and the budget for the Pension Fund for the 2021/22 financial year. An update on the delivery against the 2020/21 will also be provided.

1. *The Committee is RECOMMENDED to:*
 - a. *Note the progress against the service priorities for 2020/21 and agree to set benchmarks for carbon emissions for the equity and fixed income portfolios based on December 2019, and commission Brunel to undertake the work necessary to establish figures for the legacy portfolios held at that time;*
 - b. *approve the Business Plan and Budget for 2021/22 as set out at Annex 1;*
 - c. *approve the Pension Fund Cash Management Strategy for 2021/22.*
 - d. *delegate authority to the Director of Finance to make changes necessary to the Pension Fund Cash Management Strategy during the year, in line with changes to the County Council's Treasury Management Strategy;*
 - e. *delegate authority to the Director of Finance to open separate pension fund bank, deposit and investment accounts as appropriate;*
 - f. *delegate authority to the Director of Finance to borrow money for the pension fund in accordance with the regulations.*

15. Risk Register (Pages 179 - 186)

12.45pm

This report will present the latest position on the Fund's risk register, including any new risks identified since the report to the last meeting.

The Committee is RECOMMENDED to note the changes to the risk register and offer any further comments.

16. Administration Report (Pages 187 - 194)

12.55pm

This report updates the Committee on the key administration issues including the iConnect project, service performance measurement and any write offs agreed in the last quarter. The Committee will be asked to approve amendments to the

Funding Strategy Statement following the recent consultation on amendments reflecting the changes in Regulations in respect of employer exits from the Fund.

The Committee is RECOMMENDED to

- a) ***Note the report***
- b) ***Agree to the temporary reduction in service level targets***
- c) ***Agree the changes to the Funding Strategy Statement***

17. Corporate Governance and Socially Responsible Investment

13.10pm

This item provides the opportunity to raise any issues concerning Corporate Governance and Socially Responsible Investment which need to be brought to the attention of the Committee.

18. Review of the Committee's Achievements (Pages 195 - 198)

The Chairman of the Committee will introduce the report on the achievements of the Committee in the last four years.

- 1. The Committee is RECOMMENDED to note the achievements of the Committee over the last 4 years.***
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