

To: Members of the Pension Fund Committee

## ***Notice of a Meeting of the Pension Fund Committee***

**Friday, 10 September 2021 at 10.15 am\***

**Please Note – there will be a training session focusing on investments in equities – active v passive and options to meet our climate change requirements delivered by Faith Ward, Chief Responsible Investment Officer from Brunel immediately before the Committee, starting at 9:30am**

**Council Chamber - County Hall, New Road, Oxford OX1 1ND**

Please note that Council meetings are currently taking place in-person (not virtually) with social distancing at the venue. Meetings will continue to be live-streamed and those who wish to view them are strongly encouraged to do so online to minimise the risk of covid-19 infection.

If you wish to view proceedings, please click on @videolink to meeting, <https://oxon.cc/PFC10092021>.

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

Places at the meetings are very limited due to the requirements of social distancing. If you still wish to attend this meeting in person, you must contact [khalid.ahmed@oxfordshire.gov.uk](mailto:khalid.ahmed@oxfordshire.gov.uk) by 9am four working days before the meeting and he will advise if you can be accommodated at this meeting and of the detailed Covid-19 safety requirements for all attendees.



Yvonne Rees  
Chief Executive

2 September 2021

Committee Officer: **Khalid Ahmed**  
Tel: 07990368048; E-Mail: [khalid.ahmed@oxfordshire.gov.uk](mailto:khalid.ahmed@oxfordshire.gov.uk)

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### **Membership**

Voting Members of Oxfordshire County Council – Councillors Kevin Bulmer (Vice-Chair), Imade Edosomwan, Nick Field Johnson, Bob Johnston (Chair) and Richard Webber

Non-voting Members of the Academy sector – Ms Shelley Cook and Mr Alan Staniforth

Non-voting Scheme Member Representative - Mr Steve Moran

Non-voting Member of Oxford Brookes University – Mr Alistair Fitt

Non-voting Member of District Councils – Councillor Jo Robb

**Notes:**

- **Date of next meeting: 3 December 2021**

## 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](mailto:glenn.watson@oxfordshire.gov.uk) for a hard copy of the document.

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**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. Apologies for Absence and Temporary Appointments

## 2. Declarations of Interest - see guidance note

## 3. Minutes (Pages 1 - 8)

**10.15**

To approve the minutes of the meeting held on 11 June 2021 and to receive information arising from them.

## 4. Petitions and Public Address

**10.15**

Currently council meetings are taking place in-person (not virtually) with social distancing operating in the venues. However, members of the public who wish to speak at this meeting can attend the meeting 'virtually' through an online connection. Places at the meeting are very limited due to the requirements of social distancing. While you can ask to attend the meeting in person, you are strongly encouraged to attend 'virtually' to minimise the risk of Covid-19 infection.

Please also note that in line with current government guidance all attendees are strongly encouraged to take a lateral flow test in advance of the meeting.

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 Friday 3 September 2021. Requests to speak should be sent to [khalid.ahmed@oxfordshire.gov.uk](mailto:khalid.ahmed@oxfordshire.gov.uk). You will be contacted by the officer regarding the arrangements for speaking.

If you ask to attend in person, the officer will also advise you regarding Covid-19 safety at the meeting. If you are speaking 'virtually', you may submit 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. Written submissions should be no longer than 1 A4 sheet.

## 5. Minutes of the Local Pension Board (Pages 9 - 12)

**10:20**

A copy of the unconfirmed Minutes of the Local Pension Board, which met on 9 July 2021 is attached for information only.

## **6. Report of the Local Pension Board (Pages 13 - 24)**

**10:25**

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 is the report by the Independent Chairman of the Local Pension Board.

The report sets out the items the Local Pension Board wishes to draw to the attention of this Committee following their last meeting in July 2021.

## **7. Passive Equity Allocation (Pages 25 - 30)**

**10.30**

This report sets out the new passive options developed by Brunel in conjunction with FTSE Russell and Legal and General Investment Management in response to the requests from Client Funds for suitable alternatives aligned to the Paris Agreement.

**The Committee is RECOMMENDED to determine any changes to the current allocation to passive equities, and if appropriate, to the current commitments set out in the Investment Strategy Statement.**

## **8. Climate Change Report (Pages 31 - 48)**

**10.50**

This report sets out the Fund's current arrangements for managing the climate change risk in accordance with the TaskForce for Climate Related Financial Disclosures (TCFD) Template. The report will also highlight progress in the first year since the adoption of our Climate Change Policy.

**The Committee is RECOMMENDED to note the report.**

## **9. Governance Review (Pages 49 - 76)**

**11.20**

This report updates the Committee on the progress against each of the 10 Recommendations made in the Independent Governance Review completed by Hymans Robertson, and seek the Committee's agreement on the way forward.

**The Committee is RECOMMENDED to:**

- a. Adopt the Conflict of Interest Policy as set out in Annex 1;**
- b. Review the job description for a new Governance Officer role as set out in Annex 2, and agree the establishment of the new position;**
- c. Comment on the future agendas for the meetings of the committee to be based on the key roles and responsibilities of the Committee as set out in annex 3, and in particular the proposal to focus on a review of investment performance annually, and the need for a separate annual business meeting;**

d. Agree the proposals to amend the current Training Policy to include an annual assessment and an escalation procedure to cover cases on non-engagement with the Policy;

e. Ask Officers in conjunction with Hymans Robertson to amend the draft Training Programme as set out in Annex 4 based on the results of the initial knowledge assessment and bring the revised programme back to the December meeting for approval.

## **10. Review of the Annual Business Plan (Pages 77 - 84)**

### **12.00**

This report provides an update on progress against the key priorities set out in the Annual Business Plan for 2021/22.

**The Committee is RECOMMENDED to note progress against each of the key service priorities as set out in the report.**

## **11. Risk Register (Pages 85 - 94)**

### **12.10**

This report presents 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.**

## **12. Administration Report (Pages 95 - 114)**

### **12.15**

This report updates 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 Committee is RECOMMENDED to**

- i) Agree to a further extension of the reduction in SLA target, to be reviewed at the December meeting;**
- ii) Agree to the proposed changes to communication policy;**
- iii) Note the amounts written off by the Pension Services Manager; and**
- iv) Decide whether the fund should undertake an annual benchmarking exercise.**

## **13. Annual Report and Accounts 2020/21 (Pages 115 - 234)**

### **12.25**

This report presents the Annual Report and Accounts for the Pension Fund and highlight any issues raised by external audit.

**The Committee is RECOMMENDED to note the report.**

**14. Analysis of Relative Investment Performance to March 2021 (Pages 235 - 236)**

**12.30**

This report summarises the findings of the annual review of the investment performance of the LGPS Funds carried out by PIRC.

**15. EXEMPT ITEMS**

*The Committee is RECOMMENDED that the public be excluded for the duration of items 16 and 17 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.*

**16. Overview of Past and Current Investment Position (Pages 237 - 326)**

**12.40**

The Independent Financial Adviser will review the investment activity during the past quarter, present a summary of the Fund's position as at 30 June 2021, and highlight any key performance issues, with reference to Tables and Graphs, the Investment Performance Reports produced by Brunel. **The report does not contain exempt information and is available to the public.**

**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 tables and graphs, and that the information contained in them be borne in mind, insofar as they relate to items on the agenda.**

**17. Overview and Outlook for Investment Markets (Pages 327 - 334)**

**12.45**

Report of the Independent Financial Adviser.

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.***

#### **ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC**

### **18. Corporate Governance and Socially Responsible Investment (Pages 335 - 346)**

**13.00**

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.

**LUNCH**