

Pensions Committee

Minutes of the Pensions Committee held on Friday 7 January at 10.00am.

Committee Members Present:

Cllr J Thorne - Chair

Cllr G Noel, Mr. P Butler, and Mrs. S Payne

Also present: Mrs Burton – Independent Advisor.

1 Apologies for Absence - agenda item 1

Apologies were received from Cllr S Coles and Mr G. Bryant

2 Declarations of Interest - agenda item 2

No new declarations of interest were reported.

3 Minutes of the Previous Meeting - agenda item 3

The Committee were unable to agree and sign off the Minutes of the meeting held on 10 September 2021 as a correct record, due to the meeting attendance not being quorate.

4 Public Question Time - agenda item 4

The Chair welcomed 1 member of the public who was present and invited them to address the Committee.

The Committee heard from Sigurd Reimers who raised the question of whether the Pensions Committee would be engaging with companies that invest in fossil fuels, rather than to investment/disinvestment. The Funds and Investments Manager provided a response noting that resources and expertise prohibited the Committee from directly engaging with companies and with over 90% of assets now invested through Brunel engagement was led by them and their engagement partner on the Committee's behalf. Members supported the work of Brunel and the approach they take.

5 Local Government Reorganization - agenda item 5

The Funds and Investments Manager addressed the meeting explaining that he would provide Members with a regular update at future meetings on the local government reorganization. A workstream for Pensions has been formed, and a meeting had been held last December to discuss issues.

It was suggested and accepted that this presented a good opportunity to refresh the Terms of Reference for both the Pensions Board and Pensions Committee, with any

suggested amendments being submitted to the Council's Constitution and Standards Committee and Full Council later in the year. The update was accepted.

6 LGPS Pooling of Investments - agenda item 6

The Funds and Investments Manager provided the Committee with an overview of his report, noting that overall, the pooled investments had remained the same. He noted that due to the issue of sensitivity around budgets, it might be necessary for some aspects to be discussed in a confidential session.. The request to approve a £60m investment in Brunel's private equity cycle 3 will be held over to the March meeting as the meeting was not quorate.

7 Independent Investment Advisor's Report - agenda item 7

The Independent Investment Advisor addressed the meeting and she began by noting that the market remained difficult to judge at the moment due to the number of uncertainties both economical and geopolitical.

There was a question about now would be a good time (post Brexit) to invest in Startups and new ventures and in response it was suggested that such business needed to be looked at carefully. There was a question about why gold had not performed as well as expected and Members heard that one reason was related to Indian weddings which usually took place in February and were an indicator of how gold performs (as it was an important part of the dowry) but with ongoing effects of COVID this has affected the price of gold.

The Committee noted the report.

8 Review of Investment Performance - agenda item 8

The Funds and Investments Manager provided the meeting with an overview of his report, noting that returns in the quarter to September remained healthy. With inflation and interest rates at their highest for some time, this had increased the cost of Pensions.

The Committee noted the report.

9 Review of Administration Performance - agenda item 9

The Committee considered this report which explained that the administrative team had been able to keep up with its internal workload, with 90% being completed within 10

days of all information being received. There had been, unfortunately, a continuing rise in the number of deaths and this would be monitored closely.

There was a question about performance can be improved on critical work as this had been a concern a couple of quarters ago. In response it was explained that there has been a reduction in the work the administrative team was required to complete, meaning more resources were available to assist in other areas. There was a question about Pension transfers and what checks were carried out and in response assurance was provided as regulations, effective from 30 November 2021, required stringent checks to be completed before transfers.

The Committee noted the report.

10 **Business Plan Update** - agenda item 10

The Funds and Investments Manager noted that there had been no changes since the last meeting. Members were pleased to note that there had been a significant number of applications for the Pensions Board vacancy.

New members had been appointed to the Pensions Board in October, Mrs Rachel Ellins and Cllr Anne Hills and Cllr Hills was subsequently elected by the Pensions Board to be its Chair at the November meeting.

Mr Roderick Bryant and Mr Antony White had been appointed last December to the Pensions Board.

The Committee noted the Update.

11 **Finance and Membership Statistics Update** - agenda item 11

Members considered a quarterly report by the Funds and Investments Manager, and he highlighted the long-term trends which were well established. The level of contributions was behind and would be made up at the year end.

There was a question requesting reassurance regarding the lag in contributions and whether this was similar with other Pension Funds and the Funds and Investments Manager provided an explanation about why this happens and that it would be caught up. The Committee noted the report.

12 **Review of Pension Fund Risk Register** – agenda item 12

The Funds and Investments Manager introduced the report that reviewed the Pension Fund's risk register, noting there had been no changes since the last report. The report was accepted.

13 **Investment Strategy Statement** – agenda item 13

The Funds and Investments Manager provided an overview of this report and explained that he would bring a draft version for adoption at the March meeting. He noted that the Pensions Board had approved the report at their meeting in November, with a few amendments, which he highlighted.

As the meeting was not quorate it was not possible to formally adopt the proposed Investment Strategy Statement and this decision will be held over to the March meeting.

14 **Pension Fund Annual Report** – agenda item 14

It was agreed at the September meeting that the draft presented then would be approved subject to there being no significant changes. The Funds & Investments Manager updated Members that in consultation with the Chair the final annual report, with minor amendments, had now been published.

The Committee noted the report.

15 **Any Other Business** - agenda item 15

The Chair, after ascertaining there were no further items, thanked all those present for attending and closed the meeting.

(The meeting ended at 11:05am)

CHAIR
Cllr J Thorne