

# Pension Fund Investment Sub-Committee

Monday 8 March 2021

## Minutes

### Attendance

#### Committee Members

Councillor John Horner (Chair)  
Councillor Bill Gifford (Vice-Chair)  
Councillor Neil Dirveiks  
Councillor Andy Jenns  
Councillor Wallace Redford

#### Officers

Shawn Gladwin, Senior Finance Officer Pensions Investment  
Victoria Moffett, Pensions and Investments Manager  
Neil Buxton, Technical Specialist - Pension Fund Policy and Governance  
Aneeta Dhoot, Senior Finance Officer  
Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk)  
Jane Pollard, Legal Service Manager (Corporate)  
Andrew Felton, Assistant Director - Finance  
Sukhdev Singh, Principal Accountant

#### Others Present

Daniel Booth (Border to Coast)  
Jim Caulkett (BNY Mellon)  
Emma Garrett (Hymans Robertson)  
Philip Pearson (Hymans Robertson)  
Jamie Roberts (Border to Coast)  
Tim Sankey (Border to Coast)  
Richard Warden (Hymans Robertson)

### 1. General

#### (1) Apologies

None.

#### (2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

Councillor John Horner advised that his son-in-law now worked for Schroders Property Fund.

### **(3) Minutes of the previous meeting**

The minutes of the previous meeting were agreed as a true and accurate record. There were no matters arising.

## **2. Forward Plan**

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, presented this report which provided an updated forward plan for the Pension Fund Investment Sub Committee, rolled forward to cover the year ahead. Members of this Sub Committee and Local Pension Board had participated in the National Knowledge Assessment (NKA) in November 2020 and this had provided some feedback to steer future training plans.

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) noted that the Local Pension Board had requested that only approved minutes of its meetings be presented to the Sub Committee and suggested that, depending on the weight of meeting agendas, these could be circulated for noting. Members agreed this approach.

Members noted that the NKA had shown that knowledge levels were below those of other funds and were advised that the relative inexperience of members was a factor in this result. Officers were working on an induction pack for new members to assist with knowledge in the future. Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) pointed out that training needs would change over time as new topics were brought forward and it was also hoped to be able to make annual use of the NKA if it remained available. New Members to the Board noted that the training support they had received from the Pensions Team was of an excellent standard and thanked Officers for the assistance they had received.

### **Resolved**

That the Pension Fund Investment Sub-Committee noted the report and the training plan.

## **3. Risk Management 2021/22**

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) presented this report which provided an update on the risks to the Fund and actions taken to manage them. To simplify the management of the registers, the general risk register and the COVID-19 risk register had been consolidated into one document with Covid-19 featuring in its own right. It did not provide a detailed action plan and where further actions were noted, these were recorded in the Single Action Plan appended to the business plan.

The report also floated the idea of introducing a risk appetite for the Fund and the potential to develop a draft assessment in this regard. The Sub Committee felt that due to the nature of the Fund (i.e. paying pensions) it was important to be low risk in many regards and welcomed proposals to a future meeting.

In response to a comment from Councillor Neil Dirveiks, it was agreed that the risk register would be adjusted to include two lines for Covid, one relating to working assets and one for investment assets.

Bob Swarup, Independent Advisor, offered advice in terms of deciding what type of risk would result in reward as opposed to those that would not and draft an assessment from that starting point. He also suggested that in terms of monitoring risk, the Sub Committee could maximise its impact by proactively focusing on one or two key risks as well as having a good sense of emerging risks.

### **Resolved**

1. That the Pension Fund Investment Sub Committee noted the risk register and action plan attached to the report.
2. That the Pension Fund Investment Sub Committee approved the risk register and action plan attached to the report subject to the Covid risks being split in terms of working assets and investment assets.
3. That the Pension Fund Investment Sub Committee welcomed the draft Risk Appetite and supported work being undertaken to formalise a risk appetite statement for approval at a future meeting.

### **4. Business Plan 2021/22**

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) presented this report which recommended a Business Plan for 2021/22. The Plan comprehensively detailed Fund objectives, strategic priorities, and an action plan to achieve them. In particular, attention was drawn to Appendix C which summarised the actions planned for the coming year, grouped into four categories as detailed in the report.

Members welcomed this issue of the Plan, noting that the style and presentation was much improved from previous versions.

In response to a question from Councillor Andy Jenns around the numbers of employees opting out and how this could be limited, Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, advised that work was ongoing with the County Council's Communications Team to promote the scheme with eligible employees. Attempts were being made to identify those groups of staff who were not scheme members and target them with some tailored communications.

Councillor Jenns also noted that there was no data for employer activity in 2013/14 (paragraph 2.2). Apologies for the omission were extended, due to the data being missing from main research sources and the limited time to rectify the data gap before publication of the report.

In response to a comment from Councillor Andy Jenns welcoming the implementation of an online portal for members, Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) acknowledged that other authorities had introduced this facility much earlier but for Warwickshire the priority had been to complete the iConnect project and clean up data sufficiently to be in a position to launch member self-service.

Councillor Neil Dirveiks sought further information on the revocation of the exit cap and, although this was an area that would be considered by Staff and Pensions Committee, this was agreed by the Chair and Officers.

### **Resolved**

That the Pension Fund Investment Sub Committee approved the business plan attached at appendix 1 to the report.

## **5. Reports Containing Exempt or Confidential Information**

### **Resolved**

That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.

## **6. Exempt Minutes of the Previous Meeting**

The exempt minutes of the previous meeting were agreed as a true and accurate record. There were no matters arising.

## **7. Investment Strategy Statement Update**

### **Resolved**

1. That the Pension Fund Investment Sub Committee noted the Investment Strategy Statement attached at Appendix 1 to the report.

2 That the Pension Fund Investment Sub Committee approved the Investment Strategy Statement.

## **8. General Investment Activity Update**

### **Resolved**

That the Pension Fund Investment Sub-Committee noted the report

## **9. Funding and Investment Performance**

### **Resolved**

That the Pension Fund Investment Sub-Committee noted the report

## **10. Pooling Update**

### **Resolved**

1. That the Pension Fund Investment Sub Committee noted the report
2. That the Pension Fund Investment Sub Committee supported in principle the exploration of an ESG tilted or focused product individually, rather than awaiting the potential development of a pooled product, but that this activity be scheduled to follow the setting of climate/ESG related goals for the Fund.
3. That the Pension Fund Investment Sub Committee noted the issue of local impact investing.

## **11. Pooled Fund Manager Presentation – BCPP**

Representatives from Border to Coast Pensions Partnership joined the meeting for this item: Daniel Booth, Tim Sankey and Jamie Roberts.

### **Resolved**

That the Pension Fund Investment Sub Committee noted the presentation.

## **12. Allocations to Alternatives 2021/22**

### **Resolved**

1. That the Pension Fund Investment Sub Committee noted and commented on the report and recommendations in Appendix 1 in respect of allocations to alternatives funds in 2021/22.
2. That the Pension Fund Investment Subcommittee delegates to the Strategic Director for Resources approval to implement up to the following allocations to Border to Coast alternative funds, subject to suitable due diligence being carried out as set out in Appendix 1 to the report.
3. That the Strategic Director for Resources consults the Chair of the Sub Committee on the exact value of the transactions with Border to Coast Pensions Partnership Ltd following further due diligence on the underlying funds by Hymans Robertson.

## **13. Closing Comments**

The Chair noted that this was the final meeting of the Sub Committee before the end of the municipal year, and thanked Officers and Members for their support and contributions.

The meeting rose at 1.07pm

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Chair