

# Pension Fund Investment Sub-Committee

Thursday, 12 March 2020, 10am

## Minutes

### Attendance

#### Committee Members

Councillor Bob Stevens (Chair)

Councillor Bill Gifford

#### Officers

Helen Barnsley, Democratic Services Officer

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance

Aneeta Dhoot, Senior Finance Officer

Michael Nicalaou, Treasury and Pension Fund Manager

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk)

Jane Pollard, Legal Service Manager (Corporate)

Andrew Felton, Assistant Director - Finance

Shawn Gladwin, Senior Finance Officer Pensions Investment

Sukhdev Singh, Principal Accountant

#### Others Present

Paul Potter – Hymans Robertson

Karen Shackleton – Independent Investment Adviser

Richard Warden – Hymans Robertson

### 1. General

#### (1) Apologies

Apologies were received from Councillor Neil Dirveiks, Councillor John Horner and Councillor Wallace Redford.

Apologies were also received from Peter Jones (Independent Advisor) and Emma Garrett (Hymans Robertson)

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

None

### **(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**

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk), presented the report which sets out the next twelve months for the Sub-Committee.

The following points were highlighted –

- Policies will be reviewed under a rolling programme over the next twelve months to ensure that policies approved by the Sub-Committee are relevant and up to date.
- Normal business for the Pension Fund will return after the valuation project is complete.
- Training days for the Sub-Committee have been planned with two scheduled for later this year. Members of the Sub-Committee were reminded that training days were compulsory, especially in view of the latest guidelines from the FCA.
- It was agreed that a schedule of conferences will be shared with the Sub-Committee.

### **Resolved**

The Pension Fund Investment Sub-Committee notes and comments on the forward plan.

## **3. Risk Register**

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk), presented the report to the Sub-Committee who noted that risks have now been consolidated to 13 strategic headings; full details of all the risks are available under each of the headings.

The Sub-Committee agreed with the proposal to present a summary of the Risk Register every quarter. The report will include a summary of risks that have changed or that require attention.

Following a question from Councillor Bill Gifford in relation to Coronavirus it was noted by the Sub-Committee that the virus is considered to be a short-term investment risk. Andy Felton (Assistant Director – Finance) stated that there are three areas of likely impact –

- Assets
- Memberships
- Workforce

In relation to the potential impact on the workforce mitigation plans are in place. Staff will have the option to work at home if necessary and any high-level sickness may mean staff are drafted in elsewhere to cover key meetings etc.

It was noted by the Sub-Committee that Warwickshire County Council is carefully monitoring Coronavirus and are following guidelines from Public Health, the NHS and the Government.

**Resolved**

The Pension Fund Investment Sub-Committee comments on and approves the Risk Register.

**4. Business Plan**

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) presented the report to the Sub-Committee which includes the business plan for the next twelve months including a review of the value of the investments which have been continually increasing.

It was noted that the business plan covers all activity to do with the fund –administration and investments. The Sub-Committee agreed that there was flexibility within the plan and that it seems robust and straightforward.

Karen Shackleton, Independent Investment Adviser suggested that the Sub-Committee looked at including climate change into their training plan and to ensure that it is regularly reviewed so that the Sub-Committee fully understands the profile of climate change, sustainable development and that climate action is a priority. The Sub-Committee agreed that climate change was increasingly important and a growing topic; training on this area was an opportunity not to be missed.

**Resolved**

The Pension Fund Investment Sub-Committee comments on and notes the Business Plan.

**5. Review of the minutes of the Local Pension Board**

The minutes of the local pension board were noted by the Sub-Committee.

It was confirmed that the role of the Local Pension Board was to assist this Sub-Committee by offering a form of scrutiny; for example, over the last 12 months the pension fund administration was independently reviewed, and an action plan created.

The work of the Local Pension Board is beneficial in helping the Pension Fund Investment Sub-Committee identify where to focus their work programme.

**6. Reports Containing Exempt or Confidential Information**

**Resolved**

That members of the public be excluded from the meeting for the items below on the grounds that their presence would involve the disclosure of confidential or exempt information as defined in Paragraph 3, Schedule 12A of the Local Government Act 1972 as amended.

## **7. Review of the exempt minutes and matters arising**

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

## **8. Investment Performance Quarter 3**

### **Resolved**

The Pension Fund Investment Sub-Committee notes the fund value and investment performance for the 3<sup>rd</sup> Quarter of 2019/20 to December 31<sup>st</sup>, 2019.

## **9. Fund Performance**

### **Resolved**

The Pension Fund Investment Sub-Committee notes the content of the report

## **10. Valuation and Funding Strategy Statement Update**

### **Resolved**

The Pension Fund Investment Sub-Committee notes the report and approves the Funding Strategy Statement.

## **11. Investment Strategy Statement**

### **Resolved**

The Pension Fund Investment Sub-Committee notes the Investment Strategy and approves the strategy as set out in Appendix 1 of the report.

## **12. Responsible Investment, Climate Change, and ESG**

### **Resolved**

The Pension Fund Investment Sub-Committee notes the ESG/RI Policy and accepts the policy as set out in Appendix 1 of the report.

## **13. Pooling Update**

### **Resolved**

The Pension Fund Investment Sub-Committee notes the content of the report

#### **14.Pooling - Funds Transfers**

##### **Resolved**

The Pension Fund Investment Sub-Committee notes the content of the report

#### **15.Harbourvest - Fund Manager Presentation**

Due to Coronavirus, Harbourvest officers were unable to travel to the meeting today. This item will be added to the agenda for the next meeting of the Pension Fund Investment Sub-Committee which is scheduled for June 2020.

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Chair

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