

Meeting	NOTTINGHAMSHIRE PENSION FUND COMMITTEE
Date	Thursday 14 December 2023 at 10.30 am

membership**COUNCILLORS**

Eric Kerry (Chairman)
Mrs Sue Saddington (Vice Chairman)

André Camilleri
John Clarke MBE
Bethan Eddy
Stephen Garner
Roger Jackson - **Apologies**

Sheila Place - **Apologies**
Francis Purdue-Horan
Tom Smith
Lee Waters - **Apologies**

SUBSTITUTE MEMBERS

Councillor Richard Butler for Councillor Roger Jackson

NON-VOTING MEMBERS:**Nottingham City Council**

Councillor Graham Chapman
Councillor Zafran Khan
Councillor AJ Matsiko - **Apologies**

District / Borough Council Representatives

Councillor Davinder Viridi, Rushcliffe Borough Council - **Absent**
Councillor Dan Henderson, Bassetlaw District Council - **Absent**

Trades Union

Yvonne Davidson - **Apologies**
Chris King

Scheduled Bodies

Sue Reader - **Apologies**

Pensioners' Representatives

Vacancy x 2

Independent Adviser

William Bourne

Officers in Attendance

Heather Dickinson	(Chief Executive's Department)
Ciaran Guilfoyle	(Chief Executive's Department)
Keith Palframan	(Chief Executive's Department)
Tamsin Rabbitts	(Chief Executive's Department)
Nigel Stevenson	(Chief Executive's Department)
Sarah Stevenson	(Chief Executive's Department)
Jo Toomey	(Chief Executive's Department)

1. MINUTES OF THE LAST MEETING HELD ON 12 OCTOBER 2023

The minutes of the last meeting held on 12 October 2023 were confirmed as a correct record.

2. TO NOTE UPDATES TO THE COMMITTEE'S MEMBERSHIP

Members noted the replacement of Councillor Mike Introna

3. APOLOGIES FOR ABSENCE

- Councillor Roger Jackson (other reasons) substituted by Councillor Richard Butler
- Councillor Sheila Place (other reasons)
- Councillor Lee Waters (other reasons)
- Councillor AJ Matsiko (Nottingham City Council)
- Yvonne Davidson (Trade Union representative)
- Sue Reader (Scheduled bodies representative)

4. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None were disclosed.

5. UPDATE ON PROGRESS ON THE IMPACT OF THE MCCLOUD JUDGEMENT ON THE ADMINISTRATION OF THE PENSION FUND

The Group Manager, Business Services Centre, presented the report which updated members of the Fund's progress with the McCloud project.

During discussions, Members:

- Noted that the Fund's cost per member was £16.55 compared with a national average in excess of £22.
- Queried the anticipated impact on affected pensioners and how the fund would communicate with them.

RESOLVED 2023/041

That the committee notes the update on the implementation of the McCloud Judgement.

6. TRANSFORMING PENSION ADMINISTRATION UPDATE

The Group Manager, Business Services Centre introduced the report which updated members on the transforming pension administration through digital development and new ways of working agenda. In support of this, members were asked to approve funding to support Civica UPM to a hosted environment and associated resource.

During discussions, Members:

- Asked about other funds that had already implemented increased automation and sought assurance that any lessons they had learned were being applied to Nottinghamshire's rollout.
- Noted timelines for self-service platforms for scheme members and the data accuracy work being undertaken in preparation for them.
- Commended the appointment of four pensions administration apprentices and noted ongoing development work by the LGA to create a specific local government pension scheme apprenticeship.

RESOLVED 2023/042

The Pension Fund Committee:

1. Noted the update on the delivery of the key aims of the 'transforming pension administration through digital development and new ways of working' programme.
2. Approved the setup and ongoing funding for the move to a hosted environment.
3. Approved the ongoing funding for the Functional Support Officer within the Pension Systems Team.

7. THE COMPOSITION AND VOTING RIGHTS MEMBERS OF THE PENSION FUND COMMITTEE

The Group Manager, Legal, Democratic and Information Governance presented the report that gave members information about the composition of the Nottinghamshire Pension Fund Committee and voting rights.

During discussions, Members:

- Noted the potential impacts of amending voting rights for committee members.
- One member indicated a preference for giving all members voting rights and facilitating this by reducing the size of the committee, recognising that it could be difficult to recruit to the committee and there were often members who were unable to attend meetings; they highlighted benefits of consistency of a smaller number of members who were able to fully commit their time.
- An alternative view was expressed, which did not support reducing the size of the committee, citing those members who were unable to attend meetings and that it was important to retain a larger number of members to enable it to fulfil its functions.

- Noted that the Government had yet to respond to the good governance review and that the Fund may need to take action to implement any finalised recommendations.
- A request was made, should the recommendations in the report be agreed, that the item remains on the committee's work programme until the Government responded to the Scheme Advisory Board's good governance review.

RESOLVED 2023/043

The Committee:

1. Noted the contents of the report and the information set out in the appendix.
2. Agreed that at this time no changes were required to the composition and voting rights of the committee pending the outcome of the Government response to the Scheme Advisory Board's Good Governance report and that committee would consider any appropriate steps at that time.

8. PENSION FUND TREASURY MANAGEMENT MID-YEAR REPORT 2023-24

The Investments Officer presented the Treasury Management mid-year report for 2023/24.

RESOLVED 2023/044

The Pension Fund Committee endorsed the actions by the Section 151 Officer to date as set out in the report.

9. DEPARTMENT OF LEVELLING UP, HOUSING AND COMMUNITIES CONSULTATION ON PROPOSED REFORMS REGARDING THE INVESTMENTS OF THE LOCAL GOVERNMENT PENSION SCHEME

The Senior Accountant, Pensions and Treasury Management presented the report which highlighted the Government's response to the Department of Levelling Up, Housing and Communities consultation on proposals relating to the investments of the Local Government Pension Scheme.

During discussions, Members:

- Noted that a further report would be brought to Committee once guidance was available.

RESOLVED 2023/045

That the contents of the report be noted.

10. INDEPENDENT ADVISOR'S REPORT

William Bourne, the Independent Adviser to the committee, presented his report.

During discussions, Members:

- Noted that inflation had fallen and one day prior to the meeting the US Federal Reserve had reduced interest rates.
- Were advised that in the long-term the greatest risk to the Fund was inflation.

11:43am Councillor Garner left the meeting and did not return

RESOLVED 2023/046

That the contents of the report be noted.

11. WORK PROGRAMME

RESOLVED 2023/046

That the work programme be agreed with the addition of a holding item on the committee's composition and voting rights pending the Government's response to the Scheme Advisory Board's good governance review.

12. CLIMATE ACTION PLAN PROGRESS REPORT

The Senior Accountant, Pensions and Treasury Management presented the Climate Action Plan progress report.

RESOLVED 2023/47

That members:

- 1) Agreed the proposed amendment to delete the following action from the action plan: *"Notwithstanding other factors in the Fund's asset allocation process, seek to move towards the long-term target strategic asset allocation weightings"*.
- 2) Endorsed the work that has been undertaken and note the progress made against the climate action plan.
- 3) Did not require any further actions in relation to the progress on the Nottinghamshire County Council Pension Fund Climate Action Plan.

13. CLIMATE RISK ANALYSIS AND TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Senior Accountant, Pensions and Treasury Management presented the report, which included the Climate Risk Management Report from LGPS Central and the year's Task Force on Climate-related Financial Disclosures report. LGPS Central was thanked for the quality of the work that it had produced.

RESOLVED 2023/48

That the new actions identified in paragraph 12 of the report be included in the Climate Action report.

14. FUND VALUATION AND PERFORMANCE

The Senior Accountant, Pensions and Treasury Management presented the Fund Valuation and Performance report, which covered the period up to 30 September 2023.

RESOLVED 2023/49

That members note the contents of the Fund valuation and performance report.

15. EXCLUSION OF THE PUBLIC

RESOLVED 2023/50

That the public be excluded for the remainder of the meeting on the grounds that the discussions were likely to involve disclosure of exempt information described in schedule 12A of the Local Government Act 1972 and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

16. CLIMATE RISK ANALYSIS – EXEMPT APPENDIX

RESOLVED 2023/51

Members noted the contents of the exempt appendix to the climate risk analysis report.

17. FUND VALUATION AND PERFORMANCE – EXEMPT APPENDIX

RESOLVED 2023/52

Members noted the contents of the exempt appendix to the Fund valuation and performance report.

12:12-12:22pm – the meeting adjourned. Councillor Clarke did not return to the meeting following the adjournment.

18. FUND MANAGERS' PRESENTATIONS

18a LGIM

Chris Lyons (Client Director) and Robert Dowling (Portfolio Manager, Index Funds) provided an update to the committee on the recent activity of LGIM.

18b LGPS Central

Cara Forrest (Head of Clients), John Goodall (Senior Portfolio Manager, Active Equities) and Jakril Hoque (Portfolio Manager, Active Equities) provided an update to the committee on the recent activity of LGPS Central.

13:09 – Chris King left the meeting and did not return

The meeting concluded at 13:51.

CHAIR