

Nottinghamshire Pension Fund Committee

Thursday, 13 February 2020 at 10:30

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

- | | | |
|----|--|---------|
| 1 | Minutes of the last meeting 20 January 2020 | 3 - 6 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | LGPS Governance Conference 23-24 January 2020 | 7 - 14 |
| 5 | LAPFF Annual Conference 2019 | 15 - 20 |
| 6 | Proxy Voting | 21 - 22 |
| 7 | Financial Risks of Climate Change | 23 - 28 |
| 8 | Working Party | 29 - 32 |
| 9 | Conferences and Training | 33 - 36 |
| 10 | Work Programme | 37 - 42 |

Notes

- (1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.
- (2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

- (3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Peter Barker (Tel. 0115 977 4416) or a colleague in Democratic Services prior to the meeting.

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.
- (5) This agenda and its associated reports are available to view online via an online calendar - <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

minutes

Meeting NOTTINGHAMSHIRE PENSION FUND COMMITTEE

Date Monday 20 January 2020 at 2.00pm

membership

Persons absent are marked with 'A'

COUNCILLORS

Eric Kerry (Chairman)
Stephen Garner (Vice Chairman)

Reg Adair	Francis Purdue-Horan
Chris Barnfather	Helen-Ann Smith - A
Sheila Place	Parry Tsimbirdis
Mike Pringle	

Nottingham City Council

Councillor Graham Chapman
Councillor Anne Peach
Councillor Sam Webster - A

DISTRICT / BOROUGH COUNCIL REPRESENTATIVES

Councillor David Lloyd – Newark & Sherwood District Council
Councillor Gordon Moore – Rushcliffe Borough Council

Trades Unions

Mr A Woodward - A
Mr C King

Scheduled Bodies

Mrs Sue Reader

Pensioners

Mr T Needham
Vacancy

Independent Adviser

William Bourne

Officers in Attendance

Pete Barker	(Chief Executive's Department)
Jon Clewes	(Chief Executive's Department)
Nigel Stevenson	(Chief Executive's Department)
Tamsin Rabbitts	(Chief Executive's Department)

1. MINUTES

RESOLVED 2020/001

That the minutes of the last meeting held on 14 November 2019, having been circulated to all Members, were taken as read and were confirmed and signed by the Chair.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Smith, Councillor Webster and Mr Woodward.

3. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

Mr Bourne declared an interest in item 5, Independent Adviser Objectives.

4. LGPS – PENSION ADMINISTRATION PERFORMANCE REPORT

Mr Clewes introduced the report and on a motion by the Chairman, duly seconded, it was:

RESOLVED 2020/002

That a report on the monitoring of the member death process be brought to a future meeting of the Committee.

5. INDEPENDENT ADVISER OBJECTIVES

Mrs Rabbitts introduced the report and on a motion by the Chairman, duly seconded, it was:

RESOLVED 2020/003

That the objectives for the Independent Adviser, as set out in the report, be approved.

6. INDEPENDENT ADVISER'S REPORT

Mr Bourne introduced the report and on a motion by the Chairman, duly seconded, it was:

RESOLVED 2020/004

That no further actions are required as a direct result of the contents of the report.

7. WORK PROGRAMME

Mrs Rabbitts introduced the report and on a motion by the Chairman, duly seconded, it was:-

RESOLVED 2020/005

- 1) That the Work Programme be updated in line with Committee's recommendations.
- 2) That a report be brought to a future meeting to inform Committee about LGPS Central's new Climate Risk Monitoring service.

8. FUND VALUATION AND PERFORMANCE

Mrs Rabbitts introduced the report and on a motion by the Chairman, duly seconded, it was: -

RESOLVED 2020/006

That no further actions are required as a direct result of the contents of the report.

9. EXCLUSION OF THE PUBLIC

RESOLVED: 2020/007

That the public be excluded for the remainder of the meeting on the grounds that the discussions are 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 outweighs the public interest in disclosing the information.

And that Mr William Bourne, the Independent Adviser, be permitted to stay in the meeting during consideration of the exempt item.

EXEMPT INFORMATION ITEMS

10. FUND VALUATION AND PERFORMANCE

Mrs Rabbitts introduced the report and on a motion by the Chairman, duly seconded, it was: -

RESOLVED: 2020/008

That no further actions are required as a direct result of the contents of the report.

11. FUND MANAGERS' PRESENTATIONS

11a. KAMES CAPITAL

RESOLVED 2020/009

That no further actions are required as a direct result of the contents of the presentation.

11b. SCHRODERS INVESTMENT MANAGEMENT

RESOLVED: 2020/010

That no further actions are required as a direct result of the contents of the presentation.

The meeting concluded at 4.15pm

CHAIRMAN

13 February 2020**Agenda Item: 4****REPORT OF SERVICE DIRECTOR – CUSTOMERS AND HR****LGPS GOVERNANCE CONFERENCE 23 – 24 JANUARY 2020****Purpose of the Report**

1. To report on the 16th LGPS Governance Conference 2020.

Information and Advice

2. The 16th Annual LGPS Governance Conference took place in York on 23 and 24 January 2020. The Conference was opened by the Scheme Advisory Board (SAB) Chair, Cllr Roger Phillips. The Conference covered a range of topical items for the Local Government Pension Scheme, including responsible investment, governance, compliance, along with actuarial and legal issues.
3. This year the conference was attended by two Members of the pension committee, Councillor Stephen Garner, Pension Committee Vice Chair, and Terry Needham, Member Representative, along with Jonathan Clewes Pension Administration Manager.
4. It should be noted that the views set out in the report are those of the presenters and not of the Nottinghamshire Pension Fund.

Day 1 - Keynote Address

5. The keynote address for day 1 was presented by Anthony Arter, The Pension Ombudsman and he covered several areas which have impacted on the LGPS.
6. The purpose of the ombudsman is that he can investigate all occupational and personal pension schemes. The Ombudsman is impartial, customer focused and a free alternative to the courts. Over the last couple of years, the Ombudsman has changed, now only 10% of all complaints go on to formal determination, as an early resolution process was established in April 2018.
7. The Ombudsman reported that the number of LGPS complaints have remained steady at around 300 a year, and 24% of LGPS complaints were upheld in 2018/19 and this is lower than the average of 28% across all pension schemes.

8. The top 10 complaint topics are the following:

Complaints	Percentage
Failure to provide information/act on instructions	13.92%
Transfer: general	11.24%
Benefits: incorrect calculation	10.14%
Misquote/Misinformation	8.49%
Ill health	8.41%
Benefits: refusal to Pay or late payment	5.74%
Death Benefits	5.50%
Administration	4.64%
Benefits: overpayment	3.38%
Contributions: failure to pay into the scheme	2.59%

9. It was also reported that the volume of transfer complaints are reducing, and complaints against scams are low, however there have been several high-profile cases and there is no room for complacency from pension providers.

10. The highest number of complaints in local Government related to Ill Health retirements at 47% with the next issue relating to the incorrect calculation of benefits at 13%.

11. The message from the Ombudsman was that communication to pension members is very important in reducing complaints.

How the Scheme Advisory Board (SAB) Levy is spent

12. Cllr Roger Phillips, Scheme Advisory Board Chair, reported to the conference the work being undertaken by the SAB, as well as a review of its achievements.

13. The conference members were reminded of the wealth of information which is supplied on the SAB website which contains meeting papers and minutes, scheme developments and information, the scheme annual report, information on the good governance project, and responsible investment information.

14. The aim of the Board is to work closely and collaboratively with MHCLG, and this has continued through the election period. Meetings are now being arranged with ministers as a priority as the board need to be aware of the new Government priorities in terms of Public Service Pensions especially the LGPS. SAB intends to be on the front foot, protecting the scheme and its members will continue to be the key objective.

15. SAB's achievements include the annual report, the code of transparency on fees (developed with the Investment Association) which over 120 asset managers are now signed up to, the good governance project, and work to date on responsible investment guidance and pooling governance.

Securing Compliance

16. J Gerard Moore, Local Pension Board Chair – Northumberland, Powys and Bedfordshire.
Gerard gave his evaluation of the role of the Local Pension Boards from his analogy of the Coal Face in terms of the Local Pension Board being a ‘critical but supportive friend’.
17. The main board function is to Assist the Scheme Manager: (i.e. the Administering Authority) to secure compliance with scheme regulations, other legislation and requirements of the Pensions Regulator, and to ensure effective and efficient governance & administration of the LGPS. In order to achieve this compliance, the relationship between Pensions Committee, the Pension Board and officers is crucial, with the democratic services officer playing a key role, along with a strong relationship between the Pension Board and the Pensions Administration Manager is also needed.

It was explained that Boards’ agendas can (or should) include:

- The fund the Pension Regulator Survey response
- Composite the Pension Regulator survey conclusions
- The fund Pension Regulator Annual Return
- Composite Annual Return conclusions
- The Pension Regulator LGPS 2018/19 Cohort review (the regulator visited 10 LGPS schemes and produced a review report).

Scheme Member’s perspective

18. John Richard from Unison presented a summary of the impact of the Hutton reforms from the fund member’s viewpoint.
19. John explained that Unison’s view was that the Government’s implementation was an issue leading to lengthy union negotiations, strikes and Danny Alexander’s 25 year “guarantee” of no further reform. John went onto describe that there are now Unison members representatives on Local Pension Boards but not yet on all pools.
20. John also reminded the conference that Unison had stated at its implementation that the fixed cost ceiling would cause issues relating to the cost cap which has now been found to be true.
21. John’s further points related to Unison’s view that Pools are dictating to funds rather than serving funds, and running costs are a concern, and Unison believes that funds should take back control.

Panel Session – Is the cost cap fit for purpose?

22. This session was chaired by Jeff Houston, the LGA Head of Pensions;
23. The panel was made up of Melanie Durrant, Barnett Waddingham; Alison Murray, Aon; Richard Warden, Hymans Robertson; Paul Middleman, Mercer.

24. Various questions were put to the panel of actuaries about the cost management (not just “cap”) process and the McCloud case, the points included.

- Cost management being in a parallel universe compared to actual costs paid by employers in the real world.
- The risk that measuring long term cost cap assumptions, such as longevity, over short time periods can lead to a breach before the long-term trend is known.
- Recognition that McCloud may place a huge burden on LGPS administration teams.

2nd Day - Keynote Address

25. Lord Hutton of Furness looked back over the period since his report was published on the 10 March 2011 on public sector pension reforms.

26. Lord Hutton stated that the pace of change in pensions won't slow down; and one of the biggest issues is likely to be the climate change agenda.

27. One of the main successful changes since 2011 has been the implementation of Auto Enrolment in terms of pensions provision, but an ongoing challenge is that people are not saving enough for retirement.

28. The key pillars of the public sector pension reform were the introduction of career average revalued earnings making the scheme fairer, rather than having a final salary scheme. Also cost management providing transparency about who is paying what, and finally governance, demonstrating good stewardship.

29. In relation to McCloud the report warned at the time against building in age related protection because of the danger of age discrimination.

30. Finally, Lord Hutton went on to talk about the UK not being a nation of savers, and raised the question, is more compulsion needed? and stated he would like to see a 'Minister for Savings' where tax and pensions policy are joined-up instead of separate.

Regulating the Reforms

31. Nick Gannon, The Pensions Regulator presented his position on how the LGPS is measuring up against the TPR's standards on governance and administration.

32. The TPR is a public body that protects workplace pensions in the UK, and ensures that employers, trustees, pension specialists and business advisers can fulfil their duties to savers. The TPR has regulatory powers to tackle pension risks in a targeted and proportionate manner, and regulate compliance with the Public Services Pensions Act 2013. The TPR engages public service schemes mainly through scheme managers and pension boards.

33. Currently the TPR is finalising the revised, single code of practice, and the new code will be a new way of approaching TPR's expectations rather than a new set of expectations. The TPR's objective is to set clear expectations to Pension Funds, and to also move towards being a more proactive regulator. The message was “don't be afraid” and if the fund has a problem the regulator is “here to help”.

34. Nick also ran through the TPR annual survey for the LGPS 2018, currently awaiting the 2019 survey results. The main message was that the LGPS measures up well but there is room for improvement.
35. One of the main issues for funds has been the issue of benefit statements, and he stated that it is better to get them out to members slightly late and 100% accurate than to send inaccurate statements to hit the deadline.
36. Finally, Nick presented highlights from the LGPS 'deep dive' visits which revealed there is an over-reliance on local authority controls (especially on cyber security), some funds had little documentation on internal processes, other issues were that risk registers lacked detail, and there is not enough monitoring of risks. The top three reported governance and administration risks facing funds were:
- Funding or investment
 - Record Keeping
 - Recruitment and retention of staff or knowledge

Legal Update

37. Kirsty Bartlett, Squire Patton Boggs presented all the conference needed to know to keep the lawyers at bay and gave a summary of the Pensions Bill and the main subjects which will impact on the LGPS.
38. The Pension Schemes Bill was reintroduced in the House of Lords on 7 Jan 2020, and the Bill will have several implications for LGPS funds and will commence in April or October 2020. The Bill is designed to strengthen the employment link between receiving schemes and members in relation to transfers, with a greater requirement to undertake due diligence. It is suggested that further checks will be required to be made by the Pension Administration Teams.
39. The Bill will also extend the TPR's information-gathering powers, along with new civil penalties where information is not volunteered.
40. The Bill is also progressing the proposed Pensions Dashboard which is a proposed online facility to access information about all individual pension benefits. This is due to be created and operated by the pensions industry. The quality and security of data will be key. The Pensions Dashboard has been described as "the HS2 of Pensions", and therefore the LGPS will keep a close eye on progress.
41. Pensions taxation was a talking point as this is a complicated area for the LGPS to administer, and therefore there is a possibility that the Government will propose some changes in the next budget.
42. The view on the McCloud case was that Funds will need to wait and see, but that the impact on Funds' ability to administer whatever outcome is agreed is expected to be significant.

Why responsible investment matters

43. Caroline Escott, Pension & Lifetime Savings Association (PLSA) presented her view on the rise and rise of responsible investment, regulation and policy.
44. The presentation related to responsible investment, risk adjusted returns, investment in the Social Sector and enterprises, mitigating climate risk (Boris Johnson is chairing the Government's response, highlighting its importance).
45. However, there are barriers in the form of a lack of client demand, a lack of standardised data, and insufficient member engagement.
46. There is a strong political imperative to ensure some positive outcomes from the United Nations climate change summit COP 26 in Glasgow this year.
47. The PLSA is launching a responsible investment guidance at its conference in May. Caroline also took the opportunity to promote the PLSA, and that there is a lot of online guidance and tools.

Investment spotlight

48. Deirdre Cooper, Investec Asset Management, presented her view on a topical look at investment issues.
49. The first point made was that funds should talk less about "disinvestment" and more about "investment" and focus on opportunities.
50. Deirdre went on to explain that it is estimated that we are on track for 5 degrees of warming by 2100, and that £2.4tn of investment is needed until 2035 to decarbonise.
51. It was also stated that future trajectory of warming will depend on pace of policy response including the use of technology.
52. In terms of calculating Carbon foot printing it was explained that there are 3 scopes to measuring climate risk:
 - Scope 1 – direct emissions from factories
 - Scope 2 – carbon emissions being the indirect emissions from the generation of purchased energy.
 - Scope 3 – there are 15 separate categories of scope including, 8 relating to supply chain e.g. fuel and energy related activities, capital goods, and 7 relating to the emissions of the products once they are sold and used. Typically, 75% of emissions are in Scope 3.
53. The last point made was that emissions from China are growing but that they are also investing heavily in research on carbon reduction

Statutory and Policy Implications

54. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

That members consider whether there are any actions they require in relation to the issues contained within the report.

Marjorie Toward
Service Director – Customers and HR

For any enquiries about this report please contact:

Jonathan Clewes, Pensions Manager on 01159773434 or jon.clewes@nottsc.gov.uk

Constitutional Comments (GR30/01/2020)

55. Pursuant to the County Councils Constitution, the Nottinghamshire Pension Fund Committee has the delegated authority pursuant to Part 4 section 37 to consider the recommendations set out within this report.

Financial Comments

56. There are no financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**LAPFF ANNUAL CONFERENCE 2019****Purpose of the Report**

1. To report on the Local Authority Pension Fund Forum (LAPFF) Conference 2019.

Information

2. The 24th LAPFF Conference entitled 'Corporate Resilience – Challenges to Shareholders' was held between 4 and 6 December 2019 in Bournemouth. In accordance with prior approval, and as part of the Fund's commitment to ensuring those charged with decision-making and financial management have effective knowledge and skills, the conference was attended by Cllr Parry Tsimbiridis and Keith Palframan (Group Manager – Financial Services). Details of the main sessions are set out below.
3. It should be noted that the views set out are those of the presenters, not of LAPFF or the Nottinghamshire Pension Fund.

Day one

4. ***Update on the Investor Tailing Dams initiative: Adam Matthews, Director of Ethics & Engagement, Church of England, Community representatives: Monica Dos Santos & Marcela Nayara Rodrigues, Leticia Soares Peixoto Aleixo, Business and Human Rights Resource Centre, Julia Mello Neiva, Senior Researcher, Business & Human Rights Resource Centre, Estel Blay, Catapult (space technology on the social and environmental impact of mining activities) (Moderator: Cllr Rob Chapman, LAPFF Executive)***

Adam discussed the engagement activity in relation to mining companies in South America and the failures of tailing dams which had caused the deaths of hundreds of people. A number of investor interventions have been progressed including a push for a new global standard, greater disclosure requirements, the need for a global database, better and more consistent company reporting and finally the need to align insurers and investors on the proposed interventions. Monica and Marcela gave emotive accounts of their experiences and the horrific impact of the dam collapses in Bermadinho and Samarco and tragic loss of life. Marcela highlighted the issue of mental health in the communities including those of her own family. This included the minimal access to psychiatric help which is controlled by the mining companies. Estel discussed the ability for satellite-based technology to help monitor and manage tailings dams.

5. ***Controlling food waste and plastic in production and packaging: Mark Little, Head of Sustainability, Sourcing & Waste Policy, Tesco PLC Tony McElroy, Head of Packaging Campaigns, Tesco PLC (Moderator: Cllr Glyn Caron, LAPFF Executive)***

Mark discussed the work Tesco are doing under their Little Help plan to reduce food waste 1/3 of all food produced is currently wasted while 1 in 9 people in the world go hungry. Tesco have sent no food to landfill since 2009 and want to help halve global food waste by 2030. Tony discussed their customer focussed ethos and steps taken to reduce plastic and packing waste. He discussed their 4 R's approach – remove, reduce, reuse and recycle. Tesco expect to have 1bn fewer items of plastic going through stores in 2020

6. ***LAPFF Engagement Round-up 2019: Aaron Brenner, Senior Analyst, UFCW, Cllr Rob Chapman, LAPFF Executive, Cllr John Gray, LAPFF Executive (Moderator LAPFF Chair, Cllr Doug McMurdo)***

Aaron gave a case study on Amazon and the risks and concerns for investors. Motions raised by investors are increasing and getting a greater share of the (non Jeff Bezos) votes. Investors can help by supporting shareholder resolutions, meeting stakeholders and affected workers and through direct engagement. Rob discussed LAPFF's engagements with housing companies and the work of Climate Action 100+. John provided first-hand experience from recent engagements. Some positive movement with RyanAir with a change of position on board independence and recognition of unions. Sports Direct is not as positive; concerns over auditors not signing accounts, family members in key senior roles and going back on a proposal to have John take an observer role at the next Board meeting.

Day Two

7. ***National Grid's net zero commitment: Sir Peter Gershon CBE, FREng, Chairman, National Grid (Moderator: Rodney Barton, LAPFF Executive)***

Sir Peter outlined the work National Grid are doing to transition to net zero by 2050. The UK has reduced emissions by 44% since 1990 but a significant change in the energy system is required, including: acceleration of electrification, heat decarbonisation pathways (80% still use gas for heat), carbon capture technology, and clean transport and energy transition. More investment is needed in infrastructure and the skills to develop these solutions

8. ***Just Transition: Nick Robins, LSE, Grantham Institute, Chris Huhne, Engaged Tracking Index Limited (Moderator: Tom Harrington, LAPFF Executive)***

Nick spoke about energy transition and the need for investors to help drive support for climate action. The Just Transition statement sets out the need to adopt sustainable development goals in an integrated way and the impact on workers, communities and citizens. Transition pathways should include social metrics with investors taking action to drive thinking on investment strategy, corporate engagement, capital allocations and policy advocacy. Chris discussed the difficulty in carbon pricing and the sequence of policy reforms required to transition. Key messages were that total carbon risk matters, there is greater evidence of positive returns from green investing and there is more regulatory pressure that will help drive this.

9. ***Informed not inflamed: a realistic approach to the energy transition: Cllr Barney Crockett, Lord Provost of Aberdeen and President of the World Energy Cities Partnership, Kingsmill Bond, Carbon Tracker, Murray Worthy, Global Witness (Moderator: Cllr M Tauqeer Malik, LAPFF)***

Cllr Crockett discussed his experiences in Aberdeen and the challenges in engaging with oil and gas companies; many are state owned and some are moving from public to private equity ownership. He noted that reduced costs in renewables are helping to drive change but commitment to carbon capture is required to help achieve targets. Kingsmill touched on the shifts we have seen in the costs of renewable energy in the last 5 years; it is often the most economical option with emerging economies leapfrogging developed nations in its use. Policy action is speeding up the shift to renewable.

10. *Employees on the Board: Martin Gilbert, Chair, Aberdeen Standard Investments interview with Cllr Barney Crockett*

Martin discussed employee board representation with Cllr Crockett and the audience. He provided some background on FirstGroup and the importance of having employees on the board. He viewed the employee role as working with the other non-executive directors to help engage with management. He noted that these are challenges for employee board reps around working relationships with colleagues and maintaining the balance between company and independent representation.

11. *Cyber security/social media abuse: Seyi Akiwowo, Glitch, Iain Drennan, Head of International Team, Tackling Exploitation and Abuse Unit, Home Office (Moderator: Rachel Brothwood, LAPFF Executive)*

Seyi discussed the importance of digital self-care and self-defence and the work of Glitch in trying to help combat online abuse. She highlighted the roles that technology companies can play in preventing on-line abuse and the lack of awareness on reporting abuse and the policies of these companies in dealing with reports. Chandni discussed the rise of internet usage - 3bn people now on-line around ¼ of whom are children. She gave a frank account of the increase in child sexual exploitation and implications for this as more developing countries gain internet access - 53% of abuse material being of children under the age of 10. They discussed the role of organisations such as the Internet Watch Foundation.

12. *Media standards: Dan Evans, former journalist at Trinity Mirror (Moderator: Cllr John Gray, LAPFF Executive)*

Dan discussed the phone hacking scandal and the culture and working practices of tabloid newspapers throughout the period to 2011. He explained the nature of the legal proceedings and his views on the way in which newspapers were able to control the flow and access to information. He referred to the recent actions of Harry and Meghan which he believes will drive further investigations and change in the industry.

13. *How to spot failing companies: Tim Steer author of 'The signs were there' the clues for investors that a company was a heading for a fall' (Moderator: Abigail Leech, LAPFF Executive)*

Tim went through a number of high-profile corporate failures or unexpected reductions in shareholder value, and highlighted items in the financial accounts that could or should have drawn attention to issues that existed prior to the collapse. He noted that the value of many balance sheet items are subjective and can be manipulated e.g. long term contracts and stock. He suggested investors and their advisors should be paying more attention to financial accounts and should be asking questions where things are not clear.

14. *Management remuneration: Andrew Smithers author of 'Productivity and the Bonus Culture' Sandy Pepper, Professor of Management Practice, London School of Economics (Moderator: Cllr Andrew Thornton, LAPFF Executive)*

Andrew presented his view that the way senior management is paid damages the economy. He highlighted that shareholders appear to have received no benefit from the massive rise in the pay of senior executives and the high proportion of their total remuneration that comes from option and bonuses. He suggested higher basic pay and fewer bonuses.

15. *After the FRC what next?: Tim Bush, PIRC Limited, Natasha Landell Mills, Sarasin & Partners*

Tim provided an update on the PIRC campaign to replace the Finance Reporting Council and his satisfaction that the Government had accepted the recommendations of the Kingman Review which will see the FRC replaced with the Audit, Reporting and Governance Authority (ARGA). Natasha cautioned that this may take some time.

16. *Climate Change Accounting: Richard Murphy, Corporate Accountability Network (Moderator: Natasha Landell Mills, Sarasin & Partners)*

Richard presented his proposal that all companies should be required to provide in full, and upfront, its cost of transition to be a net zero-carbon emitter, as the worldwide climate emergency will require them to be. The costs must reflect current technology and supply chains should be considered in the calculations. Offsetting would not be allowed. As a result, the price of carbon would not be involved in the calculation. The question would be a simple one of whether or not a company would know how to achieve this goal, and what the cost might be.

Day Three

17. *Gender Diversity Panel: Deborah Gilshan, 100% Club, Clare Payn, Legal & General Investment Management, Representing the 30% Club, Dr Nisha Long, Head of cross border research, Citywire (Moderator: Cllr Yvonne Johnson,, LAPFF Executive)*

There has been significant progress in working towards gender diversity at board level at FTSE 100 companies, but progress is still slow in the FTSE 250 and beyond. The use of aspirational targets (not quotas) has been effective. In the investment community the problem is more acute with a very small number of female investment managers who tend to look after smaller portfolios of niche asset classes.

18. *ArcelorMittal: The journey towards carbon neutrality: Alan Knight, General Manager Corporate Responsibility, ArcelorMittal (Moderator: Cllr Rob Chapman, LAPFF Executive)*

Steel is in practically everything and already has a better track record in carbon reduction than many other metals. However, the process of making steel is carbon intensive. One of the main features of steel is that it is highly reusable, but recycling steel is not sufficient to meet demand and likely never will be. Arcelor Mittal is experimenting with the likes of carbon capture (where the carbon is distilled into ethanol to make plastic or jet fuel) and using waste wood/plastic/hydrogen in place of coal. There is a significant cost to moving to less efficient methods. They compete against companies not making these changes, so they may find themselves uncompetitive; policymakers need to embrace change. The industry is trying to build a 'Responsible Steel' hallmark to encourage companies to purchase steel made in a more environmentally friendly way to encourage the entire industry to clean itself up.

19. ***Rt Hon John Bercow former Speaker of the House of Commons***

A loquacious, garrulous, grandiose and eloquent presentation from the former Speaker on his time in Parliament, highlighting the role of the Speaker in the House of Commons and in the management of staff and budgets supporting the Houses of Parliament.

Statutory and Policy Implications

20. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

- 1) That Pension Fund Committee members continue to attend appropriate conferences to enable members to be kept up to date with the main national topics relating to investments.
- 2) That Members consider if there are any actions they require in relation to the issues contained within the report

Keith Palframan

Group Manager – Financial Services

For any enquiries about this report please contact: Keith Palframan

Constitutional Comments (KK 30/01/2020)

21. The proposals in this report are within the remit of the Nottinghamshire Pension Fund Committee

Financial Comments (KP 30/01/2020)

22. There are no financial implications arising from this report

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.

**REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE &
IMPROVEMENT****PROXY VOTING****Purpose of the Report**

1. The Fund is committed to supporting best practice in corporate governance and has adopted the *UK Stewardship Code* as recommended by the CIPFA *Principles for investment decision making and disclosure*. This report is to inform members of the voting of equity holdings in the second quarter of 2019 (calendar year) as part of this ongoing commitment, and of a planned change to how these equities will be voted in 2020.

Information

2. The *UK Stewardship Code*, issued in September 2012 by the Financial Reporting Council, highlights the responsibilities that institutional investors have with regard to the 'long-term success of companies in such a way that the ultimate providers of capital [in this case, the Nottinghamshire Pension Fund] also prosper'. These responsibilities include, among other things, having a clear policy on voting and on the disclosure of voting activity. The *Code* states that investors "should not automatically support the board".
3. Alongside this the CIPFA *Principles for investment decision making and disclosure* require administering authorities to include a statement of their policy on responsible investment in the Investment Strategy Statement and report periodically on the discharge of such responsibilities. The Fund's statement on responsible investment states that 'the Fund continues to exercise its ownership rights by adopting a policy of actively voting stock it holds'.
4. The Fund retains responsibility for voting directly held shares (rather than delegating to its investment managers) and votes the majority of its equity holdings in the UK, Europe, US and Japan. To date, voting has been executed by Pensions Investment Research Consultants (PIRC). However, as reported previously, voting will be undertaken by Hermes EOS as from 1 January 2020, and covered by the voting policy of LGPS Central. This will make a revenue saving for the Fund of around £40,000 p.a.

5. An overview of the PIRC voting activity and analysis of the key issues during the quarters will be published on the Fund website:

<http://www.nottspf.org.uk/about-the-fund/investments>

and with the meeting papers on the Council Diary:

<http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

That Pension Fund Committee members consider whether there are any actions they require in relation to the issues contained within the report.

Report Author:
Ciaran Guilfoyle
Investments Officer

For any enquiries about this report please contact: Ciaran Guilfoyle

Constitutional Comments (KK 30/01/2020)

7. The proposal in this report is within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments (TMR 21/01/2020)

8. The financial implications are set out in paragraph 4.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- PIRC – Nottinghamshire CC Pension Fund, Proxy Voting Review, 1 October 2019 to 31 December 2019
- Financial Reporting Council, *The UK Stewardship Code*, September 2012

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**FINANCIAL RISKS OF CLIMATE CHANGE****Purpose of the Report**

1. To inform members of the Pension Fund's developing approach to assessing and responding to the financial risks of climate change.

Information

2. Members of the Pension Fund Committee will be aware of the current high profile of climate change issues. Members will also be aware that this is not a new risk, nor is it the only risk affecting the Pension Fund.
3. The issue for the Pension Fund is not about climate change itself. Members will be aware that the transfer of ownership of equity shares will not affect an investee company in any way, except if they are transferred to a less engaged owner who may put less pressure on companies to ensure sufficient plans are made for a sustainable future could reduce actions taken to increase sustainability. Moreover although social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments, the Pension Fund is not permitted to consider non-financial factors unless it can be demonstrated they are not significantly detrimental to the investment return and the Committee is satisfied that members share their concerns.
4. The issue is about the financial risk to the Pension Fund arising from climate change. Like all financially material risk factors, this is a very valid concern. Fossil fuel companies are exposed to changes in the price of oil. Oil is a valuable commodity and can be used to produce many synthetic products and there is likely to be a long term demand. However demand for oil as a fuel, its main use, is likely to reduce over the long term as travel and energy generation become more efficient and increasingly powered from renewable sources. It seems increasingly likely that some identified oil reserves may never be extracted, becoming valueless (known as stranded reserves).
5. Oil and gas companies make up a significant share of global market capitalisation. Through its investment in passive funds the Pension Fund has automatic exposure to this sector in addition to any positions held in our active equity mandates. The Pension Fund's investments in passive funds align with the Pension Fund's Investment Beliefs, particularly in relation to

the use of diversification (i.e. across all sectors) as a key technique for reducing risk, and in relation to minimising investment management fees. It should be noted that the Oil & Gas Industry sector also includes renewable energy equipment and alternative fuels. Oil and Gas Industry weights in our main passive funds as at 31 December 2019 were as follows:

FTSE All-Share Index	11.8%
FTSE North America Index	5.0%
FTSE Developed Europe Ex UK Index	4.5%
FTSE Japan Index	0.8%
FTSE Developed Asia Pacific Ex Japan index	3.2%

These figures are reported to us by Legal and General Investment Management on a quarterly basis.

6. It is important that the Pension Fund understands the financial risks of its exposure to fossil fuels, potentially stranded reserves and climate change which will impact on many industry sectors, especially transport, energy generation, high energy industries, farming, tourism and businesses in parts of the world directly affected by changes in weather or sea level rises. It should be noted that the financial risks of climate change are not confined to the Oil and Gas sector alone.
7. Consequently LGPS Central has been commissioned to produce some climate risk analysis to enable the Pension Fund to identify its exposure, understand its financial risk and to formulate and publish a Climate Strategy.
8. Members need to be aware of the challenge in obtaining reliable data for these calculations and the complexity of modelling these issues. Data is improving, partly due to pressure from engaged shareholders such as ourselves, but the sensitivity to assumptions needs to be appreciated in interpreting the results of this work.
9. The provisional timeline for this piece of work is as follows:-

Immediately	Provision of data to LGPS Central as at 31 March 2019. This date was selected as it represents a starting point just after we set our current strategic asset allocation. This will provide a baseline against which progress can be measured.
April	Data will be processed by LGPS Central's service providers.
June	Working party with Members attended by LGPS Central to understand the process and discuss the results
July	Report to Pension Fund Committee
Further work	Formulation of a climate risk strategy

A refresh of data as at 31 March 2020 to enable early progress to be evaluated

Exact timing will be dependent on resources both within the Pension Fund and LGPS Central.

10. While this work is ongoing the Pension Fund will continue to implement its long term Strategic Asset allocation. This includes an increasing allocation to infrastructure investments, a significant proportion of which are in clean energy, and a gradual reduction in equity investments. Within our equity investments we are looking at a number of low carbon and sustainable funds. Over time our exposure to fossil fuels will reduce as a result of these asset allocation and diversification decisions.
11. The Pension Fund will continue to monitor and manage all financially material risks to which it is exposed.

Other Options Considered

12. There are other providers of similar services, but using LGPS Central provides economies of scale, additional support and is consistent with the principle of pooling.

Reason/s for Recommendation/s

13. Members and officers need to better understand the climate related financial risks in the Pension Fund investments.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

15. The cost for LGPS Central to undertake climate risk analysis is covered in the LGPS Central annual budget to which the Pension Fund contributes through the pool's cost-sharing model.

RECOMMENDATION/S

That Pension Fund Committee members consider whether there are any actions they require in relation to the issues contained within the report.

Nigel Stevenson

Service Director for Finance, Infrastructure & Improvement and Section 151 Officer

For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments (KK 04/02/2020)

16. The proposal in this report is within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments (TMR 31/01/2020)

17. The financial implications are set out in paragraph 15.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All

APPENDIX 1 – Investment Strategy Statement (ISS) extracts

The Pension Fund Investment Strategy Statement is published on our website. Members will be aware of the following paragraphs which are particularly relevant to this issue:-

- 25 In setting asset allocation to deliver the Fund Return Target the Fund will seek as far as possible to invest in a diversified range of uncorrelated assets in order to reduce the level of investment risk.
- 29 The risks the Fund is exposed to include investment, operational, governance, currency, demographic and funding risks. These risks are identified, measured, monitored and then managed. This is carried out using risk registers with section responsibility and oversight from the Head of Governance and Chief Risk Officer. Plans are put in place to mitigate these risks so far as that is possible.
- 42 Social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments. Non-financial factors may be considered to the extent that they are not significantly detrimental to the investment return and the Committee is satisfied that members share their concerns.
- 46 The Fund has articulated an investment belief on the relevance of climate change for financial markets (see Appendix A). In line with this belief, the Fund will actively look for investments which can be expected to benefit as a result of the long-term impacts of climate change.

ISS Appendix A - Statement of Investment Beliefs

1. The Fund's investment beliefs outline key aspects of how it sets and manages its exposures to investment risk. They are as follows:

Financial market beliefs

- Return is related to risk but taking calculated risks does not guarantee returns. The actual outcome may be higher or lower than that expected.
- The Fund has a long-term investment horizon and is able to invest in volatile and/or illiquid investment classes in order to generate higher returns.
- Markets are dynamic and are not always efficient, and therefore offer opportunities for investors.
- Diversification is a key technique available to institutional investors for improving risk-adjusted returns.

Investment strategy/process beliefs

- Return and risk should be considered relative to the Fund's liabilities, funding position and contribution strategy. Risk should be viewed both qualitatively and quantitatively. Particular focus should be given to the risk of loss and also to the nature and likelihood of extreme events so that the Fund is not a forced seller of assets.

- Strategic asset allocation is a key determinant of risk and return, typically more important than manager or stock selection.
- Equities are expected to generate superior long-term returns relative to Government bonds.
- Alternative asset class investments are designed to further diversify the portfolio and improve its risk-return characteristics.
- Active management can add value over time, but it is not guaranteed and can be hard to access. Where generating 'alpha' is particularly difficult, passive management is preferred.
- Operational, counterparty and reputational risk need assessment and management, in addition to investment risk.
- Managing fees and costs matter, especially in low-return environments. Fee arrangements with our fund managers – as well as the remuneration policies of investee companies – should be aligned with the Fund's long-term interests.

Organisational beliefs

- Clear investment objectives are essential.
- Effective governance and decision-making structures that promote decisiveness, efficiency and accountability are effective and add value to the Fund.
- The Pension Fund Committee's fiduciary duty is to the members of the Pension Fund. While they are not trustees, they have trustee-like responsibilities.

Responsible investment beliefs

- Responsible investment is supportive of risk-adjusted returns over the long term, across all asset classes. As a long-term investor, the Fund should seek to invest in assets with sustainable business models across all asset classes.
- Responsible investment should be integrated into the investment processes of the Fund, the Pool, and underlying investment managers.
- A strategy of engagement rather than exclusion is more compatible with fiduciary duty, and is more supportive of responsible investment.
- Investee companies and asset managers with robust governance structures should be better positioned to handle the effects of shocks and stresses of future events.
- There is risk but also opportunity in holding companies which have weak governance of financially material ESG issues. Opportunities can be captured so long as decisions are based on sufficient evidence and they are aligned with the Fund's objectives and strategy.
- Climate change and the response of policy makers has the potential to have a serious impact on financial markets. Engagement, using partnerships of like-minded investors where feasible, can mitigate this risk.

**REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE &
IMPROVEMENT****WORKING PARTY****Purpose of the Report**

1. The Pension Fund Working Party meets twice a year or additionally where circumstances require and is open to all Pension Committee Members to attend. The purpose of the Working Party is to discuss key issues in more detail and to make recommendations to Pension Fund Committee. This report sets out details of the items discussed at the most recent meeting on 23 January 2020 and makes recommendations as follows.
 - a. To approve no changes to the strategic asset allocation
 - b. To approve the short term target asset allocation for 2020
 - c. To approve the revised range constraints in Table 1.
 - d. To approve the new reporting schedule for Investment Manager attendance at Committee meetings.

Information

2. The Working Party met on 23 January 2020. The agenda and attendees are listed in Appendix A, and details of the discussions and recommendations for each item are set out below.

Schroders portfolio

3. Schroders attended the meeting to report back to committee on questions arising from the meeting in August. Schroders proposed to change the investment vehicle for the US region within the mandate. The new sub-fund would bring the US level of diversification more in line with other regions. Members challenged the proposed approach and the impact on portfolio risk and were satisfied that this is an appropriate approach for the Pension Fund mandate. Any explicit transition costs will be met by Schroders.

Investment Strategy and Asset Allocation

4. The Working Party considered a report from William Bourne, independent adviser to the fund.

5. The report summarised the current strategic benchmarks and the current portfolio and what the fund requires from each asset class (growth, inflation protection, income etc.) in the light of the current market environment and the initial results of the triennial valuation.
6. The current strategic asset allocation (SAA) was still considered appropriate. This will be moved gradually over the next 4 years as set out in table 1. The target benchmark for 2020 as the next step in this direction is also shown.
7. The purpose of range constraints is to ensure that the high level portfolio remains not too far away from the intended SAA, or at least if there is divergence, the Pension Fund Committee has monitored and approved it.
8. A small adjustment to the range for growth is suggested to reflect the lower weighting to growth assets in the SAA.

Table 1

Outcome	Asset Classes	30/09/2019 portfolio %	SAA %	Existing Range %	Proposed 2020 target %	New Range %
Growth	Listed and Private equity	65.5	60.0	60-70	61.5	57.5-67.5
Income and inflation protection	Property, Infrastructure	16.6	23.0	15-25	21.5	15-25
Income only	Fixed Income	7.9	10.0	5-15	9.0	5-15
Inflation protection only	Index Linked, Kames DGF	3.3	5.0	3-15	4.0	3-15
Liquidity	Cash, Kames short term	6.7	2.0	0-10	4.5	0-10

9. Members discussed the Pension Fund's Responsible Investment beliefs. Whilst it was felt that these are still appropriate, members agreed that additional review and training was required on these matters.

Investment Manager attendance at Committee– Working Party discussion item

10. Following discussions at previous working party meetings and with Investment Managers, the schedule of manager attendance at Committee meetings was reviewed. It was felt that rather than see every manager every quarter it would be better to have managers attend six monthly with a longer timeslot to enable a more detailed review and greater scrutiny.
11. The quarterly Valuation Report would still cover all portfolios and managers quarterly reports would still be circulated to Members.
12. Members would still be able to request Investment Managers attend additional meetings as desired.

13. It is suggested that the proposed schedule below is implemented in the new year.

Q1 (Sept meeting)

ASI and Schroders

Q2 (Dec meeting)

LGPS Central & guest investment manager from within the Specialist portfolio

Q3 (March meeting)

ASI and Schroders

In the past this has included some training focussed on a specific part of the fund alongside the committee meeting. This is considered valuable and will be continued.

Q4 (June meeting)

LGPS Central and LGIM

Pension Fund Treasury Management policy

14. The Working Party was made aware of the proposal to delegate responsibility for the Treasury Management of the Pension Fund to the Pension Fund committee.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

It is recommended that Committee

1. Agrees that no changes are currently required to the strategic asset allocation.
2. Approves the short term target asset allocation for 2020.
3. Approves the revised range constraints in Table 2.
4. Approves the new reporting schedule for Investment Manager attendance at Committee meetings.

Report Author:

Tamsin Rabbitts – Senior Accountant – Pensions and Treasury Management

For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments (SS 30/01/2020)

Nottinghamshire Pension Fund Committee is the right committee to consider this report.

Financial Comments (TMR 28/01/2020)

The financial implications are noted in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

13 February 2020

Agenda Item: 9

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT

CONFERENCES AND TRAINING

Purpose of the Report

1. To seek approval for attendance at conferences and training in 2020/21.

Information

2. The Fund is committed to ensuring those charged with decision-making and financial management have effective knowledge and skills and this is achieved through attendance at key conferences and the provision of specific training and information for Members.
3. Assets are continuing to be transferred to LGPS Central, however this will take place on a phased basis over a number of years. After transition asset allocation decisions will remain with the fund so it will be essential that Committee Members continue to receive appropriate up to date information on investment opportunities to enable them to hold LGPS Central to account and to ensure the funds allocation decisions represent the best option for the fund.
4. It is proposed to continue to attend key pension conferences and to ensure training is available. The LGA's LGPS Fundamentals course is well regarded by those who have attended and it is proposed to continue to offer this course to new members of the Committee or those wishing to refresh existing knowledge. In addition to the specific events listed below members are encouraged to attend the free trainings and briefings offered by industry bodies at no charge, and the internal training provided during the year covering both general pensions matter and any changes in legislation which impacts on the work of the Committee. Approval is sought for attendance at the following conferences and training in 2020/21.

Conference	Location	Date	Attendance
PLSA Local Authority Conference	Cotswolds	18-20 May 2020	2 Members 1 Officer
LAPF Strategic Investment Forum	Herts	6-8 July 20	2 Members 1 Officer
LAPFF Annual Conference	Bournemouth	Dec 2020	1 Members 1 Officer

Conference	Location	Date	Attendance
LAPFF Business Meetings	London	Quarterly	2 Members 1 Officer
Property Training/visits	Various	October 2020	Available to all members of Pension Committee
LGA LGPS Fundamentals Course	Various	October to December	New Members and Members requiring refresher training
LGPS Governance Conference (previously called the Trustees conference)	Tbc (York in 2020)	Tbc - Jan 21	2 Members 1 Officer

5. In addition to the above, the Committee has historically held additional training alongside the March committee meeting, which where appropriate may be at the offices of one of our main Fund Managers on a rotating basis, to allow for more in depth discussions on the relevant portfolio and incorporates some training provided by the Fund Manager. It is planned that these annual focussed meetings will continue as previously, extended to reflect our internally managed Specialist Portfolio and our passive equity investments but will be adapted as required to reflect requirements as investments transfer to the Pool.
6. Officers attend training courses where these are required to ensure they are properly skilled and qualified to fulfil their responsibilities.

Other Options Considered

7. Members and Officers could attend other conferences in addition to or instead of those suggested. The conferences suggested have proved useful and interesting in previous years or have been recommended. The programme reflects positive experiences with these conferences in the previous year. Not attending any such events was not considered due to the importance of ensuring that those charged with decision-making and financial management have effective knowledge and skills.

Reason/s for Recommendation/s

8. Under the terms of the Council's constitution, the Nottinghamshire Pension Fund Committee is responsible for the administration of the Nottinghamshire Pension Fund and it is best practice to ensure that those charged with decision-making and financial management have effective knowledge and skills.

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

That attendance at conferences and training as set out in the report be approved.

Nigel Stevenson

Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact:

Tamsin Rabbitts, Senior Accountant – Pensions and Treasury Management

Constitutional Comments (KK 30/01/2020)

10. The Nottinghamshire Pension Fund Committee is responsible for approving all Councillor attendance at conferences, seminars and training events within the UK within the remit of this Committee. The proposals insofar as they relate to Councillors are within the remit of this Committee. Approval for officer attendance is a departmental matter.

Financial Comments (TMR 21/01/2020)

11. Costs associated with attending conferences and other training events are a legitimate charge to the Fund in accordance with governing regulations.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

**REPORT OF THE SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE
AND EMPLOYEES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2020.

Information

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.
3. The attached work programme has been drafted in consultation with the Chair and Vice-Chairs, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.
4. As part of the transparency introduced by the revised committee arrangements from 2012, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme.

Other Options Considered

5. None.

Reason/s for Recommendation/s

6. To assist the committee in preparing its work programme.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

RECOMMENDATION/S

That the Committee considers whether any amendments are required to the Work Programme.

Marjorie Toward
Customers, Governance and Employees

For any enquiries about this report please contact: Pete Barker, x74416

Constitutional Comments (HD)

8. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (NS)

9. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

Background Papers

None

Electoral Division(s) and Member(s) Affected

All

PENSION FUND COMMITTEE – WORK PROGRAMME

Report Title	Brief summary of agenda item	Report Author
12 March 2020		
Report of Chairman of the Pensions Board	Update Report	Jon Clewes
<i>LGPS Scheme Advisory Board Update</i>	<i>6 monthly report updating members on the work of the SAB if anything of note</i>	<i>Jon Clewes/Ciaran Guilfoyle</i>
Triennial Evaluation	Results of evaluation	Tamsin Rabbitts
Fund Strategies	Review of Fund Strategies	Tamsin Rabbitts
Fund Valuation & Performance – Qtr 3	Summary of quarterly performance	Tamsin Rabbitts
Fund Valuation & Performance	Detailed review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports	Independent Adviser
Managers Presentations	Presentations by Fund Managers (exempt)	Relevant fund managers

11 June 2020		
Administration Performance	12 Months Update	Jon Clewes
Transforming Pension Administration	Quarterly Update	Sarah Stevenson
Fund Valuation & Performance – Qtr 4	Summary of quarterly performance	Tamsin Rabbitts
Fund Valuation & Performance	Detailed review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports	Independent Adviser
Managers Presentations	Presentations by Fund Managers (exempt)	Relevant fund managers
9 July 2020		
Pension Administration Annual Performance & Strategy Review	Report detailing the Administering Authority and Scheme Employers performance against the Admin Strategy including any data breaches	Jon Clewes
Proxy Voting	Summary of voting activity during quarter 1 of 2020	Ciaran Guilfoyle
LAPFF Business Meeting	Report from LAPFF Business Meeting	Ciaran Guilfoyle
LGPS Central's Climate Risk Monitoring Service (exempt).		Tamsin Rabbitts
<i>Update on LGPS Asset Pooling</i>	<i>(If required)</i>	<i>Keith Palframan</i>

TO BE PLACED		
Guaranteed Minimum Pension Reconciliation Exercise With HMRC	Update Report	Jon Clewes
Pensions Effect on Higher Education		Jon Clewes
Monitoring of the Member Death Process	Update Report	Jon Clewes
Investment in Renewables	Report following LAPFF survey	Ciaran Guilfoyle

