

Meeting	NOTTINGHAMSHIRE PENSION FUND COMMITTEE
Date	Thursday 9 September 2021 at 10.30 am

membership

Persons absent are marked with `A`

COUNCILLORS

Eric Kerry (Chairman)
André Camilleri (Vice Chairman)

Stephen Garner
Mike Introna
Sheila Place
Mike Pringle

Sam Smith
Lee Waters
Gordon Wheeler

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

Councillor Graham Chapman
Councillor Anne Peach
Councillor Sam Webster – A

District / Borough Council Representatives

Councillor David Lloyd, Newark and Sherwood District Council – A
Councillor Gordon Moore, Rushcliffe Borough Council – A

Trades Unions

Mr A Woodward – A
Mr C King

Scheduled Bodies

Mrs Sue Reader – A

Pensioners' Representatives

Vacancy x 2

Independent Adviser

William Bourne

Officers in Attendance

Nigel Stevenson (Chief Executive's Department)

Keith Palframan (Chief Executive's Department)
Tamsin Rabbitts (Chief Executive's Department)
Sarah Stevenson (Chief Executive's Department) (in remote attendance)
Jo Toomey (Chief Executive's Department)

Investment Managers - Aberdeen

Jon Holguin (in remote attendance)
Craig Thomson (in remote attendance)
Caroline Casson (in remote attendance)

Investment Managers - Schroders

Paul Myles
Andy Simpson

1. MINUTES OF THE LAST MEETING HELD ON 29 JULY 2021

The minutes of the last meeting held on 29 July 2021 were confirmed and signed by the Chair.

2. APOLOGIES FOR ABSENCE

- Sue Reader
- Councillor Gordon Moore
- Councillor David Lloyd

3. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

No interests were disclosed.

4. WORKING PARTY REPORT

The report summarised the topics discussed and captured the recommendations of the Pension Fund Working Party, which met on 9 August 2021. The matters considered by the working group were:

- Options for investing the Fund's liquidity assets held with to provide cash to pay pensions, or on a short to medium-term awaiting investment in longer term assets in the private markets
- Benchmark indices and targets used to monitor the Fund's asset performance over time
- Responsible investment training, which was provided by LGPS Central

During discussion Members:

- Referred to questions raised during the workshop around performance indicators

RESOLVED 2021/035

That the strategic benchmark be changed to the following:

Outcome	Weight (%)	Strategic Benchmark
Growth	60%	65% FTSE World ex UK 35% FT Allshare
Inflation protection (income)	28%	CPI
Income	10%	FTSE UK All Stock
Liquidity	2%	SONIA

5. REVIEW OF FUND STRATEGIES

The report proposed revised versions of the Administration Strategy, Climate Strategy, Communications Strategy, Funding Strategy Statement Governance Compliance Statement, Investment Strategy Statement and the Risk Management Strategy and Risk Register documents.

During discussion Members:

- Asked about whether certain types of investment were conflicts of interest as a result of the services that were provided. Committee was reassured that there were no conflicts of interest because of the independence provided by the investment managers
- Considered methods to monitor engagement with companies in which investments were held
- Asked about measures that could be taken where engagement with companies in which the fund held investments was not able to influence activity in line with the Investment Strategy

RESOLVED 2021/036

That the revised Administration Strategy, Climate Strategy, Communications Strategy, Funding Strategy Statement, Governance Compliance Statement, Investment Strategy Statement and the Risk Management Strategy and Risk Register documents be approved.

6. WORK PROGRAMME

During discussion:

- Members agreed that a specific item be added to the work programme to review the fund's investment in British and American tobacco, however it was confirmed later in the meeting that this complete holding had been sold
- It was confirmed that the issue of voting rights on the Committee would be brought to a future meeting
- Members were advised that carbon metrics would be included in the Climate Risk Report, which would be presented to Committee at its meeting on 4 November 2021. Training on Climate Risk Management would be provided by LGPS Central in advance of the meeting on 4 November 2021

RESOLVED 2021/037

That the work programme be agreed.

7. INDEPENDENT ADVISER'S REPORT

The Committee considered and noted the report of its Independent Adviser.

8. FUND VALUATION AND PERFORMANCE, QUARTER 1

The report informed members of the total value and performance of the Pension Fund to 30 June 2021 (to the end of quarter 1).

During discussion, Members:

- Asked about the timeline for disinvestment from certain types of stock and how this related to the Council's commitment to be carbon neutral by 2030
- Discussed passive investments and the categorisation of investments, for example some renewable investments were categorised with oil and gas as part of the energy sector

RESOLVED 2021/038

- 1) That no further actions are required in relation to the issues contained within the report.

9. EXCLUSION OF THE PUBLIC

RESOLVED 2021/39

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.

11:31am to 11:40am – the meeting adjourned

10. FUND VALUATION AND PERFORMANCE – QUARTER 1 – EXEMPT APPENDIX

The committee noted the exempt appendix of the Fund Valuation and Performance, quarter 1 report.

11. FUND MANAGERS' PRESENTATIONS

11a. Aberdeen Standard Investments

The Committee noted the contents of the presentation delivered by Aberdeen Standard Investments.

12:02pm – Mr King left the meeting and did not return

11b. Schroders

The Committee noted the contents of the presentation delivered by Schroder.

The meeting concluded at 13.04pm

CHAIR