

Nottinghamshire Pension Fund Committee

Thursday, 14 November 2019 at 10:30

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

- | | | |
|---|--|---------|
| 1 | Minutes of the last meeting 12 Sept 2019 | 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 | Training Guidance Note | 7 - 8 |
| 5 | Proxy Voting | 9 - 10 |
| 6 | Local Authority Pension Fund Forum Business Meeting | 11 - 14 |
| 7 | Response to Petition Presented to the Chairman of the County Council | 15 - 18 |
| 8 | Work Programme | 19 - 24 |
| 9 | Pension Fund Independent Adviser | 25 - 26 |

10 EXCLUSION OF THE PUBLIC

The Committee will be invited to resolve:-

“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.”

Note

If this is agreed, the public will have to leave the meeting during consideration of the following item:

11 Fund Manager Presentation

Aberdeen Standard Investments

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 PENSIONS FUND COMMITTEE

Date Thursday 12 September 2019 at 10.30 am

membership

Persons absent are marked with 'A'

COUNCILLORS

Eric Kerry (Chairman)
Stephen Garner (Vice Chairman)

Reg Adair
Chris Barnfather
Sheila Place
Mike Pringle

Francis Purdue-Horan
A - Helen-Ann Smith
Parry Tsimbiridis

Nottingham City Council

Councillor Graham Chapman
A - Councillor Anne Peach
A - Councillor Sam Webster

Nottinghamshire Local Authorities' Association

Representatives to be confirmed.

Trades Unions

Mr A Woodward
Mr C King

Scheduled Bodies

Mrs Sue Reader

Pensioners

A - Mr T Needham
Vacancy

Independent Adviser

William Bourne

Officers in Attendance

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

1. MINUTES

RESOLVED 2019/027

The minutes of the last meeting held on 18 July 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 Peach, Councillor Webster and Mr Terry Needham.

3. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None.

4. TRANSFORMING PENSION ADMINISTRATION

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

RESOLVED 2019/045

1. That the proposed scope of the Nottinghamshire Pension Administration Service digital programme be approved.
2. That the recharge of the costs of the initial phases of the programme to the Pension Fund be approved.
3. That Committee receive quarterly update reports on the progress of the programme.

5. LAPF STRATEGIC INVESTMENT FORUM 2019

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

RESOLVED 2019/046

That Nottinghamshire 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.

6. WORKING PARTY

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

RESOLVED 2018/047

1. That the performance of investment managers continues to be monitored.
2. That the risks in the pension fund arising from climate change continue to be reviewed.
3. That engagement activity continues through our investment managers, LGPS Central, LAPFF, PIRC and other partners.
4. That a report be brought to a future meeting of the Committee regarding the monitoring of the environmental impact of companies invested in by the Pensions Fund, to include details of a procedure to ensure that this information is reported to Committee on a regular basis.

7. WORK PROGRAMME

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

RESOLVED 2018/048

1. That a report on the Triennial Valuation be brought to the meeting of the Committee in March 2020.
2. That the Work Programme be updated in line with Committee's recommendations.

8. FUND VALUATION AND PERFORMANCE

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

RESOLVED 2018/049

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

9. EXCLUSION OF THE PUBLIC

RESOLVED: 2019/050

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 items.

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 2019/051

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

11. REPORT OF THE INDEPENDENT ADVISER

Mr Bourne gave an update on issues that affect the pensions investments of Nottinghamshire. On a motion by the chairman, duly seconded it was:

RESOLVED: 2019/052

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

12. FUND MANAGERS' PRESENTATIONS

On a motion by the chairman, duly seconded it was:

RESOLVED: 2019/053

- 1) That no further actions are required as a direct result of the contents of the fund managers' presentations received from Aberdeen Standard Investments, Kames Capital and Schroders Investment Management.

The meeting concluded at 12.56pm

CHAIRMAN

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**TRAINING GUIDANCE NOTE****Purpose of the Report**

1. To inform members of likely future changes to training requirements.

Information

2. Members of the Pension Fund Committee already have a specific training requirement set out in the constitution.
3. Training for members of Pension Fund Committees generally is not currently mandatory, however there is an expectation that Members will have access to sufficient training to enable them to make the key decisions required.
4. The Investment Strategy Statement (ISS) states that "...Committee Members recognise their full responsibility for the oversight of the Fund, and operate to a Code of Conduct." It further states that Committee Members shall:

Be encouraged to receive suitable training to help them discharge their responsibilities and attend such training courses, conferences and meetings that deliver value for money to the Fund.

5. In addition the Governance Compliance Statement requires the fund to confirm the following:

That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.

6. Training is accessed through a combination of local training events, attendance at conferences and external training, and private reading.
7. Future annual reports require a table showing each committee member's attendance at meetings and training received during the year.
8. The LGPS Scheme Advisory Board is currently considering new guidance as a result of the recent Governance review of the LGPS, and taking into consideration what the Pension Regulator is currently recommending in developing knowledge and understanding of Pension Fund Trustees. It is anticipated that these developments will likely require additional

knowledge and understanding in the case of the LGPS for Pension Committee Members, equivalent to that required for Pension Board members.

Other Options Considered

9. None.

Reason/s for Recommendation/s

10. Training is important to ensure members are able to discharge their responsibilities.

Statutory and Policy Implications

11. 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

12. No additional financial implications. There is already a budget allocation to fund training for Pension Fund Committee members.

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 04/11/2019)

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

Financial Comments (TMR 30/10/2019)

14. The financial implications are set out in paragraph 12.

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

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 others, 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. Voting is implemented by Pensions Investment Research Consultants (PIRC). PIRC issue Shareholder Voting Guidelines each year and these are the basis of the voting implemented on behalf of the Fund.
5. To date, the Fund's investments in its pool, LGPS Central, have been covered by the pool's voting policy (operated by Hermes). This is undertaken without additional charge to the Fund. Recently LGPS Central offered to undertake without charge the voting on all equities owned directly by the Fund, and this offer has been accepted. Therefore, from 1 January 2020 the Fund's remaining equities will be voted by Hermes rather than PIRC, making a revenue saving for the Fund of around £40,000 p.a. This saving will offset some of the costs of operating LGPS Central, and ultimately contribute towards the total savings generated from pooling.

6. 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

7. 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 21/10/2019)

8. This is an updating information report and Pension Committee is the correct body for considering that information and any further action which members may wish to take in light of that information.

Financial Comments (TMR 22/10/2019)

9. The financial implications are set out in paragraph 5.

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 April 2019 to 30 June 2019
- PIRC – Nottinghamshire CC Pension Fund, Proxy Voting Review, 1 July 2019 to 30 September 2019 [not yet available]
- Financial Reporting Council, *The UK Stewardship Code*, September 2012

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**LOCAL AUTHORITY PENSION FUND FORUM BUSINESS MEETING****Purpose of the Report**

1. To report on the Local Authority Pension Fund Forum (LAPFF) business meetings held in London on 17 July and 9 October 2019.

Information and Advice

2. The Local Authority Pension Fund Forum was formed in 1990 to provide an opportunity for the UK's local authority pension funds to discuss investment and shareholder engagement issues. In 2018 membership was also extended to cover pension fund pools. LAPFF membership currently stands at 80 funds and 6 pools (shown at Appendix A) with combined assets of over £250 billion. It is consequently able to exert significant influence over companies in which funds are invested.
3. LAPFF exists 'to assist Administering Authorities discharge their statutory responsibilities and promote the long-term investment interests of UK local authority pension funds. In particular, it seeks to maximise their influence as investors to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they hold an interest, commensurate with statutory regulations'. It also:
 - a. provides a forum for information exchange and discussion about investment issues.
 - b. facilitates the commissioning of research and policy analysis of issues in a more effective manner than individual Forum members could achieve.
 - c. provides a forum for consultation on shareholder initiatives.
 - d. provides a forum to consider issues of common interest to all pension fund boards, committees and their supporting administrative staff, as well as to other interested parties from national, local and regional governments.
4. The business meetings were attended on behalf of Nottinghamshire Pension Fund by an officer representative.
5. The July business meeting also incorporated the AGM. At the AGM Cllr. Doug McMurdo (Chair of Bedfordshire Pension Fund) was confirmed as LAPFF Chair.
6. At this meeting the issue of 'climate risk' was discussed and it was noted that a number of councils had declared 'climate emergencies' and were pushing for disinvestment from carbon-intensive companies. However, the matter is complicated by the fact that the same companies are often heavily invested in alternative and sustainable fuel sources. It is therefore hoped that

a survey of funds, to be commissioned by LAPFF later in the year, will allow the Forum to have a more detailed view of the situation.

7. Also at the meeting an update on LAPFF's engagement work to June 2019 was provided. A copy of the latest engagement report is attached as background. For information, all LAPFF engagement reports can be found here:
<http://www.lapfforum.org/publications/qrtly-engagement-reports/>
8. The meeting on 9 October coincided with a day of protest in central London organised by Extinction Rebellion. The chair emphasised to the meeting how the work of LAPFF is in alignment with the aims of Extinction Rebellion. Later in the meeting it was agreed that Climate Action 100+ (an investor initiative) would be invited to speak at a future business meeting.
9. An update was given on the subject of 'Reliable Accounts'. The collapse of Thomas Cook, and its poor balance sheet, was noted. However, it was also pointed out that Thomas Cook Germany had been successful in avoiding the fate of the parent company. It was speculated that this could be due to the Germany company operating under tighter accountancy regulations covering distributable reserves.

Statutory and Policy Implications

10. 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 21/10/2019)

11. This is an updating information report and Pension Fund Committee is the correct body for considering that information and any further action which members may wish to take in light of that information.

Financial Comments (TMR 22/10/2019)

12. There are no direct financial implications arising from this report.

Background Papers

- LAPFF constitution
- LAPFF Quarterly Engagement Report April to June 2019
- LAPFF Quarterly Engagement Report July to September 2019 [not yet available]

Membership of LAPFF as at October 2019

Funds

- 1) Avon Pension Fund
- 2) Barking and Dagenham LB
- 3) Barnet LB
- 4) Bedfordshire Pension Fund
- 5) Cambridgeshire Pension Fund
- 6) Camden LB
- 7) Cardiff and Vale of Glamorgan Pension Fund
- 8) Cheshire Pension Fund
- 9) City of London Corporation
- 10) Clwyd Pension Fund
- 11) Cornwall Pension Fund
- 12) Croydon LB
- 13) Cumbria Pension Scheme
- 14) Derbyshire CC
- 15) Devon CC
- 16) Dorset County Pension Fund
- 17) Dyfed Pension Fund
- 18) Ealing LB
- 19) East Riding of Yorkshire Council
- 20) East Sussex Pension Fund
- 21) Enfield LB
- 22) Falkirk Council
- 23) Gloucestershire Pension Fund
- 24) Greater Gwent Fund
- 25) Greater Manchester Pension Fund
- 26) Greenwich Pension Fund RB
- 27) Gwynedd Pension Fund
- 28) Hackney LB
- 29) Hammersmith & Fulham LB
- 30) Haringey LB
- 31) Harrow LB
- 32) Hertfordshire County Council Pension Fund
- 33) Hounslow LB
- 34) Islington LB
- 35) Kingston Upon Thames RB
- 36) Lambeth LB
- 37) Lancashire County Pension Fund
- 38) Leicestershire CC
- 39) Lewisham LB
- 40) Lincolnshire CC
- 41) London Pension Fund Authority
- 42) Lothian Pension Fund
- 43) Merseyside Pension Fund
- 44) Merton LB
- 45) Newham LB
- 46) Norfolk Pension Fund
- 47) North East Scotland Pension Fund
- 48) North Yorkshire CC Pension Fund
- 49) Northamptonshire CC

- 50) Northern Ireland Local Government Officers Superannuation Committee
- 51) Northumberland Pension Fund
- 52) Nottinghamshire CC
- 53) Oxfordshire CC
- 54) Powys County Council Pension Fund
- 55) Redbridge LB
- 56) Rhondda Cynon Taf
- 57) Sheffield City Region Combined Authority
- 58) Shropshire County Council
- 59) Somerset CC
- 60) South Yorkshire Pensions Authority
- 61) Southwark LB
- 62) Staffordshire Pension Fund
- 63) Strathclyde Pension Fund
- 64) Suffolk County Council Pension Fund
- 65) Surrey CC
- 66) Sutton LB
- 67) Teesside Pension Fund
- 68) The City and County of Swansea Pension Fund
- 69) The Environment Agency Pension Fund
- 70) Tower Hamlets LB
- 71) Tyne and Wear Pension Fund
- 72) Waltham Forest LB
- 73) Wandsworth LB
- 74) Warwickshire Pension Fund
- 75) West Midlands ITA Pension Fund
- 76) West Midlands Pension Fund
- 77) West Yorkshire Pension Fund
- 78) Westminster City Council
- 79) Wiltshire CC
- 80) Worcestershire CC

Pools

- 1) Border to Coast Pension Partnership
- 2) Brunel
- 3) LGPS Central
- 4) London CIV
- 5) Northern Pool
- 6) Wales Pension Partnership

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**RESPONSE TO PETITION PRESENTED TO THE CHAIRMAN OF THE COUNTY COUNCIL****Purpose of the Report**

1. The purpose of this report is to recommend to Committee the response to the issue raised in a petition to the County Council.

Information

2. A 140 signature petition was presented to the 10 October 2019 meeting of the County Council by Councillor Stuart Wallace as Vice Chairman (Ref:2019/0371). The petition was submitted by residents of West Bridgford North Division, calling on Nottinghamshire County Council to take action to ensure that Nottinghamshire Pension Fund meets Extinction Rebellion Nottingham's demands regarding fossil fuel divestment.
3. These demands are that the Pension Fund:
 - a. Creates a culture of transparency in relation to all the investments held by it (including infrastructure investments and equity investments held in Managed Funds), so it is possible for both the Fund itself and for members to identify the value and location of investments in companies that extract and sell fossil fuels.
 - b. Declare divestment from all fossil fuel-related assets over the next three years.
 - c. Produce a plan for this, including for the replacement of fossil fuel investments with investments in companies whose activities mitigate climate change, and for local investment within Nottinghamshire in ecologically sustainable projects.

Response to a)

4. The Nottinghamshire Pension Fund is committed to openness and transparency and publishes investment holdings on a regular basis. This list of holdings includes significant amounts in passive funds which reflect particular indices. The proportion of investments in particular companies within these indices is publicly available information, and anybody interested can calculate this for themselves. The pension fund does not hold a register which

records all investments within Managed Funds. Any such register would take significant resources to create and our right to publish this information may be restricted. The benefit to the Pension Fund of this detailed information would be insufficient to justify the additional costs which would be incurred to create it. The proportions invested in major industries within our passive investments, such as fossil fuels, are monitored by the Pension Fund as part of our risk management. The Pension Fund also holds a number of actively managed pooled funds. These are a much smaller part of our investments and the risk profile is managed by the appointed managers in line with our Environmental, Governance and Social Investment standards.

Response to b)

5. There are a number of reasons why full divestment from fossil fuel related assets would not be the right decision at the present time.
6. Nottinghamshire Pension Fund has the following belief about financial markets, as stated in our Investment Strategy Statement: “Diversification is a key technique available to institutional investors for improving risk-adjusted returns.” This includes diversification across asset classes, regions, and sectors. Divesting from certain sectors – for example the energy sector – would limit the fund’s diversification opportunities.
7. Almost every business in the world to some extent depends on the use of fossil fuels. Selling shares in oil & gas companies will not make real world changes to greenhouse gas emissions. We believe there needs to be corporate change, which in our view is more likely with an engagement strategy. Our partners engagement programme stretches far beyond fossil fuel producers. As long as fossil fuel demand remains strong, fossil fuel supply will continue. Therefore, our engagement programme covers both the supply side and the demand side.
8. As described in Nottinghamshire Pension Fund’s Annual Report, engagement continues to highlight and improve the resilience of corporate strategies at global resource companies in the wake of climate change agreements. Our asset pool LGPS Central has set out a Responsible Investment & Engagement Framework and an Annual Stewardship Plan which align with and support Nottinghamshire Pension Fund’s approach. Climate change is one of LGPS Central’s specific stewardship themes. Through LGPS Central, and its stewardship partner Hermes EOS, we engage very widely on climate change with companies, auditors of companies, industry standard setters and policy makers. We exert influence through exercising our voting rights through our proxy voting service. We actively seek changes to corporate behaviour through global climate-related investor partnerships including Climate Action 100+, Institutional Investor Group on Climate Change and the Transition Pathway Initiative (TPI). TPI was set up for asset owners like pension funds so that they can better understand the risks they carry through holding for instance heavy carbon-emitting companies, and to act on that information.
9. We favour engagement over divestment because we believe that engagement is more supportive of fiduciary outcomes (particularly effective risk management) and more supportive of societal outcomes (because were we to sell our shares to climate-unaware investors, corporate change is far less likely).
10. A policy of exclusion would increase the costs of managing the Pension Fund investments, and crucially would be inconsistent with the investment beliefs of the rest of our Pool, significantly increasing the costs of investment for both ourselves and partner funds.

11. For these reasons full divestment is not considered appropriate.

Response to c)

12. As full divestment is not considered appropriate, a plan to implement this is not required. However, in line with our approved Investment Strategy Statement, the Nottinghamshire Pension Fund is likely to reduce its investments in fossil fuel production, through an increased allocation to infrastructure investments, a significant proportion of which is 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 to increase diversity. Over time our exposure to fossil fuels will reduce as a result of these asset allocation and diversification decisions.

13. It is recommended that the lead petitioner be informed accordingly.

Other Options Considered

14. None. It is Council policy to respond to petitions.

Statutory and Policy Implications

15. 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

It is recommended that:

- 1) the proposed response be approved, and the lead petitioner be informed accordingly;
- 2) the outcome of Committee's consideration be reported to Full Council.

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 22/10/2019)

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

Financial Comments (TMR 21/10/19)

17. There are no financial implications arising as a result of 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

Electoral Division(s) and Member(s) Affected

- All

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

1. To consider the Committee's work programme for 2019/20.

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

- 1) 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 December 2019		
Administration Performance	6 Months Update	Jon Clewes
Transforming Pension Administration	Quarterly Update	Sarah Stevenson
AVCs	Update Report	Jon Clewes
Fund Valuation & Performance – Qtr2	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 (exempt)	Independent Adviser
Managers Reports	Quarterly reports from Fund Managers (exempt)	Relevant fund managers

13 February 2020		
Governance Conference	Update Report	Jon Clewes
<i>Admission Body Status Update</i>	<i>Details of organisation who satisfy the criteria to be admitted to the LGPS (as required)</i>	<i>Andy Durrant</i>
Fund Strategies	Review of Fund Strategies	Tamsin Rabbitts
LAPFF Conference	Report from the LAPFF conference	Keith Palframan
Proxy Voting	Summary of voting activity during quarter 4 2019	Ciaran Guilfoyle
LAPFF Business Meeting	Report from LAPFF Business Meeting	Ciaran Guilfoyle
<i>Update on LGPS Asset Pooling</i>	<i>(If required)</i>	<i>Keith Palframan</i>
<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>
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12 March 2020		
Transforming Pension Administration	Quarterly Update	Sarah Stevenson
Triennial Evaluation	Results of evaluation	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 (exempt)	Independent Adviser
Managers Reports	Quarterly reports from 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 (exempt)	Independent Adviser
Managers Reports	Quarterly reports from 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
<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
Environmental Impact of Companies Invested in by the Pensions Fund		Tamsin Rabbitts
Investment in Renewables	Report following LAPFF survey	Ciaran Guilfoyle

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**PENSION FUND INDEPENDENT ADVISER****Purpose of the Report**

1. To provide information on the result of the procurement of an independent adviser to the Pension Fund Committee.

Background

2. The previous contract for the Independent Adviser ended in October 2019. The contract was originally let in October 2015 for 3 years and was extended in 2018, as permitted by the original contract, for a further year. The contract has been novated from the original provider company, but the actual advice has been provided by William Bourne for the duration of the contract.

Information

3. The LGPS Pension Regulations 2016 set out that Administering Authorities must take “proper advice” in the formulation of the Investment Strategy Statement and the taking of investment decisions. “Proper Advice” is defined as the advice of a person whom the authority reasonably considers to be qualified by their ability in and practical experience of financial matters. For Nottinghamshire Pension Fund this requirement has been met by letting a contract to receive advice from an Independent Adviser employed to support both officers and the Pension Fund Committee.
4. The previous contract was let as a 3-year contract with the option of a 1-year extension. The new contract is let as 3 years plus a possible 2-year extension. This will ensure consistency of advice but allow for a change, if deemed appropriate, after the initial 3 years.
5. Support was provided by Corporate Procurement throughout the tender process. Evaluation of tenders took place against the specification agreed at the committee meeting in July. The final evaluation was based on an assessment of quality and price.
6. As a result of the procurement process Linchpin Advisory Ltd were reappointed as Independent Adviser to the fund.

Other Options Considered

7. None. Independent advice is essential to ensure the Pension Fund Committee receives appropriate advice when making key decisions.

Statutory and Policy Implications

8. 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

9. The cost of the contract is circa £32k p.a. The cost of the adviser will be charged to the pension fund.

RECOMMENDATION/S

It is recommended that Members:

- 1) Endorse the appointment of the Independent Adviser as a result of the recent procurement exercise.

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 21/10/2019)

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

Financial Comments (TMR 21/10/19)

11. As noted in the report the estimated cost of the independent adviser is £32k p.a. This cost is a valid charge to the pension fund.

Background Papers and Published Documents

None.

Electoral Division(s) and Member(s) Affected

All