



Pensions Committee

24 January 2020

10.00 a.m.

**MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 4 OCTOBER 2019
10.00 AM - 12.40 PM**

Responsible Officer: Sarah Townsend
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Present:

Members of the Committee:
Councillor Thomas Biggins (Chairman)
Councillors Chris Mellings and Brian Williams

Co-Opted Members (Voting):
Councillors Leon Murray and Malcolm Smith

Co-Opted Members (Non-Voting):
Jean Smith and Laura Hoskison

21 Apologies and Substitutions

Apologies for absence were received from Councillor Michael Wood. There was no substitute in attendance.

Apologies for absence were also received from Councillors Roy Aldcroft and Robert Tindall (Substitute Members).

The Chairman welcomed Councillor Leon Murray (Co-Opted Member, Voting) and Laura Hoskison (Employee Representative Shropshire Council, Co-Opted Member, Non-Voting) to their first meeting of the Pensions Committee.

22 Disclosable Pecuniary Interests

Members were reminded that they must not participate in the discussion or voting on any matter in which they had a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate. There were no declarations of Disclosable Pecuniary Interests made.

23 Minutes of the Previous Meeting

That the Minutes of the meeting held on 24 July 2019 be approved and signed by the Chairman as a correct record.

24 Public Questions

There were no public questions.

25 Exclusion of Press and Public

RESOLVED:

That under paragraph 10.2 of the Council's Access to Information Procedure Rules, the proceedings of the Committee in relation to Minutes 26 to 27, be not conducted in public on the grounds that they might involve the likely disclosure of exempt information as defined by the categories specified against them.

26 Global Equities (Exempted by Category 3)

Mr Callum Campbell, Mr Colin Pratt and Mr Mike Weston, LGPS Central, were in attendance to present this item. They provided an update to the Committee in relation to the Global Equity Portfolio, as well as a general business update.

27 Equity Protection Strategy Update (Exempted by Category 3)

Ms Emily McGuire, Aon, was in attendance to present this item which provided Members with an equity protection strategy update.

RESOLVED:

That the update be noted and the recommendation in relation to this item be considered as part of the Exempt Investment Monitoring – Quarter to 30 June 2019 Agenda Item.

(The full version of Minutes 26 to 27 constitutes exempt information under Category 3 of paragraph 10.2 of the Council's Access to Information Procedure Rules and has accordingly been withheld from publication).

(From this point, the proceedings of the Committee were conducted in public session in relation to Minutes 28 to 31).

28 Responsible Investments and ESG

Ms Jeannette Andrews and Mr James Sparshott, Legal & General, were in attendance to present this item. They gave an overview of Environmental, Social and Governance (ESG), explained why it was relevant for pension fund trustees and looked at how it could be integrated into investments. In particular, the issue of climate change was addressed and Members were informed as to how Legal & General had engaged with various companies and sectors across the world to tackle the climate emergency.

29 Corporate Governance Monitoring

The Committee received the report of the Investment Officer (copy attached to the signed Minutes) which informed Members of Corporate Governance and socially responsible investment issues arising in the quarter 01 April 2019 to 30 June 2019.

Members were informed that LGPS Central had purchased a Low Carbon Fund. There was also a new Stewardship Code coming out shortly, which the Shropshire Local Government Pension Fund would be looking to sign up to.

RESOLVED:

That the position as set out in the report, Manager Voting Reports (Appendix A) and BMO Global Asset Management Responsible Engagement Overlay Activity Report (Appendix B) be accepted.

30 Pensions Administration Monitoring

The Committee received the report of the Pensions Administration Manager (copy attached to the signed Minutes) which provided members with monitoring information on the performance of and issues affecting the Pensions Administration Team.

In relation to cyber security, over the last quarter, Shropshire Council had confirmed that the following number of cyber-attacks had been stopped:

- May 2019: 31,780,909
- June 2019: 31,484,904

Members commented that these figures were large and asked that the Pensions Administration Manager find out how many of these cyber-attacks were directed at Shropshire County Pension Fund.

It was noted that the Annual Meeting was due to take place on 28 November 2019 and an Employers' Meeting was planned for 15 November 2019.

RESOLVED:

That the position as set out in the report by the Pensions Administration Manager be accepted.

The Chairman explained that for various reasons, the next meeting of the Pensions Committee scheduled for Wednesday, 18th December 2019, had been cancelled. The Committee Officer would email both Members and Officers requesting their availability for a new meeting date of either Friday, 17th January or Friday, 24th January 2020.

31 Exclusion of Press and Public

RESOLVED:

That under paragraph 10.2 of the Council's Access to Information Procedure Rules, the proceedings of the Committee in relation to Minutes 32 to 35, be not conducted in public on the grounds that they might involve the likely disclosure of exempt information as defined by the categories specified against them.

32 Exempt Minutes of the Previous Meeting (Exempted by Category 3)

That the Exempt Minutes of the meeting held on 24 July 2019 be approved and signed by the Chairman as a correct record.

33 Investment Monitoring - Quarter to 30 June 2019 (Exempted by Category 3)

The Committee received the exempt report of the Head of Treasury and Pensions (copy attached to the Exempt signed Minutes) which provided Members with monitoring information on investment performance and managers for the quarter period to 30 June 2019 and reported on the technical meetings held with managers since the quarter end.

RESOLVED:

- (a) That the position as set out in the exempt report by the Head of Treasury and Pensions be noted.
- (b) That the recommendation as set out in the exempt report by the Head of Treasury and Pensions be approved with the inclusion of the additional wording 'in consultation with our advisors'.

34 Governance (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager (copy attached to the Exempt signed Minutes) which informed them of regulatory breaches arising in the quarter 01 April 2019 to 30 June 2019, which had been recorded in the breaches log.

RESOLVED:

That the content of Appendix A to the report by the Pensions Administration Manager, which detailed breaches recorded in the last quarter, be noted.

35 New Employers (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager (copy attached to the Exempt signed Minutes) which provided Members with details of the following:

- Full details regarding one new employer admissions to the Fund, under Schedule 2 Part 3 Regulation 1(d) (i) of the Local Government Pension Scheme Regulations 2013. The admission was due to a service transferring from a scheme employer, under a service contract. The admission agreement would need to be sealed with the county seal.
- Update of New Schedule 1 Part 1 Scheme Employers (academies) and New Schedule 2 Part 2 Scheme Employers (designated bodies).

RESOLVED:

That the recommendations in the exempt report by the Pensions Administration Manager be approved.

(The full version of Minutes 32 to 35 constitutes exempt information under Category 3 of paragraph 10.2 of the Council's Access to Information Procedure Rules and has accordingly been withheld from publication).

Signed (Chairman)

Date: