



Date: Friday, 17 September 2021

Time: 10.00 am

Venue: Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

Contact: Sarah Townsend, Committee Officer
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PENSIONS COMMITTEE

TO FOLLOW REPORT (S)

4 Minutes of the Previous Meeting (Pages 1 - 6)

The minutes of the meeting held on 25 June 2021 are attached for confirmation, marked 4. (To Follow).

Contact: Amanda Holyoak (01743 257714)

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Pensions
Committee

25 June 2021

10.00 am

Item
Public

MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 25 JUNE 2021

Responsible Officer: Sarah Townsend
Email: sarah.townsend@shropshire.gov.uk Tel: 01743 257721

Present

Shropshire Councillors

Councillor Thomas Biggins (Chairman)

Councillors Thomas Biggins, Roger Evans, Simon Harris and Brian Williams

Co-Opted Members (Non-Voting)

Jean Smith (Pensioner Representative), Byron Cooke (Employee representative
Telford and Wrekin Council)

1 Election of Chairman

RESOLVED:

That Councillor Tom Biggins be elected Chairman of the Pensions Committee for the forthcoming municipal year.

2 Apologies and Substitutions

Apologies were received from Councillor Malcolm Smith, Councillor Rae Evans and Laura Hoskison.

3 Appointment of Vice-Chairman

RESOLVED

That Councillor Malcolm Smith be appointed Vice-Chairman of the Pensions Committee for the forthcoming municipal year.

The Chairman welcomed new members to the Committee. He also reported that he had written on behalf of the committee to express his thanks to a

valued member of the Committee, Councillor Chris Mellings, who had now left authority.

4 Disclosable Pecuniary Interests

None were declared.

5 Minutes of the Previous Meeting

RESOLVED

That the minutes of the meeting held on 5 March 2021 be approved and signed by the Chairman as a true record.

6 Public Questions

Three questions had been received from members of the public. The questions and responses were read out. A full copy of the questions and responses provided are attached to the web page for the meeting and attached to the signed minutes.

7 Shropshire Pension Fund Audit Plan

The Committee received the report of the External Auditor, Grant Thornton, (copy attached to the signed Minutes) which set out the Audit Plan for Shropshire County Pension Fund for the year ended 31 March 2021.

Mr Grant Patterson, Pensions Audit Manager for Grant Thornton, was in attendance to present the report. In particular, Members' attention was drawn to the 'Significant risks identified' section and the comments detailed therein.

It was noted that the fee had increased significantly from last year but was still to be finalised.

Members noted that this was an interim report, that nothing of concern to the Committee had been presented, and that they hoped this would remain the case when the final report was considered at the September meeting of the committee.

RESOLVED:

That the contents of the report by the External Auditor, Grant Thornton, be noted.

8 Recap on Investment Strategy Decisions and Implementation Update

Mr Louis-Paul Hill, Aon made a presentation to the Committee providing an investment strategy recap and implementation update following the decisions made by the Committee at its meeting on 5 March 2021.

Mr Hill responded to questions from members in relation to expected return and discount rates; expected return on equities per annum; strategic allocation and actual allocation in equities, equity protection overlay and rebalancing ranges delegated to officers;

The Executive Director of resources reiterated the importance of staying within the Investment Strategy both in order to protect both the Pension Fund and the Pensions Committee, particularly if there was to be a sudden crash.

The Chairman thanked Mr Hill for the presentation.

9 Pension Fund Treasury Strategy 2021/22

The Head of Treasury and Pensions introduced the report and explained that the Pension Fund Treasury Strategy covered the small cash balances that the Administering Authority maintained to manage the day to day transactions of the Pension Fund.

In response to questions he confirmed that these investments were only made in highly credit rated banks and the reason for using Svenska Handelsbanken was that it was one of the highest credit rated banks on the Council's approved list, provided instant access to cash and offered slightly better rates than UK banks.

RESOLVED:

1. to delegate authority to the Scheme Administrator (Section 151 Officer) to manage the Pension Funds day to day cash balances.
2. To approve, with any comments, the Pension Fund Treasury Strategy.
3. to authorise the Scheme Administrator (Section 151 Officer) to place deposits in accordance with the Pension Fund's Treasury Strategy.
4. Members are also asked to delegate authority to the Scheme Administrator (Section 151 Officer) to add or remove institutions from the approved lending list and amend cash and period limits as necessary in line with the Administering Authority's creditworthiness policy.

10 **Corporate Governance Monitoring**

The Head of Treasury and Pensions introduced the quarterly Corporate Governance Monitoring Report informing members of the Corporate Governance and socially responsible investment issues arising in the quarter 1st January 2021 to 31 March 2021.

He drew attention to section 9.1 highlighting work and progress to date following Shropshire Council's motion to ask the Committee to divest from fossil fuels, this included a timeline for future training, presentations and decision making.

Councillor Roger Evans asked that reference to the part of the motion made by Shropshire Council in July 2020 relating to the request of addition of a statement to the strategy that climate change constituted financial risks to the fund, be included within the recommendations of the report.

The Chairman and Executive Director of Resources explained the extensive training, presentations and work that had taken place since the Shropshire Council motion in order to fully inform the Pensions Committee. It was also noted that Shropshire Council was just one constituent member of the Fund.

Other members of the Committee did not feel that reference to the statement was required at this stage as the job of the Committee was to manage all risks across the board, also the decision in relation to fossil fuels due to be taken at a later meeting should not be predetermined in any way.

Councillor Evans said that he wished it to be noted in the minutes that he had raised this on behalf of Shropshire Council during the meeting.

RESOLVED:

to accept the position as set out in the report, Manager Voting Reports at Appendix A (A1, A2 & A3) and BMO Global Asset Management Responsible Engagement Overlay Activity Report at Appendix B (B1 & B2).

11 **Pensions Administration Monitoring**

The Pensions Administration Manager presented a report providing members with monitoring information on the performance and issues affecting the pensions administration team drawing attention to key points.

RESOLVED

To accept the position as set out in the report.

To agree that on-line training and information resource deemed necessary for working from home to be procured with agreement from the Scheme Administrator.

To approve the revised Employers Events Policy at Appendix C and;

To approve the revised Funding Strategy Statement at Appendix D.

12 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 the following agenda items shall not be conducted in public on the grounds that they involve the likely disclosure of exempt information as defined by the categories specified against them.

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

RESOLVED:

That the exempt minutes of the meeting held on 5 March be approved as a correct record and signed by the Chairman.

14 Equity Protection (Exempted by Category 3)

Members received a presentation from Louis-Paul Hill, AON

15 Introduction to Responsible Investment and Climate Risk Investment Options and Considerations (Exempted by Category 3)

Members received a presentation from Louis-Paul Hill, Aon

16 Investment Monitoring - Quarter to 31 March 2021 (Exempted by Category 3)

The Committee received the Exempt report of the Head of Treasury and Pensions.

RESOLVED

That the recommendations set out in the report be approved.

17 Governance (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager

RESOLVED

That the recommendations in the report be noted.

18 New Employers (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager.

RESOLVED:

That the recommendations in the report be approved.

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

Signed (Chairman)

Date: