

PENSION COMMITTEE

SUMMARY OF THE MINUTES: 19 JUNE 2024

All members of the Committee were present.

GOVERNANCE

The Committee considered a report introduced by Michael Burton and resolved to note the required Pension Board appointments, note that the Economic Activity of Public Bodies (Overseas Matters) Bill was not concluded in the Parliamentary wash up pre-election and would need to be restarted by the new government if this is to be taken forward but that in the interim the Fund will be providing a response to the Civil Service and the Minister for Pensions will review once appointed.

PENSION BOARD REPORT

The Committee received a report on the work of the Board over the last 12 months which the Board approved at their June meeting.

PENSIONS ADMIN

The Committee received a similar report to that presented at Board and noted the updates.

Q3 BUDGET MONITORING REPORT AND 24/25 BUSINESS PLAN AND BUDGET

The Committee received a similar report to that presented at Board and noted the update on the 2023/24 Quarter 4 Financial Outturn Position.

INTERNAL AUDIT REPORT

The Committee received a similar report to that presented at Board and noted the Pension Fund Cash Management and the Administration of Pension Benefits Audit reports.

RISK REGISTER

The Committee considered and noted a report. The risk there are increased pressures on LGPS funds to invest in specific areas which would make it very challenging to manage the asset allocation was discussed.

INVESTMENT

The Committee considered and noted an Investment Report from Officers and ISIO (Investment Advisers).

There was a positive absolute return over the quarter in Fund performance but underperformance against the multiple benchmarks for the period. Quarter one resulted in a strong set of returns for pension schemes which is reflected in the report data; yield values have risen over the quarter and bond prices have gone down. The UK performed well in equity markets whilst bond markets were mixed. The yield on UK corporate bonds are an important change this quarter to consider from a strategic perspective and the transition to multi asset credit will be considered in more detail in future meetings.

The Committee noted that ISIO met with Ruffer in response to the muted performance and are satisfied that team changes have not had a negative impact. It was agreed that ISIO would address concerns with Ruffer as the data now provides a good review opportunity. The Committee noted that the benchmarks are challenging and that the actual return figures are positive.

The Committee noted that ACCESS JC met on 10 June 2024 where the outturn report was presented which saw a slight overspend. It was also noted the ACCESS pool received good assurance on their Internal Audit which is the auditors highest rating.

WORK PROGRAM

The upcoming work program was noted.

EXEMPT ITEMS

A number of items were discussed under the Exempt part of the meeting which Board Members can have access to on request. These included the Funds allocation to Index Linked Gilts, information on the operator of the ACCESS Pool, additional exempt risks on the Risk Register, the Breaches Log and the Admissions and Cessations Report.