

PENSION COMMITTEE

SUMMARY OF THE MINUTES: 25 SEPTEMBER 2024

All members of the Committee were present.

DIVESTMENT PROPOSALS

The Committee considered a report which on Divestment Proposals introduced by Sian Kunert which set out the three proposals put forward by Cllrs Tutt and Taylor. The Committee considered comments from officers, ISIO and the Independent Advisor and Members. The motions were put to the Committee who voted against each proposal by 3 votes to 2.

EXTERNAL AUDIT UPDATE

The Committee considered a report on the progress on the delivery of Grant Thornton's responsibilities as the East Sussex Pension Fund's external auditor, introduced by Sian Kunert and Parris Williams of Grant Thornton and noted that an unqualified opinion was anticipated with no major issues to highlight at this point and there are no changes to the risks identified within the audit plan.

GOVERNANCE

The Committee considered a similar report to that presented at Board and agreed to note the update about the Pensions Review revised Conflicts of Interest Policy subject to officers considering the points raised during discussion and delegate authority to Chief Finance Officer to submit a response to the Governments Pensions Investment Review: Call for Evidence.

PENSIONS ADMIN

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

INTERNAL AUDIT REPORT

The Committee received a similar report to that presented at Board and noted the Pension Fund Investments and Accounting audit report.

RISK REGISTER

The Committee considered and noted a report. The Cyber Security risk was discussed.

INVESTMENT

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

The quarters investment returns were disappointing, however the longer-term returns at Fund level remain robust. The standout negative performance came from the Fund's Sustainable equity investment with WHEB.

The Committee noted Ruffer's muted performance and ISIO confirmed that they are monitoring this closely, and post 30 June performance has been a bit more positive. They are aware of this performance concern and ISIO will continue to keep the Fund updated.

The Committee requested further information about WHEB's performance; ISIO confirmed that private equity valuations have been marked down as markets have moderated slightly. WHEB have a restricted remit as it has an ESG focused approach and things that are doing well such as the magnificent 7 technology stocks are not within their remit.

The Committee noted the strategic allocation for the fund, most of which have now been in place for approximately 3 years and therefore it is an appropriate point to evaluate performance and set out the approach and how the markets have impacted the manager's approaches. Low risk and high return are more favourable and the more passive funds have been in line with indexes.

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 update from Grant Thornton, 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.