

## Pensions Committee

Thursday, 28 January 2021, Online - 10.00 am

		<b>Minutes</b>
<b>Present:</b>		Mr P Middlebrough (Chairman), Ms T Fagan, Mr A I Hardman, Mr R C Lunn, Ms T Southall and Mr P A Tuthill
<b>Available papers</b>		The members had before them: <ol style="list-style-type: none"><li>A. The Agenda papers (previously circulated); and</li><li>B. The Minutes of the meeting held on 9 December 2020 (previously circulated).</li></ol>
<b>284</b>	<b>Named Substitutes (Agenda item 1)</b>	None.
<b>285</b>	<b>Apologies/ Declarations of Interest (Agenda item 2)</b>	Apologies were received from Ms D Morris and Mr R J Phillips (as Chairman of the Pension Board)
<b>286</b>	<b>Public Participation (Agenda item 3)</b>	None.
<b>287</b>	<b>Confirmation of Minutes (Agenda item 4)</b>	<b>RESOLVED</b> that the Minutes of the meeting held on 9 December 2020 be confirmed as a correct record and signed by the Chairman.
<b>288</b>	<b>Exclusion of Public and Press (Agenda item 5)</b>	<b>RESOLVED</b> that pursuant to Section 100A of the Local Government Act 1972, the press and public shall be excluded from the meeting during item 15 on the grounds that there would be disclosure to them of information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.  <b>Summary of the proceedings of the meeting during which the press and public were excluded. (This is a fair summary of the proceedings.)</b>

**289 Local Government Pension Scheme Central (LGPSC) Budget and Strategic Business Plan 2021/22 (Agenda item 6)**

The Committee considered the Local Government Pension Scheme Central (LGPSC) Budget and Strategic Business Plan 2021/22.

In the ensuing debate, the following points were raised:

- A key focus area of the 2021/22 budget should be to increase the value of the Fund
- Could the cost sharing model be revisited to determine its appropriateness for this Fund? Rob Wilson responded that an uplift of the model had been undertaken in 2020 but he would raise the matter at the next meeting of PAF
- It had taken three years for the cost sharing model to be redefined but pooling was still not a significant contributor to savings for this Fund. This was as expected from the outset because it was such a low cost fund. The creation of the pooling system added another layer of bureaucracy for the Fund
- Michael Hudson commented that it was very much a case of evolution rather than revolution in terms of making changes to the cost sharing model
- In response to a query, Rob Wilson explained that LGPSC did receive feedback from the Government on pool returns and performance. He would share the link to the Government Office website with Committee members
- What action was being taken by LGPSC to address KPI breaches. Rob Wilson explained that under formal reporting arrangements, any breach made by the pool must be reported to the FCA including any subsequent action taken. At the last Committee meeting, the Chief Executive of LGPSC indicated that the pool took breaches very seriously but to date, he reported that there were no matters of any significance to report
- The report set out a list of LGPSC product launches and it was noted that certain Investment Vehicles had only one participating partner fund. Rob Wilson responded that the Discretionary Gilts Investment Vehicle had been included in the original product development plan but no other funds had decided to invest in it. This was the same for the Factor Based Equities Investment Vehicle that had been launched with the aspiration that other partner funds could invest at a later date
- Had this Fund been invited to suggest Investment Vehicles for inclusion in a product launch? Rob Wilson advised that one of the Fund's principles was to seek support for product development from

LGPSC in the first instance. LGPSC were currently working on an Infrastructure product, a private debt fund and sustainable active equities on behalf of this Fund and a number of other interested partner funds.

**RESOLVED:** that

- a) **the LGPSC Budget and Strategic Business Plan for 2021/22 update be noted and the Fund's Stakeholder representative be asked to take the following views to the next Shareholders Form Meeting on 10 February 2021:**
  - **an increase in the value of the Fund be considered as a key focus area for 2021/22**
  - **any subsequent minor changes to the final budget and business plan be addressed on the Committee's behalf; and**
- b) **the latest version of the 2021/22 LGPS Central Strategic Business Plan and budget attached as Appendix 1 to the report be noted.**

The meeting ended at 10.40am.

Chairman .....