

**Minutes of a meeting of the Local Pension Committee held at County Hall,  
Glenfield on Friday, 28 February 2020.**

**PRESENT:**

Leicestershire County Council

Mr. P. C. Osborne CC (Chairman)  
Mr. T. Barkley CC  
Mr. P. Bedford CC  
Dr. S. Hill CC  
Mr. Max Hunt CC

Leicester City Council

Cllr. R. Govind

District Council Representative

Cllr. M. Graham

University Representative

Mr. Z. Limbada

Staff Representative

Mr. A. Wilson

11. Minutes.

The minutes of the meeting held on 24 January 2020 were taken as read, confirmed and signed.

12. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 34.

13. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

14. Urgent Items.

There were no urgent items for consideration.

15. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

16. Review of Delegated Powers to Heads of Departments.

The Committee considered a report from the Director of Law and Governance to seek agreement to proposed changes to which officers were authorised to deal with complaints. A copy of the report marked '6' is filed with these minutes.

The Committee supported the proposed changes to the delegation that reflected current Local Government Pension Scheme Regulations and Leicestershire County Council's responsibility to manage complaints as both the responsible authority for the Pension Fund and scheme employer.

RESOLVED:

That the revised delegations as set out in the Appendix to the report be approved.

17. Quarterly Stewardship Report Update and RI Training.

The Committee considered a report from the Director of Corporate Resources providing an update on LGPS Central's approach to Responsible Investment (RI) and quarterly stewardship report. A copy of the report marked '7' is filed with these minutes.

LGPS Central's Stewardship Manager provided Members with a presentation on Responsible Investment setting out the four stewardship themes, Climate Change, tax, single-use plastics and tech and disruptive industries.

Arising from the discussion, the following points were noted:-

- i. LGPS Central's (Central) strategy was to engage with business to influence behaviour and enhance value, rather than exclude any potential investments automatically. Engagement was considered more compatible with pension fund's fiduciary duty. The systematic risk was mitigated over the long-term through Central's stewardship and industry participation.
- ii. Central had launched its All World Equity Climate Multi Factor Fund which had been designed to take into account the risk and opportunities associated with climate change, with the aim of achieving superior investment returns over the long term.
- iii. The Director assured the Committee that Leicestershire County Council Pension Fund's Investment Strategy Statement set out how it expected its investment managers to act and vote. Managers were monitored by both the Fund and Central, under its advisory mandate, and the Committee received regular updates which would include RI performance in future. Where managers did not take that mandate into account then the Fund would not be expected to employ them in future.

RESOLVED:

That the Committee note LGPS Central's Quarterly Stewardship Report and the presentation provided.

18. LGPS Central Product Development Update.

The Committee received a report by the Director of Corporate Resources on an update on LGPS Central's investment pool product development. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Fund's Investment Advisors, Hymans Robertson still recommended the Fund invest in infrastructure due to the long term nature of the investment and Government's pro-infrastructure policy.

The Director informed the Committee that LGPS Central were yet to appoint a Head of its Private Market Equity Fund that had been planned for development. In the meantime, the Leicestershire Pension Fund may need to look elsewhere to maintain its Private Equity allocation.

RESOLVED:

That the report be noted.

19. Funding Strategy Statement and Investment Strategy Statement.

The Committee received a report by the Director of Corporate Resources on the Funding Strategy Statement and Investment Strategy Statement. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

The Committee was pleased that arising from questions raised at the Annual General Meeting, wording on environmental, social and governance factors had been strengthened within the Investment Strategy Statement.

In regards to the Funding Strategy Statement the Director assured Members that the Fund had worked closely with its Actuary and Auditor to prevent any differing assumptions of the impact of the McCloud and Sargeant cases.

Mr Z. Limbada thanked officers and the Fund for working closely with De Montfort University in relation to the Financial Strategy Statement.

RESOLVED:

- a) That the Committee approve the Funding Strategy Statement.
- b) That the Committee approve the Investment Strategy Statement.

20. Pension Fund - Business Plan and Budget 20/21.

The Committee received a report by the Director of Corporate Resources on the Pension Fund Budget and Business Plan. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

The Director informed the Committee that the Fund's budget was managed separately to Leicestershire County Council's as Administering Authority. The Fund's Business Plan and Budget was set out for 2020 to 2021, in future years a longer-term financial strategy would be presented to the Committee in line with best practice.

It was noted that investment management fees made up 90% of the Fund's budget, where investments performed well, management fees would increase as they related to the value of assets under managers control.

LGPS Central was due to agree its budget on the 20 March 2020, it was not expected to vary widely from the estimated figure stated in the report and would need be agreed by all partner fund's.

RESOLVED:

- a) That the Committee approve the Business Plan and Pension Fund Budget for 2020/21.
- b) That the Leicestershire Pension Fund's Section 151 Officer be authorised, following consultation with the Local Pension Committee Chairman, to make any necessary modifications following approval of LGPS Central's budget and other in year changes arising from variations to Investment management fees.

21. Summary Valuation of Pension Fund Investments and Investment Performance of Individual Managers.

The Committee considered a report of the Director of Corporate Resources the purpose of which was to present a summary valuation of the Fund's investments as at 31 December 2019. A copy of the report is filed with these minutes, marked 'Agenda Item 11'.

The Director informed the Committee that as a result of COVID-19 markets were down to a similar from 12 months ago. Members were assured that in general markets were trending upwards over the longer-term.

RESOLVED:

That the report be noted.

22. Risk Register and Internal Controls.

The Committee received a report from the Director of Corporate Resources on the revised risk register. A copy of the report is filed with these minutes, marked 'Agenda Item 12'.

In regard to Risk 3 'Failing to get accurate data' once the monthly checking system was bedded in the risk was expected to decrease.

RESOLVED:

That the revised risk register of the Pension Fund be approved.

23. Date of Next Meeting.

The next meeting of the Local Pension Committee is scheduled to take place on 19 June 2020 at 10.30am.

24. Exclusion of the Press and Public.

RESOLVED:

That under Section 100(A) of the Local Government Act 1972 the public be excluded from the meeting for the remaining items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12(A) of the Act:

25. LGPS Central Limited - Quarterly Investment Report 31 December 2019

The Committee considered a report by LGPS Central, a copy of which marked 'Agenda Item 16' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

26. IFM Investors Quarterly Report

The Committee considered a report by IFM, a copy of which marked 'Agenda Item 17' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

27. JP Morgan Quarterly Report

The Committee considered a report by JP Morgan, a copy of which marked 'Agenda Item 18' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

28. Colliers Capital Quarterly Report.

The Committee considered a report by Colliers Capital, a copy of which marked 'Agenda Item 19' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

29. Kames Active Value Quarterly Report

The Committee considered a report by Kames, a copy of which marked 'Agenda Item 20' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

30. Kames Capital Quarterly Report.

The Committee considered a report by Kames, a copy of which marked 'Agenda Item 21' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

31. LaSalle Quarterly Report.

The Committee considered a report by LaSalle, a copy of which marked 'Agenda Item 22' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

32. Ruffer Quarterly Report

The Committee considered a report by Ruffer, A copy of which marked 'Agenda Item 23' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

33. Aspect Capital Quarterly Report

The Committee considered a report by Aspect, a copy of which marked 'Agenda Item 24' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

34. Pictet Quarterly Report

The Committee considered a report by Pictet, a copy of which marked 'Agenda Item 25' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

35. Ashmore Quarterly Report

The Committee considered a report by Ashmore, a copy of which marked 'Agenda Item 26' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

36. Legal and General Investment Manager Quarterly Report

The Committee considered a report by LGIM, a copy of which marked 'Agenda Item 27' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

37. M&G Quarterly Report

The Committee considered a report by M&G, a copy of which marked 'Agenda Item 28' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

38. Millennium Global Quarterly Report

The Committee considered a report by Millennium Global, a copy of which marked 'Agenda Item 29' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

39. Stafford Timberland Quarterly Report

The Committee considered a report by Stafford Timberland, a copy of which marked 'Agenda Item 39' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

CHAIRMAN