Leicestershire County Council

Minutes of a meeting of the Local Pension Committee held at County Hall, Glenfield on Friday, 18 November 2022.

PRESENT:

Leicestershire County Council

Mr. T. Barkley CC (Chairman)
Mr. D. J. Grimley CC
Mr. P. King CC

Leicester City Council

Cllr. A. Clarke
Cllr. S Waddington

District Council Representative

Cllr. Malise Graham MBE
Cllr. Nigel Grundy

University Representative

Mr. Z. Limbada

Staff Representatives

Mr. N. Booth
Mr. G. Lawrence

Independent Advisers and Managers

Aegon

Mr. James Lynch (Online)
Mr. Richard McGrail
Mr. Rory Sandilands

LGPS Central

Mr. Alex Galbraith
Mr. Patrick O'Hara
Mr. Basyar Salleh

Climate Action Leicester and Leicestershire

Ms. Zina Zelter

The Chairman informed the meeting that apologies were received from Mr. D. Bill CC.

35. Minutes of the meeting held on 10 June 2022.

The minutes of the meeting held on 10 June 2022 were taken as read, confirmed and signed.

36. Question Time.

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

37. Questions asked by members under Standing Order 7(3) and 7(5).

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

38. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

39. Declarations of interest in respect of items on the agenda.

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

Mr. P. King CC declared an other registrable interest in all of the substantive items on the agenda as Leader of Harborough District Council which was a constituent member of the pension fund.

40. Aegon - Bond Market Update

The Committee considered a report of the Director of Corporate Resources which provided the Committee with background information on the Leicestershire Pension Fund (Fund) Investments held with Aegon asset management and the performance of bonds generally. A copy of the report marked 'Agenda Item 6' is filed with these minutes.

Mr Richard McGrail, Mr Rory Sandilands and Mr James Lynch of Aegon Asset Management were in attendance and supplemented the report with the presentation which was included with the report.

Arising from the presentation the following points arose:

i. There had been a modest drop in the client valuation of the Global Short Dated Climate Transition Fund since inception and the top up of £60million in March 2022. The Fund now valued £82.3m

ii. In terms of market review, 2022 had been a challenging year for bond markets in general, with a number of factors contributing, including the recent pandemic, persistence in inflation and the war in Ukraine which had exacerbated supply chain problems, and had contributed to central banks raising base rates over the course of the year to levels not seen in recent years.

iii. It was noted on the index linked bond portfolio there had been an almost 30% drop in returns over 2022. It was explained that index linked bonds were a long duration asset which meant they were very sensitive to movements in interest rates.

iv. In response to a question as to whether index linked bonds should be classed as a riskier investment rather than a protection asset as the Pension Fund currently classed them, it was noted that it was dependent on the assumption of risk or protection and what liabilities they were being held against. Over the past two to three years, the movements in index linked bond prices had become a more volatile asset class, and an increased risk with uncertainty in inflation and interest rates, and it was further believed that volatility would be experienced in future years.

v. It was noted that when looking at a longer-term view on inflation, taken into consideration was CPI or the RPI inflation as there was almost a 1% difference. It was explained that since 1997 up to the start of the Covid-19 pandemic, there had been a 2% average CPI inflation over that period. The assumption going forward was that there would be structurally higher inflation than the post financial crisis, but it was hard to predict over a 20-year average.

vi. Interest was paid on the nominal value of the bond multiplied by the RPI rate, for example, when it came to redemption, the figure was the RPI fixing in 20 years multiplied by the nominal value.

vii. In relation to inflation expectations it was asked that, as nations looked to reduce the amount of goods it was outsourcing abroad, if it would lead to inflation being higher structurally. In response it was acknowledged this change could be one of the reasons for rising inflation. It was noted that from the UK’s point of view it had been fortunate to have a ‘just in time’ economy, receiving quick imports from cheaper sources. Unfortunately, the fragility of supply chains had been seen through Covid, and there would be more onshoring of goods, not just in the UK but in other countries also. The fragilities in the global system and security of the supply chain of goods, whether food, energy security, and even defence security, would all lead to structurally higher inflation than previously experienced.

viii. It was noted it had been a very challenging year, but it was firmly believed that this asset class over the medium to long term did display characteristics of being very resilient in terms of yield and capital return.

ix. The Bank of England had been raising rates aggressively (as seen in the deposit rates) and shown in examples given in the presentation for short-rated gilts and short rated bonds assets in the portfolio. With the cost of living issue and slowdown in the mortgage market, it was thought the Bank of England would not push to further increase rates, and the next period should be more positive.

x. Reference was made to breakdown by credit rating, with the heavy weighting on the triple B percentage at over 45%. It was asked if, with the current economic crisis, companies were at risk of slipping beyond that figure. In response, it was reported that the portfolio had a limit of 70% triple B risk, and that the position reflected caution towards the current market. It was noted the last few years of very low interest rates had allowed a lot of investment grade companies to term out to longer maturity debt, which meant they did not have to face re-financing risk and had longer-term security. It was further noted that credit rating agencies had more companies on upgrade than downgrade risk through 2022 and it was only recently the position was beginning to shift, reflecting the fact the outlook was more challenging.

xi. It was reiterated that the Fund's portfolio was short-dated, within the region of 25% of the bonds maturing every year, and therefore there was no immediate concern of default risk. Whilst there might be the one or two companies in the portfolio facing pressure over the next 12-18 months, there was capacity within the portfolio to hold onto such companies and confidence remained that all the securities in the portfolio would be paid.

xii. In response to a question regarding the Fund's name, it was noted that it had changed earlier in 2022 to the Aegon Global Climate Transition Fund following a piece of work undertaken in order to factor in climate transition framework into the portfolio to reflect a new investment philosophy and provide relevance to investors. In practice the fund sought to direct its investors to those companies with robust and credible transition plans towards a net zero future.

xiii. Climate guidelines were there as a steer and over time the portfolio would be adjusted, with a focus on shift to better companies regarded as leaders, and those names that failed to improve their transition credentials would more likely be disinvested in, by not being reinvested in rather than sold. The output of that work meant there was an additional target within the portfolio of weighted average carbon intensity, a commonly used measure of carbon impact across portfolios.

xiv. In response to a question as to what metrics or trigger points would lead to potential staged disinvestment, it was emphasised that this was not an exclusionary approach to transition, but an approach to invest in companies best positioned for the transition. One of the trigger points could be that one of the targets had not been met, for example, when looking at what interim targets those companies had set themselves to reduce their carbon footprint over the next ten to twenty years. The assessment of a company would be more holistic rather than focussing on one quantitative metric like carbon intensity or absolute emissions. It was suggested that the trigger for disinvestment could be identified when the portfolio had to be reviewed in 2024, but companies would continue to be monitored.

xv. The different levels of the weighted average carbon intensity (WACI) metric measure of carbon reduction were Laggard (bottom), Unprepared, Transitioning, Prepared and Leader (top). In response to a question, it was explained that Anglian Water were classed as 'Unprepared' based on their initial (base) assessment which would include what they had done to date, what their targets were over the medium term and the long term and how aligned their corporate strategy was with those targets. They then had a sector adjustment which placed them as one of the weaker companies compared to other water companies in the UK, in terms of ambitions, targets and the realism of those targets.

RESOLVED:

That the report and presentation be noted.

41. <u>Outcome of Engagement on Net Zero Climate Strategy Targets and Draft Strategy and Responsible Investing Update</u>

The Committee considered a report of the Director of Corporate Resources on the outcome of engagement on Net Zero Climate Strategy targets and draft strategy and responsible investing update. A copy of the report marked 'Agenda Item 7' is filed with these minutes.

Ms Zina Zelter, a representative of Climate Action Leicester and Leicestershire, presented to the Committee a representation on behalf of Climate Action, a copy of which is attached to the minutes. The representation set out a request to include three actions in the draft Leicestershire Pension Fund Net Zero Climate Strategy (NZCS), which were:

1. Formally stop investing in all fossil fuel companies which continue to develop new oil, gas and coal reserves.
2. Focus climate engagement on the banks and insurance companies the fund was invested in. Those companies could play a major role in accelerating the global path to Net Zero.
3. Invest some of the pension funds into local projects that actively provide solutions to climate change and fuel poverty.

Ms. Zelter was thanked for her representation and consultation response that would be considered as part of the development of the draft strategy.

During presentation of the report and appendices, and subsequent discussion, the following points were made:

i. It was noted there was circa 70% engagement responses supported the target for Net Zero by 2050 with an ambition for an earlier achievement date. Similar rates of support were received for the other underlying measures and targets consulted upon.

ii. The Fund's response to representation from Climate Action Leicester and Leicestershire was included at paragraph 38 of the report. It was noted that quarterly reports on the Fund's responsible investment activity provided to the Committee included company engagement information, which contained specific bank engagements.

iii. The draft NZCS, developed with Hymans Robertson, was attached at Appendix A to the report. The document outlined the LCC Pension Fund strategic approach to managing climate risk and proposed approach to achieving Net Zero 2050, and included four key sections:
    a. Climate Change Risks and Opportunities
    b. Targets and Measures
    c. Decision Making
    d. Stewardship, Engagement and Divestment

iv. In reference to Aegon Asset Management's approach to responsible investing, the Director said it was a good approach which it would like to see other fund managers take in terms of investing in companies which were better placed to achieve responsible investment targets.

v. The Strategy would be reviewed every three years and progress monitored annually. There was further work to be undertaken on asset plans and with managers to set out expectations and for them to understand their own Net Zero targets and commitments.

vi. The Committee was being asked to approve the draft Strategy for formal consultation. A final Strategy would then be presented to the Committee in March 2023 for approval.

vii. In reference to Climate Action Leicester and Leicestershire's comments regarding local investment, it was noted that approaching local councils for investment proposals would lend itself to conflict of interest and the Pension Fund did not have resources to manage individual investments. It was further noted that local authorities could access far cheaper capital than they would be able to via the Pension Fund.

viii. One member suggested that on the basis that the majority of people who completed the initial engagement would have an interest on climate change matters, the fact that 20% of people who responded to the survey did not agree with any action on climate change was significant and questioned whether independent polling would produce a different response rate compared to specific questions which may have leant themselves to certain answers. In response, it was noted that opinion polls over many years had shown a significant majority of the general population had real concerns about climate change.

ix. In response to a question concerning the trigger withdrawal for companies who were not adhering to the Fund's Net Zero approach it was noted that a specific measure was being developed with LGPS Central as to how underlying companies alignment or non-alignment to Net Zero could be measured. It was stated that in the future there would be targets and expectations for the companies to align to, but each sector would have its own different transition pathway to Net Zero.

x. A member raised concern that the draft Strategy was confusing with regard to the suggestion that engagement and divestment could not be achieved together when in fact that they could coexist if worked through properly. There was a need to recognise ESG holistically, to understand when engagement was not working, and when the final outcomes of COP27 were known there would be a need for more focus on trigger points for disinvestment. He added that there should be an explicit threat of divestment when recognising the risk to the fund was under five percent of total investment, and when considering the risk to polluters of divestment, the Fund's risk was so much lower than any risk of moving towards divestment with Shell or other polluting organisations of that scale.

xi. It was recognised there was a value in and a need to divest from companies that would ultimately harm the Fund.

xii. In response to a question, the Director said that an eight-page summary document had been created which set out the Strategy's key points and would be made available as part of the consultation. The document had been considered by the County Council's Engagement and Communications teams and would be circulated to members of the Committee for comment prior to its publication. All employers would be contacted through the employer bulletin, and around 40,000 scheme members where emails were known would be emailed, and the consultation advertised on the scheme's website.

xiii. It was noted that a significant proportion of the respondents to the engagement said they had little or no understanding of the fiduciary duty. It would therefore be beneficial for further work to be undertaken to help, members of the Pension Fund understand the duty and how investment performance could have an effect on how much employers would have to pay in future.

That Chair said that a lot of work had been undertaken to produce the draft Strategy and he thanked officers for all their efforts. He acknowledged that people felt strongly about climate change and it as difficult to produce a Strategy which aligned all people's opinions on the topic.

RESOLVED:

That the Committee:

a) Noted the findings of the engagement exercise on the draft targets and measures to be included in the draft Leicestershire Pension Fund Net Zero Climate Strategy (NZCS);

b) Approved the draft NZCS for consultation, subject to the consultation document be circulated to Members of the Committee for comment prior to consultation;

c) Approved the Fund's response to the Department for Levelling Up, Housing and Communities consultation on proposals to require LGPS administering authorities in England and Wales to assess, manage and report on climate-related risks;

d) Noted the quarterly update on stewardship, engagement and voting.

42. Climate Risk Report 2022

The Committee considered a report of the Director of Corporate Resources which provided the Committee with background information on the Leicestershire Pension Funds (Fund) 2022 Climate Risk Report (CRR) and Climate Scenario Analysis. A copy of the report marked 'Agenda Item 8' and a presentation which was shared at the meeting, is filed with the minutes.

The Committee were joined by Alex Galbraith, Patrick O'Hara and Basyar Salleh from LGPS Central.

Arising from the presentation and discussion, the following points were noted:

i. Carbon risk metrics largely focussed on in the report were:

   a. Portfolio carbon intensity – each company will have a carbon intensity calculated as the carbon emissions divided by sales;
   b. Exposure to clean tech and fossil fuel reserves – which firstly looked at what exposure a company had to fossil fuel reserves, including thermal coal or coal power generation as well as clean tech, and secondly to look at the weight of the portfolio appointed by revenue;
   c. Financed emissions – the emissions of the portfolio the Fund was responsible for, for example, 1% ownership of BP, meant responsibility for 1% of their emissions.

ii. Some companies were reporting absolute emissions and were not reporting emissions net of offsets which was a problem with companies reporting statistics differently. There needed to be assurance that those offsets were robust and that they were offset emissions in perpetuity and were not a temporary offset, and to ensure those offset certificates were not being used by others to offset their emissions.

iii. From 2019 to 2022 there had been a significant decrease in the total equities carbon intensity. The change had been largely driven back in 2020 when the Leicestershire Pension Fund made the decision to switch to the LGPS Climate

Multi-Factor Fund, a large contributor to the decrease in carbon emissions of total equities.

iv. The top five companies contributed around 15% of the portfolio financed emissions.

v. It was explained that financed emissions were the absolute emissions apportioned to investors based on their ownership of a company, so were for all intents and purposes the same thing.

vi. Scope Three emissions were estimated through a complicated process. For example, when looking at downstream emissions of a car manufacturer's supply chain, there would be a lot of assumptions when trying to model emissions, as there would also be when looking at Scope Three emissions upstream for cars in use, which would be dependent on who was driving them and for how many miles. It was noted the Government was consulting on the legal requirement for local authority pension funds to include Scope Three emissions in its reporting, but there needed to be consistent methodology around the data collection and analysis.

vii. Climate Scenario Analysis tried to project short, medium and long term returns of the funds based on several scenarios and the impact is measured against a baseline of normal expected return of the fund. The rapid scenario was recognised as uncoordinated or sudden actions from governments and companies, for example, carbon tax, or mandate to use certain technologies. The orderly scenario was a more coordinated approach whereby the impact would not be seen short term with governments working together on climate change. The failed scenario was described as government and companies not doing anything at all on climate change, with long term physical impact of climate change. The key message was that orderly transition offered better long-term results and was in keeping with fiduciary responsibility to bring about the 1.5 degree outcome, with the failed transition scenario the worst outcome for investors.

viii. It was noted that some investments could be ethically questionable in other ways. It was reported that usually investments were made in private markets which were given robust due diligence and challenged as hard as possible.

ix. There was a requirement for all managers across all asset classes to integrate ESG considerations into their investment processes, so in terms of divestment there would have been a process of assessment in those companies. There was also a need for confidence in managers for disclosure and their ability to manage transition and to report to LGPS Central on a quarterly basis where decisions on investment would be scrutinised.

x. Cemex was given as an example as having improved, having met none of the criteria in only one category and achieved the criteria in four of the categories.

xi. Glencore was a further company where constructive discussions had taken place, with several improvements in their short and medium-term climate targets with an increased target reduction of 50% by 2025.

xii. In 2022 when companies issued their climate action plans to shareholders, each plan was reviewed thoroughly to assess how the plans were aligned to the 1.5degree scenario. Analysis was being undertaken by a University College Dublin, which was tracking the climate action against a company's own pledges.

Details of the professor overseeing the work would be circulated to Members following the meeting.

RESOLVED:

a) That the Climate Risk Report be noted

b) That the recommended actions and considerations set out in paragraph 42 of the report be approved for inclusion within the Fund's Responsible Investment Plan 2023.

43. <u>Pension Fund Valuation - Indicative Whole Fund Results</u>

The Committee considered a report of the Director of Corporate Resources which provided the Committee with indicative whole fund valuation results and the proposed change to the CPI assumption. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from the discussion the following points arose:

i. The assumptions had been presented to the Pension Committee in June 2022 and to the Local Pension Board in August 2022. Given the recent financial uncertainty there was a proposed changed to the CPI assumption from 2.7% to 2.9%.

ii. Whole fund results had been received. In 2019 at the previous valuation the Fund was 89% funded. The 2022 valuation, using the 2.9% CPI, had increased to 105% funded, which was a remarkable improvement and was largely driven by investment return over the three years.

iii. Taking the long-term funding view, careful consideration needed to be given to the result and how it impacted the employer individual results which would be confirmed in the next few weeks.

iv. With the Fund at 105% funded, it was anticipated that some of the employers would be significantly over funded, and officers were looking at a strategy to enable some of those contributions to be returned to those employers in a stepped manner.

v. The Autumn Statement had also focussed on protecting benefits, such as State Pension, and other types of benefits with inflation, and it was believed it was likely there would be increase of 10.1% applied to pensions across the board in 2023.

vi. In order to protect the Fund inflation would need to be monitored in order to mitigate risks as far as possible. One way would be to invest in real assets in order to get inflation linked returns over the long term.

vii. Work would be undertaken by officers to consider the liquidity and cash flow assets of the Fund, as when benefits went up, it put more pressure on income within a pension fund to ensure there was enough liquid money to pay benefits as they were due.

viii. In response to a question concerning whether the Government could change the inflation assumption uplift, it was noted that to do so the Government would have to lay a Pension Increase Order under legislation, and it was in the Government's remit to change the 10.1% CPI figure to another number.

RESOLVED:

a) That the rise in the Leicestershire Pension Fund's CPI assumption from 2.7% to 2.9% be approved.

b) That it be noted that the indicative whole fund valuation result as at 31 March 2022 was 105% funded.

44. Funding Strategy Statement, Investment Strategy Statement and Investment Advisor Objectives

The Committee considered a report of the Director of Corporate Resources which informed the Committee of the key changes in the Leicestershire Local Government Pension Scheme (LGPS) draft Funding Strategy Statement (FSS), the Investment Strategy Statement (ISS) and the investment advisor objectives for Hymans Robertson. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

Arising from the discussion the following points arose:

i. As part of the valuation, all employers were consulted with on the FSS which was reviewed regularly. The statement had been recently reviewed and indicative results would be circulated late November / early December 2022.

ii. The layout and style of the FSS had been amended to make it an easier document to navigate through. The key change to highlight to employers concerned the significant overfunding position of some employer's contributions. A matrix had been included in the FSS in order to allow consultation with the employers individually, to take on board their concerns and comments.

iii. The last update to the ISS had been approved in February 2021. It was proposed that a revised version be approved for consultation. The updated Strategy included updated investment beliefs, climate change, the 2022 Strategic Asset Allocation and various other changes as detailed in the report.

iv. There was a requirement to have objectives as part of investment management which were reviewed annually. It was noted that Hymans Robertson were the Investment Fund's advisor.

RESOLVED:

a) That the Leicestershire Pension Fund's draft Funding Strategy Statement be approved for consultation.
b) That the Leicestershire Pension Fund's draft Investment Strategy Statement be approved for consultation.
c) That the Fund's investment advisor's investment objectives be approved for submission to the Competition and Market's Authority.

45. Pension Fund Policy Report

The Committee considered a report of the Director of Corporate Resources which provided an annual update of the Pension Fund's current strategies and policies and sought the Local Pension Committee's approval of a new Cyber Policy. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Arising from the discussion the following points arose:

i. Members were informed of a new policy outlining the Fund's approach to cyber risk. It was stated the preparation of the new policy was good governance and was one of the Pension Fund's regulators' requirements. The new policy outlined the Fund's approach to cyber risk and had been developed in conjunction with the County Council's Technical Security Officers, and alongside working with providers of systems, particularly Heywood, the main system provider.

ii. In response to a questions it was noted that, because of legal grounds, the Council would not pay a ransom.

iii. The use of passwords was referred to at Section 7c. to the policy, with the current County Council password policy having no expiry dates set on passwords. A member suggested it was excessive to have nine attempts for password retries. Whilst the Director undertook to raise the point with the relevant officers, it was noted that the Council followed industry best practice and had introduced the requirement to have more complex passwords in order for compulsory changes having to be done less frequently.

RESOLVED:

That the Cyber Policy be approved.

46. Summary Valuation of Pension Fund Investments, Investment Performance of Individual Managers and Investment Advisor Objectives

The Committee considered a report of the Director of Corporate Resources which provided an update on the investment markets and how individual asset classes were performing, a summary value of the Fund's investments as at 30th June 2022, together with figures showing the performance of individual managers. The report also provided information into the effect of inflation on pensions and how the Fund was managing the recent rise. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Arising from the discussion the following points arose:

i. The current markets performance and outlook were presented at Paragraph two of the report, with the extent of the turmoil in the global economy noted and the position not expected to settle for some time.

ii. Other changes to the Fund were highlighted at Paragraph 29, including the work to deliver a targeted return product, which was a complex piece of work undertaken alongside Hymans. The product would be presented to the Committee once the Strategic Asset Allocation was approved in January 2023.

iii. The summary table at Paragraph 34 highlighted the volatility of the market impacting the Fund's performance, however it was noted that at three years the projected 5.3% would give returns over target, and officers were satisfied that the diversification of funds was good enough to see the Fund through turbulent times.

iv. It was noted that Aspect and Stafford (Timberland) had performed well in the quarter from June to September 2022.

v. There were concerns that some debt managers had not performed well, with emerging market debt, investment grade credit and index linked bonds showing volatility affecting the Fund. LGPS Central were due to attend the Local Pension Committee meeting in January 2023 where they would provide information concerning what their expectation of managers was and why the performance had fallen below what was normally expected.

RESOLVED:

That the valuation of the Fund be noted.

47. Pension Fund Update - Budget 2022/23, LGPS Central Joint Committee and Annual General Meeting

The Committee considered a report of the Director of Corporate Resources which provided an update regarding the Pension Fund Budget, LGPS Central's (Central) Joint Committee and Annual General Meetings (AGM) and other relevant matters. A copy of the report marked 'Agenda Item 13' is filed with these minutes.

RESOLVED:

That the budget and matters considered at recent meetings of the LGPS Joint Committee and Annual General Meeting be noted.

48. Risk Management and Internal Controls.

The Committee considered a report of the Director of Corporate Resources which informed the Committee of any changes that related to the risk management and internal controls of the Pension Fund, as stipulated in the Pension Regulator's Code of Practice. A copy of the report marked 'Agenda Item 14' is filed with these minutes.

Members referenced the Appendix to the Report, risk number 3, "Failure to take account of all risks to future investment returns within the setting of allocation policy and/or the appointment of investment managers", with a Risk Score of 12. There was concern that significant risks that had been discussed and highlighted in the climate risk report, and that there was the potential risk for fossil fuels to fail to transition to renewables, and that the risks should be more explicit in the risk register with statements of cause and consequence. Officers agreed and noted there would be a significant review of the investments, notwithstanding the climate risk report, draft strategy and strategic risk allocation. Further information would be presented at a future meeting of the Local Pension Committee.

RESOLVED:

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

49. Pension Fund Annual Report and Accounts 2021/22

The Committee considered a report of the Director of Corporate Resources which sought the approval of the appended Annual Report and Accounts of the Pension Fund for the financial year 2021/22. A copy of the report marked 'Agenda Item 15' is filed with these minutes.

It was noted that the auditors were still working through the accounts, and the outcome of the audit would be presented to the Committee in January 2023.

RESOLVED:

a) The progress report provided by the External Auditor which anticipates issuing an unqualified opinion on the Pension Fund Accounts be noted.

b) That it be noted that the Corporate Governance Committee will receive the External Audit of the 2021/22 Leicestershire County Council Statement of Accounts, Annual Governance Statement and Pension Fund Accounts on 27th January 2023.

c) That the Pension Fund's Annual Report and Accounts be approved subject to its consideration by the Corporate Governance Committee.

50. Date of Future Meetings

RESOLVED:

That the future meetings of the Committee take place on the following dates at 9:30am:

Friday 20th January 2023
Friday 3rd March 2023
Friday 16th June 2023
Friday 8th September 2023
Friday 1st December 2023

Members were asked to note that the LGPS AGM Meeting was scheduled to take place on Friday 12th December 2022 at 12.00noon, Council Chamber, County Hall, and would be open to all scheme Members.

51. 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.

52. Climate Risk Report

The Committee considered an exempt report by the Director of Corporate Resources. A copy of the report 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.

53. LGPS Central Quarterly Investment Report

The Committee considered an exempt report by LGPS Central Limited. A copy of the report 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.

54. Aberdeen SL Capital SOF III Quarterly Report

The Committee considered an exempt report by Aberdeen SL. A copy of the report 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.

55. Adams Street Leicestershire - Quarterly Report

The Committee considered an exempt report by Adams Street Leicestershire. A copy of the report 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.

56. LGIM - Quarterly Report

The Committee considered an exempt report by LGIM. A copy of the report 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.

RESOLVED:

That the report be noted.

57. LGPS Central PE Primary 2018 Quarterly Report

The Committee considered an exempt report by LGPS Central PE Primary. A copy of the report 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.

58. Pictet Quarterly Report

The Committee considered an exempt report by Pictet. A copy of the report 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.

59. Ruffer Quarterly Report

The Committee considered an exempt report by Ruffer. A copy of the report 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.

60. Aspect Diversified Fund Quarterly Performance Report Jun-22

The Committee considered an exempt report by Aspect. A copy of the report 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.

61. LGPS Central Quarterly Reports

The Committee considered an exempt report by LGPS Central. A copy of the report 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.

62. Aegon Asset Management Quarterly Report

The Committee considered an exempt report by Aegon. A copy of the report 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.

63. IFM Global Infrastructure Fund

The Committee considered an exempt report by IFM Global. A copy of the report marked 'Agenda Item 30' 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.

64. Infracapital Greenfield Partners I LP

The Committee considered an exempt report by Infracapital Greenfield Partners ILP. A copy of the report marked 'Agenda Item 31' 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.

65. JP Morgan Quarterly Report

The Committee considered an exempt report by JP Morgan. A copy of the report marked 'Agenda Item 32' 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.

66. KKR Global Infrastructure Investors

The Committee considered an exempt report by KKR Global. A copy of the report marked 'Agenda Item 33' 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.

67. LaSalle LCC Pension Fund Quarterly Report

The Committee considered an exempt report by LaSalle. A copy of the report marked 'Agenda Item 34' 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.

68. LGPS Central Core / Core Plus Infrastructure Partnership LP

The Committee considered an exempt report by LGPS Central Core / Core Plus Infrastructure Partnership LP. A copy of the report marked 'Agenda Item 35' 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.

69. M&G Quarterly Report

The Committee considered an exempt report by M&G. A copy of the report marked 'Agenda Item 36' 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.

70. Partners Group Quarterly Report

The Committee considered an exempt report by Partners Group. A copy of the report marked ‘Agenda Item 37’ 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.

71. Stafford Timberland Quarterly Report

The Committee considered an exempt report by Stafford (Timberland). A copy of the report marked ‘Agenda Item 38’ 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.

72. CRC CRF V

The Committee considered an exempt report by CRC CRF V. A copy of the report 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.

73. CRC - CRF III

The Committee considered an exempt report by CRC CRF III. A copy of the report marked ‘Agenda Item 40’ 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.

74. Aegon Global Short Dated Climate Transition Fund

The Committee considered an exempt report by Aegon Global. A copy of the report marked ‘Agenda Item 41’ 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.

75. Aegon LCC Pension Fund Institutional Client Report

The Committee considered an exempt report by Aegon LCC Pension Fund. A copy of the report marked 'Agenda Item 42' 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.

9.30 – 12.20 CHAIRMAN
18 November 2022