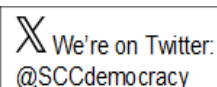


Notice of Meeting

Surrey Pension Fund Committee



<u>Date and Time</u>	<u>Place</u>	<u>Contact</u>	<u>Web:</u>
Friday, 8 September 2023 11.15 am	Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF	Angela Guest angela.guest@surreycc.gov.uk	Council and democracy Surreycc.gov.uk



Committee/Board Members: Elected Members

Nick Harrison (Chairman), David Harmer, Trefor Hogg (Vice-Chairman), George Potter, Richard Tear and Robert Hughes

Co-opted Members:

Robert King (Borough & Districts) Steve Williams (Borough & Districts), Kelvin Menon (Employers) and vacancy (Employees)

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language, please email Angela Guest on angela.guest@surreycc.gov.uk.

This meeting will be held in public at the venue mentioned above and may be webcast live. Generally the public seating areas are not filmed. However, by entering the meeting room and using the public seating area or attending online, you are consenting to being filmed and recorded, and to the possible use of those images and sound recordings for webcasting and/or training purposes. If webcast, a recording will be available on the Council's website post-meeting. The live webcast and recording can be accessed via the Council's website:

<https://surreycc.public-i.tv/core/portal/home>

If you would like to attend and you have any special requirements, please email Angela Guest on angela.guest@surreycc.gov.uk. Please note that public seating is limited and will be allocated on a first come first served basis.

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING - 16 JUNE 2023

(Pages
1 - 28)

To agree the minutes as a true record of the meeting.

3 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (*4 September 2023*).
2. The deadline for public questions is seven days before the meeting (*1 September 2023*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 GLOSSARY, ACTION TRACKING AND WORKPLAN

(Pages
29 - 36)

An action tracker is attached, detailing actions from previous meetings. The Committee is asked to review progress on the item listed.

6 CHANGE PROGRAMME UPDATE - QUARTER 2

(Pages
37 - 52)

This paper details the Change Team Quarterly Report for the period April – June 2023. Previously this update was included in the Service Delivery report for historical reasons. Given the extended scope of the Team this is now presented separately.

- 7 SUMMARY OF THE LOCAL PENSION BOARD REPORT** (Pages 53 - 64)
- This report provides a summary of administration and governance issues reviewed by the Local Pension Board (the Board) at its last meeting (28 July 2023) for noting or actioning by the Pension Fund Committee (the Committee).
- 8 APPOINTMENT OF AN INDEPENDENT CHAIR OF THE LOCAL PENSION BOARD** (Pages 65 - 66)
- This report provides a summary of the steps taken to appoint the Independent Chair of the Local Pension Board.
- 9 INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE** (Pages 67 - 84)
- This report is a summary of manager issues for the attention of the Pension Fund Committee (Committee), as well as an update on investment performance and the values of assets and liabilities.
- 10 DRAFT ANNUAL REPORT 2022/23** (Pages 85 - 406)
- This report provides an update to the production of the 2022/23 Pension Fund Annual Report.
- 11 INVESTMENT BENCHMARKING** (Pages 407 - 418)
- The Fund's investment returns and associated costs should be considered in relation to other pension funds, both private and Local Government Pension Schemes (LGPS).
- 12 COMPANY ENGAGEMENT & VOTING** (Pages 419 - 454)
- This report is a summary of various Environmental, Social & Governance (ESG) engagement and voting issues that the Surrey Pension Fund (the Fund), Local Authority Pension Fund Forum (LAPFF), Robeco, and Border to Coast Pensions Partnership (BCPP) have been involved in, for the attention of the Pension Fund Committee (Committee).
- 13 ASSET CLASS FOCUS - UK REAL ESTATE & LISTED ALTERNATIVES** (Pages 455 - 472)
- As part of good governance, the Committee periodically reviews the performance of the Fund's investments. There is a further focused review of different asset classes. This paper concentrates on Real Estate.

- 14 RESPONSIBLE INVESTMENT UPDATE** (Pages 473 - 500)
- The Fund continues to implement the agreed priorities of the Pension Fund Committee (Committee) in relation to the Responsible Investment (RI) policy, one of which was to analyse the equity fund manager's current compliance and alignment with the policy. The Fund also continues to produce an annual Task Force on Climate-related Financial Disclosures, (TCFD), report ahead of mandated requirement.
- 15 LGPS UPDATE (BACKGROUND PAPER)** (Pages 501 - 512)
- This report considers recent developments in the Local Government Pension Scheme (LGPS).
- 16 EXCLUSION OF THE PUBLIC**
- Recommendation:** That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.
- 17 INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE** (Pages 513 - 514)
- Part 2 Annexe for item 9 attached.
- Confidential: Not for publication under Paragraph 3**
Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- 18 INVESTMENT BENCHMARKING** (Pages 515 - 540)
- Part 2 Annexe for item 11 attached.
- Confidential: Not for publication under Paragraph 3**
Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- 19 INVESTMENT STRATEGY REVIEW - GILT INVESTMENT** (Pages 541 - 564)
- The Pension Fund is reviewing its Investment Strategy in accordance with the 2022 valuation, taking into account its investment core beliefs and in line with the asset offerings of Border to Coast Pensions Partnership (BCPP). This paper presents analysis on the gilts exposure within the Fund.
- Confidential: Not for publication under Paragraph 3**
Information relating to the financial or business affairs of any particular person (including the authority holding that information)

20 RESPONSE TO CONSULTATION ON THE FUTURE FOR INVESTING (Pages 565 - 580)

To provide details of the Department for Levelling Up, Housing & Communities (DLUHC) consultation on the Next Steps for Investments for the Local Government Pension Scheme (LGPS) and the draft response from Surrey.

Confidential: Not for publication under Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

21 BORDER TO COAST PENSIONS PARTNERSHIP UPDATE (Pages 581 - 592)

Border to Coast Pensions Partnership (BCPP) is now an established fully regulated asset management company when the authorised contractual scheme (ACS) went "live" on 26 July 2018. The Surrey Pension Fund started transitioning assets in quarter four of 2018 and continues this through 2023. This paper provides the Pension Fund Committee (Committee) with an update of current activity being undertaken by BCPP.

Confidential: Not for publication under Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

22 PUBLICITY OF PART 2 ITEMS

To consider whether the item considered under Part 2 of the agenda should be made available to the Press and public.

23 DATE OF NEXT MEETING

The next meeting of the Surrey Pension Fund Committee will be on 15 December 2023.

**Joanna Killian
Chief Executive**

Published: Thursday, 31 August 2023

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

Members of the public and the press may use social media or mobile devices in silent mode during meetings. Public Wi-Fi is available; please ask the committee manager for details.

Anyone is permitted to film, record or take photographs at Council meetings. Please liaise with the committee manager prior to the start of the meeting so that the meeting can be made aware of any filming taking place.

The use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to any Council equipment or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

Thank you for your co-operation.

QUESTIONS AND PETITIONS

Cabinet and most committees will consider questions by elected Surrey County Council Members and questions and petitions from members of the public who are electors in the Surrey County Council area.

Please note the following regarding questions from the public:

1. Members of the public can submit one written question to a meeting by the deadline stated in the agenda. Questions should relate to general policy and not to detail. Questions are asked and answered in public and cannot relate to “confidential” or “exempt” matters (for example, personal or financial details of an individual); for further advice please contact the committee manager listed on the front page of an agenda.
2. The number of public questions which can be asked at a meeting may not exceed six. Questions which are received after the first six will be held over to the following meeting or dealt with in writing at the Chairman’s discretion.
3. Questions will be taken in the order in which they are received.
4. Questions will be asked and answered without discussion. The Chairman or Cabinet members may decline to answer a question, provide a written reply or nominate another Member to answer the question.
5. Following the initial reply, one supplementary question may be asked by the questioner. The Chairman or Cabinet members may decline to answer a supplementary question.