

Notice of Meeting

Surrey Pension Fund Committee



Date and Time

Friday, 21 June 2024
11.15 am

Place

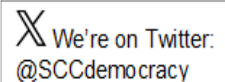
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Contact

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democracy
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Committee/Board Members:

Elected Members

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

Co-opted Members:

Robert King (Borough & Districts) Steve Williams (Borough & Districts),
Kelvin Menon (Employers) and Duncan Eastoe (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 [22 MARCH 2024]

(Pages
1 - 12)

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 (17/06/2024).
2. The deadline for public questions is seven days before the meeting (14/06/2024).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 GLOSSARY, ACTION TRACKER & FORWARD PLAN

(Pages
13 - 36)

For Members to consider and comment on the Pensions Fund Committee's recommendations tracker and workplan.

6 SUMMARY OF THE LOCAL PENSION BOARD

(Pages
37 - 46)

This report provides a summary of administration and governance issues reviewed by the Local Pension Board (the Board) at its last meeting (17 May 2024) for noting or actioning by the Pension Fund Committee.

- 7 SURREY PENSION TEAM OVERVIEW - QUARTER 4** (Pages 47 - 58)
- This paper is to give an overview of the entire service at a macro level.
- 8 CHANGE PROGRAMME UPDATE - QUARTER 4** (Pages 59 - 62)
- This paper details the Change Team Quarterly Report of activity for the period January – March 2024.
- 9 SURREY PENSION TEAM STRATEGIC PLAN OUT-TURN REPORT - 2023/24 FINANCIAL YEAR** (Pages 63 - 70)
- This report summarises the activities that have been completed against Year 1 of the Surrey Pension Team (SPT) Strategic plan.
- 10 INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE** (Pages 71 - 88)
- This report is a summary of manager issues for the attention of the Pension Fund Committee, as well as an update on investment performance and the values of assets and liabilities.
- NB: Part 2 annex at item 17.
- 11 COMPANY ENGAGEMENT & VOTING** (Pages 89 - 120)
- 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).
- 12 INVESTMENT STRATEGY - FIDUCIARY DUTY AND INVESTMENT BELIEFS** (Pages 121 - 124)
- Investment decisions made by the Pension Fund Committee must be within the regulations, in accordance with fiduciary duty and aligned with agreed investment beliefs. Committee is asked to agree to set up a sub-committee.
- 13 COMPETITION & MARKETS AUTHORITY (CMA): INVESTMENT CONSULTANT STRATEGIC OBJECTIVES** (Pages 125 - 132)
- Local Government Pension Schemes (LGPS) are required to set strategic objectives for their Investment Consultant (IC) Provider and monitor performance against these objectives at least every three years.
- 14 LGPS UPDATE (BACKGROUND PAPER)** (Pages 133 - 142)
- This report considers recent developments in the Local Government Pension Scheme (LGPS).

- 15 RESPONSIBLE INVESTMENT UPDATE** (Pages 143 - 210)
- It was agreed that the RI policy be reviewed annually for industry best practice and that the investable universe with regard to Net Zero dates be analysed annually as well. The Committee also requested an analysis of the potential impact of excluding the largest 25 fossil fuel companies from Fund investment.
- 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 211 - 212)
- Part 2 Annex to item 10 attached.
- 18 ACTUARIAL UPDATE** (Pages 213 - 220)
- This report provides an update on actuarial services to the Fund Actuary.
- 19 ASSET CLASS FOCUS - EQUITY** (Pages 221 - 236)
- As part of good governance, the Committee periodically reviews the performance of the Fund's investments with a further focused review of different asset classes. This paper concentrates on Equities.
- 20 REAL ESTATE UPDATE** (Pages 237 - 260)
- Border to Coast Pension Partnership (BCPP) has developed a range of Real Estate funds for Partner Funds to invest in. Government guidance expects the LGPS to use pooling when products are available.
- 21 BORDER TO COAST UPDATE** (Pages 261 - 264)
- This paper provides the Pension Fund Committee with an update of current activity being undertaken by the Border to Coast Pensions Partnership.
- 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 13 September 2024.

Michael Coughlin
Interim Head of Paid Service
Published: Thursday, 13 June 2024

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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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.