

Notice of Meeting

Surrey Pension Fund Committee



<u>Date and Time</u>	<u>Place</u>	<u>Contact</u>	<u>Web:</u>
Friday, 13 September 2024 11.15 am	Council Chamber, Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF	Amelia Christopher, Committee Manager amelia.christopher@surreycc.gov.uk	Council and democracy Surreycc.gov.uk X: @SCCdemocracy X

Committee Members:

Elected Members

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

Co-opted Members

Cllr Nirmal Kang (Borough & Districts), Cllr Claire Malcomson (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 Amelia Christopher, Committee Manager on amelia.christopher@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 Amelia Christopher, Committee Manager on amelia.christopher@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

To receive any apologies for absence and substitutions.

2 MINUTES OF THE PREVIOUS MEETING [21 JUNE 2024]

(Pages
1 - 16)

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 (*9 September 2024*).
2. The deadline for public questions is seven days before the meeting (*6 September 2024*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 GLOSSARY, ACTION TRACKER & FORWARD PROGRAMME OF WORK

(Pages
17 - 42)

For Members to consider and comment on the Pensions Fund Committee's recommendations tracker and forward programme of work.

6	IMPROVING THE GOVERNANCE OF THE SURREY PENSION FUND	(Pages 43 - 126)
	<p>Surrey County Council (SCC) has the dual role as Administering Authority for and a scheme employer of the Surrey Pension Fund (SPF). This dual role creates potential conflicts of interest. This report recommends ways in which the governance of the SPF can be improved to enable this conflict to be more effectively managed. It also explores areas in which the recognition of the autonomy of the SPF can enhance the effectiveness of its Strategic Plan.</p>	
7	SUMMARY OF THE LOCAL PENSION BOARD	(Pages 127 - 134)
	<p>This report provides a summary of administration and governance issues reviewed by the Local Pension Board (the Board) at its last meeting (26 July 2024) for noting or actioning by the Pension Fund Committee (the Committee).</p>	
8	SURREY PENSION TEAM OVERVIEW - QUARTER 1	(Pages 135 - 146)
	<p>This paper is an overview of the entire service at a macro level in order to set the context for the following micro level reports from each area.</p>	
9	CHANGE MANAGEMENT UPDATE	(Pages 147 - 154)
	<p>This paper details the Change Team Quarterly Report of activity for the period April – June 2024.</p>	
10	DRAFT ANNUAL REPORT 2023/24	(Pages 155 - 324)
	<p>This report provides an update to the production of the 2023/24 Pension Fund Annual Report.</p>	
11	INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE	(Pages 325 - 344)
	<p>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.</p> <p><i>Note: Part 2 annexes at item 20.</i></p>	
12	COMPANY ENGAGEMENT & VOTING UPDATE	(Pages 345 - 382)
	<p>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).</p>	

13	RESPONSIBLE INVESTMENT UPDATE	(Pages 383 - 410)
	The Fund continues to implement the agreed priorities of the Pension Fund Committee (Committee) in relation to Responsible Investment (RI). It was agreed that the Fund attempt to become a signatory to the UK Stewardship Code and continue to publish a Task Force on Climate-related Financial Disclosures (TCFD) report on an annual basis.	
14	ASSET CLASS FOCUS - REAL ESTATE	(Pages 411 - 420)
	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.	
15	INVESTMENT CONSULTANT UPDATE	(Pages 421 - 422)
	This report provides an update on investment consultancy services to the Fund.	
16	RECENT DEVELOPMENTS IN LGPS (BACKGROUND PAPER)	(Pages 423 - 430)
	This report considers recent developments in the Local Government Pension Scheme (LGPS).	
17	INVESTMENT BENCHMARKING	(Pages 431 - 446)
	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).	
	<i>Note: Part 2 annexe at item 19.</i>	
18	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.	
19	INVESTMENT BENCHMARKING	(Pages 447 - 482)
	Part 2 Annexe 2 to item 17 attached.	
20	INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE	(Pages 483 - 488)
	Part 2 Annexes 1 and 2 to item 11 attached.	

21 BORDER TO COAST PENSIONS PARTNERSHIP UPDATE

(Pages
489 -
538)

This Part 2 paper provides the Pension Fund Committee (Committee) with an update of current activity being undertaken by BCPP.

22 PUBLICITY OF PART 2 ITEMS

To consider whether the items 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 December 2024.

Terence Herbert
Chief Executive

Published: Wednesday, 4 September 2024

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.