

Notice of Meeting

Surrey Pension Fund Committee



<u>Date and Time</u>	<u>Place</u>	<u>Contact</u>	<u>Web:</u>
Friday, 13 December 2024 10.00 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 [13 SEPTEMBER 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 December 2024*).
2. The deadline for public questions is seven days before the meeting (*6 December 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 - 44)

For Members to consider and comment on the Pension Fund Committee's (Committee) actions tracker and forward programme of work.

6	SUMMARY OF THE LOCAL PENSION BOARD	(Pages 45 - 52)
	This report provides a summary of administration and governance issues reviewed by the Local Pension Board (the Board) at its last meeting (15 November 2024) for noting or actioning by the Pension Fund Committee (the Committee).	
7	THE GOVERNMENT'S CONSULTATION ON THE FUTURE OF THE LOCAL GOVERNMENT PENSION SCHEME (LGPS)	(Pages 53 - 116)
	In November 2024, the government published a consultation entitled "Local Government Pension Scheme (England and Wales): Fit for the future". This paper explores the key implications for the Surrey Pension Fund of government proposals in this consultation.	
8	SURREY PENSION TEAM OVERVIEW - QUARTER 2	(Pages 117 - 128)
	This paper is an overview of the entire service at a macro level. The One Pensions Team Dashboard is the primary vehicle for providing this overview. The dashboard covers the period July - September 2024.	
9	CHANGE MANAGEMENT REPORT	(Pages 129 - 134)
	This paper details the Change Team Quarterly Report of activity for the period July – September 2024.	
10	INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE	(Pages 135 - 154)
	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.	
	<i>Note: Part 2 annexe at item 16.</i>	
11	COMPANY ENGAGEMENT & VOTING UPDATE	(Pages 155 - 184)
	This report is a summary of various Environmental, Social & Governance (ESG) engagement and voting carried out on behalf of the Surrey Pension Fund (Fund) by Local Authority Pension Fund Forum (LAPFF), Robeco, and Border to Coast Pensions Partnership (BCPP). Also included is the direct voting record for the Fund over the period.	
12	INVESTMENT STRATEGY - FIDUCIARY DUTY AND INVESTMENT BELIEFS UPDATE	(Pages 185 - 186)
	Investment decisions made by the Pension Fund Committee must be within the regulations, in accordance with fiduciary duty and aligned with agreed investment beliefs.	

13	ASSET CLASS FOCUS - PRIVATE MARKETS	(Pages 187 - 200)
	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 each quarter. This paper concentrates on Private Markets and specifically the exposure to renewable energy.	
14	RECENT DEVELOPMENTS IN LGPS (BACKGROUND PAPER)	(Pages 201 - 210)
	This report considers recent developments in the Local Government Pension Scheme (LGPS).	
15	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.	
16	INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE	(Pages 211 - 212)
	Part 2 Annexe 1 to item 10 attached.	
17	PROCUREMENT OF THE PENSION ADMINISTRATION SOFTWARE	(Pages 213 - 222)
	The Committee is asked to endorse the outcome of the recent procurement tender for the Pension Administration Software.	
18	BCPP GLOBAL EQUITY ALPHA UPDATE	(Pages 223 - 248)
	The Fund's officers and advisors have been engaging with Border to Coast Pensions Partnership (BCPP) to better understand the investment philosophy, process and people behind the Alpha fund range after sustained underperformance against both the benchmarks and targets.	
19	RESPONSIBLE INVESTMENT UPDATE	(Pages 249 - 258)
	Border to Coast Pensions Partnership (BCPP) reviews its Responsible Investment (RI) Policy, Climate Policy and Corporate Governance & Voting Guidelines annually. BCPP seeks support from the Partner Funds for these policies.	
20	COMPETITION & MARKETS AUTHORITY (CMA) - INVESTMENT CONSULTANT STRATEGIC OBJECTIVES	(Pages 259 - 270)
	Local Government Pension Schemes (LGPS) are required to set strategic objectives for their Investment Consultant (IC) Provider and monitor performance against these objectives.	

21 BORDER TO COAST PENSIONS PARTNERSHIP UPDATE

(Pages
271 -
280)

This 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 21 March 2025.

Terence Herbert
Chief Executive

Published: Thursday, 5 December 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.

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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.