

## **DURHAM COUNTY COUNCIL**

### **PENSION FUND COMMITTEE**

At a Meeting of **Pension Fund Committee** held in Council Chamber, County Hall, Durham on **Monday 26 July 2021 at 10.00 am**

#### **Present:**

**Councillor Mark Abley (Chair)**

#### **Members of the Committee:**

Councillors M Abley (Vice-Chair), J Atkinson, K Earley, C Fletcher, C Martin, J Shuttleworth, M Stead, D Sutton-Lloyd and C Varty

#### **Scheme Member Representative**

John Taylor

#### **Further Education Colleges Representative**

Andrew Broadbent

#### **Council Advisers**

Paul Darby – Corporate Director of Resources (Interim)

Paul Cooper – Pensions Manager

Beverley White – Finance Manager

Bryan Smith – Litigation Manager

#### **Independent Advisers**

Andy Wallis – Mercer

Anthony Fletcher – MJ Hudson

#### **Observers**

Neville Hancock – UNISON and Local Pension Board

Les Timbey - GMB

## **1 Apologies for absence**

Apologies for absence were received from Councillor Bill Kellett, Scheme Member Representative Anne Delandre and Darlington Borough Councillor Mike Renton.

## **2 Declarations of interest**

There were no declarations of interest.

## **3 Minutes**

The Minutes of the meeting held on 11 March 2021 were agreed as a correct record and were signed by the Chair.

## **4 Overall Value of Pension Fund Investments to 31 March 2021**

The Committee considered a report of the Corporate Director of Resources (Interim) which provided an update on the overall value of the Pension Fund investments to 31 March 2021 and the movement in cash balances during the last four quarters (for copy see file of Minutes).

Beverley White stated that the increase in the value of the Fund in the fourth quarter should read £0.041 billion.

### **Resolved:**

That the information contained in the report be noted.

## **5 Performance Measurement of Pension Fund Investments to 31 March 2021**

The Committee considered a report of the Corporate Director of Resources (Interim) which provided an overview of the investment performance of the Pension Fund to 31 March 2021 (for copy see file of Minutes).

### **Resolved:**

That the information contained in the report produced by the Fund's custodian, Northern Trust, be noted.

## **6 Internal Audit Progress Report to 31 March 2021**

The Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which informed Members of the work carried out

by Internal Audit during the period 1 April 2020 to 31 March 2021 as part of the 2020/2021 Internal Audit Plan (for copy see file of Minutes).

**Resolved:**

That the work undertaken by Internal Audit during the period ending 31 March 2021 be noted.

## **7 Regulatory and Administration Update**

The Committee considered a report of the Corporate Director of Resources (Interim) which briefed the Committee on developments in matters that were both Local Government Pension Scheme (LGPS) specific, as well as providing an update on non-LGPS specific matters of interest (for copy see file of Minutes).

Councillor Earley asked if the Boycotts, Divestment and Sanctions Bill would cover investment in tobacco companies, and was advised that this would not breach UK policy. The purpose of the legislation would be to prevent public bodies investing in a way that was contrary to UK foreign policy, and had been prompted by a pension fund's refusal to invest in Israel.

Councillor Atkinson asked for more background information regarding the Palestine Solidarity Campaign. Paul Cooper advised that this was linked to the matter raised by Councillor Earley. The Scheme Advisory Board (SAB) had intended to produce guidance for Responsible Investment but this had been affected by the court case involving the Palestine Solidarity Campaign. SAB had therefore decided to wait until more information was received in respect of the Boycotts, Divestment and Sanctions Bill which would limit public bodies from taking a different investment approach to UK foreign policy.

Councillor Christine Fletcher stated that as a new member she wished to express her thanks to the Officers and Advisers for the excellent training members had received in this complex and changing regulatory environment.

**Resolved:**

That the information contained in the report be noted.

## **8 Feedback from Local Pension Board**

Paul Cooper provided feedback from the Local Pension Board meeting of 11 March 2021.

The Board considered the following:

- Communications Review
- Internal Dispute Resolution Cases
- LGPS Administering Authority Discretions

The Board also agreed its Annual Report 2020/2021.

## **9 Exclusion of the Public**

That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

## **10 Minutes**

The Minutes of the meeting held on 11 March 2021 were agreed as a correct record and were signed by the Chair.

Prior to consideration of the following item of business the Advisers were asked to leave the meeting.

## **11 Pension Fund Procurement - Investment Consultancy**

The Committee considered a report of the Corporate Director of Resources (Interim) which advised the Committee on the need to procure Investment Consultancy to support decision-making in respect of the Fund's investment strategy (for copy see file of Minutes).

### **Resolved:**

That the recommendation in the report be noted and agreed.

The Advisers returned to the meeting.

## **12 Investment Strategy Review Update**

The Committee considered a report of the Corporate Director of Resources (Interim) which provided an update on progress made towards implementing asset allocation decisions (for copy see file of Minutes).

### **Resolved:**

That the information contained in the report be noted.

### **13 Report of the Pension Fund Adviser**

The Committee considered the report of the Independent Adviser, Andy Wallis of Mercer (for copy see file of minutes).

**Resolved:**

That the information contained in the report be noted.

### **14 Report of Independent Investment Adviser**

The Committee considered a report of the Independent Investment Adviser, Anthony Fletcher of MJ Hudson (for copy see file of minutes).

**Resolved:**

That the information contained in the report be noted.

### **15 Border to Coast Pensions Partnership Quarterly Investment Report**

The Committee considered the quarterly investment report of the Border to Coast Pensions Partnership.

**Resolved:**

That the information contained in the report be noted.

### **16 Report of Alliance Bernstein**

Consideration was given to a report from Alliance Bernstein which included:

- a) Manager's views on the economy and investment strategy for the future;
- b) Investment Policy;
- c) List and valuation of investment holdings.

**Resolved:**

That the information contained in the report be noted.

### **17 Report of BlackRock**

Consideration was given to a report from BlackRock which included:

- a) Manager's views on the economy and investment strategy for the future;
- b) Investment Policy;
- c) List and valuation of investment holdings.

**Resolved:**

That the information contained in the report be noted.

**18 Report of Mondrian Investment Partners**

Consideration was given to a report from Mondrian which included:

- a) Manager's views on the economy and investment strategy for the future;
- b) Investment Policy;
- c) List and valuation of investment holdings.

**Resolved:**

That the information contained in the report be noted.

**19 Report of CBRE Global Investment Partners**

Consideration was given to a report from CBRE which included:

- a) Manager's views on the economy and investment strategy for the future;
- b) Investment Policy;
- c) List and valuation of investment holdings.

**Resolved:**

That the information contained in the report be noted.

**20 Border to Coast Pensions Partnership Private Monitor Report**

The Committee considered a report of Northern Trust which provided an analysis of cash flow, portfolio funding, partnership performance and comparative analysis at December 2020 (for copy see file of minutes).

**Resolved:**

That the information contained in the report be noted.