

Minutes of the Pensions Panel Meeting held on 1 December 2020

Attendance

Philip Atkins, OBE (Chairman)	Colin Greatorex
Derek Davis, OBE	Mike Sutherland

Also in attendance: Rob Birch (Observer), Iain Campbell (Hymans Robertson), Carolan Dobson (Independent Adviser), Ian Jenkinson (Observer), Alastair Little (Observer), Philip Pearson (Hymans Robertson) and Paul Potter (Hymans Robertson).

Apologies: Stephen Sweeney

PART ONE

13. Declarations of Interest

There were no declarations of interest on this occasion.

14. Minutes of the meeting held on 14 September 2020

RESOLVED – That the minutes of the Meeting of the Pensions Panel held on 14 September 2020 be confirmed and signed by the Chairman.

15. Staffordshire Pension Fund performance and portfolio of investments as at 30 September 2020

The Director of Corporate Services submitted a summary of the performance of the Staffordshire Pension Fund, together with a portfolio of the Fund's investments, as at 30 September 2020.

The Panel were informed that the Fund had a market value of £5.6 billion as at 30 September 2020. Over the quarter the Fund returned 2.4%, which was higher than the Fund's Strategic Asset Allocation benchmark return of 1.5%. The best performing asset classes relative to their benchmark, were Private Equity and Private Debt.

The Fund has modestly outperformed its strategic benchmark over a 1, 3, 5 and 10-year period. Annualised returns over 10 years were 9.0% per annum, well above the investment return assumptions used by the Actuary as part of the triennial valuation.

In response to a question from Mr Jenkinson as to the funding level which, at the last triennial valuation stood at 99%, the Director of Corporate Services indicated that whilst it was apparent the Fund's assets had performed well recently, the Fund's liabilities were not tracked on a regular basis and as such, an indicative funding level would be next available at the end of the financial year.

RESOLVED – That the Pension Fund Investment performance and the portfolio of investments for the quarter ended 30 September 2020 be noted.

16. Responsible Investment (RI) report quarter 3 2020

The Director of Corporate Services submitted a summary of activity during the quarter ended 30 September 2020 by the Fund's investment managers in fulfilment of their corporate governance and socially responsible investment obligations, including details of their voting activity on corporate resolutions for companies held in their portfolios.

The Director also submitted the quarterly report of the Local Authority Pension Fund Forum (LAPFF) and the Quarterly Stewardship Report issued by LGPS Central Limited.

Mr Jenkinson indicated that he was pleased that the information was in the public domain and suggested that it should be publicised more widely.

In response to a question from Cllr Sutherland on the timeframe for the production of the Climate Risk Report, the Director of Corporate Services indicated that the Fund was currently working with LGPS Central and other Partner Funds on this matter, to ensure the findings in the report were fully understood. The Director added that the Company had hired a new Director for Responsible Investment who will assist Partner Funds with their responsible investment activities.

RESOLVED – That the content of the Responsible Investment (RI) report, including the Local Authority Pension Fund Forum (LAPFF) Quarterly Engagement Report and LGPS Central Limited (LGPSC) Quarterly Stewardship Report, be noted.

17. Dates of Future Meetings

RESOLVED – That the dates of Future meetings of the Panel, as set out below, be noted:

- 2 March 2021

(Note: All meetings are scheduled to start at 9.30am.)

18. Exclusion of the Public

RESOLVED - That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraph of Part One of Schedule 12A of the Local Government Act 1972 (as amended) indicated below.

PART TWO

The Panel then proceeded to consider reports on the following issues:

19. Exempt Minutes of the Meeting held on 14 September 2020 (Exemption paragraph 3)

20. Staffordshire Pension Fund performance and manager monitoring for the quarter ended 30 September 2020
(Exemption paragraph 3)

21. Strategic asset allocation review and monitoring
(Exemption paragraph 3)

- a) Economic and Market Update
- b) Review of Position as at 31 October 2020
- c) Global Sustainable Equity

22. Property
(Exemption paragraph 3)

23. Sustainable Equity Manager presentation
(Exemption paragraph 3)

Chairman