

North Yorkshire County Council

Pension Fund Committee

Minutes of the meeting held on 1 July 2022 held at County Hall, Northallerton commencing at 10 am.

Present:-

County Councillors John Weighell OBE (Chairman), George Jabbour, Sam Gibbs, Carl Les (as substitute for Peter Wilkinson) David Noland, Neil Swannick, Angus Thompson, Matt Walker and Andrew Williams.

David Portlock - Chair of the Pension Board.

County Councillors Margaret Atkinson and Peter Wilkinson, Councillor Christian Vassie - City of York Council, and Councillor Patrick Mulligan – North Yorkshire District Councils submitted their apologies

Copies of all documents considered are in the Minute Book

10. Exclusion of the Public and Press

Resolved –

That on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, the public was excluded from the meeting during consideration of Min.15 Asset Allocation Issues

11. Minutes

Resolved -

That the Minutes of the meeting held on 27th May 2022 were confirmed and would be signed by the Chairman as a correct record, subject to the following additions:-

The addition of County Councillor David Noland to the list of apologies.

County Councillor George Jabbour requested that his concerns regarding the Fund's significant exposure to Baillie Gifford be added to Minute No.8 – Performance of the Fund – Baillie Gifford rebalancing

12. Declarations of Interest

County Councillor George Jabbour noted that, at the previous meeting he had declared an interest in relation to the business in which he is involved, but had subsequently received advice that there was no need to declare this. He would continue to declare the non-registerable interest that he has been campaigning on issues involving the

way public sector organisations, pension funds and other institutions manage their finances.

13. Public Questions or Statements

There were no public questions or statements.

14. Governance Arrangements

Considered -

The report of the Treasurer requesting Members to review a range of governance documents and for the Committee to approve or note the following documents, as appropriate, and to provide Members with an update on the draft 2021/22 Statement of Accounts:

- a) Investment Strategy Statement
- b) Governance Compliance Statement
- c) Funding Strategy Statement
- d) Communications Policy
- e) Admissions and Terminations Policy
- f) Risk Register
- g) Pensions Administration Strategy
- h) Administering Authority Discretions Policy
- i) Internal Dispute Resolution Procedure (IDRP) Guide
- j) Governance Roles and Responsibilities
- k) Charging Policy
- l) Breaches Policy
- m) GDPR Privacy Notice
- n) GDPR Memorandum of Understanding
- o) Training Policy
- p) Cashflow Policy
- q) Responsible Investment Policy

Details of the alterations made, if any, since the previous review of the documents, were outlined by officers. Details of the current position in respect of the North Yorkshire Pension Fund (NYPF) draft Statement of Final Accounts were provided for information and it was noted that they were not available at this stage.

Members discussed the documents and the following issues and points were raised:-

- A Member queried the 5% investment allowance for entities connected to the administering authority. In response it was stated that this position reflected the 2016 Local Government Pension Scheme (LGPS) legislation, but the NYPF did not have any such investments, and it would be for the Committee to decide if they chose to pursue this.
- It was stated that completed versions of the documents would be provided to Members, without the tracked-changes, when the review had taken place.
- A Member referred to the training policy and noted that it recommended that all Committee Members complete the LGPS Toolkit and the Hymans online training package. He raised concerns that requiring both to be undertaken could lead to repetition and overlap. In response it was stated that the different toolkits provided different perspectives to the workings of the LGPS, therefore, it was useful to have knowledge of both. The Hymans package provided a good basis for understanding the LGPS and was continually updated to ensure that Members were kept abreast of any developments. The toolkit provided by the Pensions' Regulator was a good

supplement to this. Members discussed the training opportunities available and the Hymans platform was highlighted as being particularly useful and beneficial. A Member suggested that some of the modules appeared a little in-depth, providing knowledge at a level more expected for officers rather than Committee Members. In response it was stated that the modules were a useful tool to assist Members with their service to the Committee, with officers providing guidance at meetings, but the in-depth knowledge would assist Members with difficult decisions, going forward. The Treasurer acknowledged the benefits of the training modules, particularly for new Members, and suggested that the Hymans package was approached first, as part of the Continued Professional Development for Members. A review of Members training requirements would be undertaken in 6 months time. It was noted that, currently, a review of governance arrangements for LGPS funds was awaiting a response from the Government, and this could result in changes being made to the governance of the NYPF as a result. A Member emphasised that the unique role of the Committee required Members to have as much detail as possible as to how Funds in the LGPS operate, to ensure that their function could be delivered effectively.

- Members discussed the cashflow policy and position of the Fund, and it was asked whether a minimum limit for the amount of cash required should be set out in the policy. The Treasurer stated that the issue of cashflow had been raised as a concern by both the PFC and the Pension Board, previously, however, he emphasised that the Fund would not find itself in a position whereby there was insufficient money to pay what was required. The framework, set out in the policy, enabled funds to be moved around to ensure payments could be made even if the Fund should become cashflow negative. It was noted that a number of LGPS Funds now operated with a negative cashflow and it was not a significant concern.
- In terms of the draft Statement of Final Accounts, it was explained that these were not available at this stage but would be provided to Members as soon as they were. It was noted that the Committee was not required to approve the accounts, as that was undertaken through the Authority's Audit Committee, however, the Committee did consider these for information and the final accounts would be reviewed as part of the consideration of the Annual Report.

Resolved –

(i) that the changes made to the following governance documents be approved:

- Communications Policy
- Risk Register
- Pension Administration Strategy
- IDRP Guide
- Governance Roles and Responsibilities
- Charging Policy
- Breaches Policy
- GDPR Privacy Notice
- GDPR Memorandum of Understanding
- Training Policy

(ii) that the following governance documents be noted:

- Investment Strategy Statement
- Governance Compliance Statement
- Funding Strategy Statement
- Admissions and Terminations Funding Policy
- Administering Authority Discretions Policy
- Cashflow Policy
- Responsible Investment Policy

(iii) that the update on the 2021/22 NYPF Statement of Accounts be noted.

Minute No.15 was considered as a private item (see Minute No. 10, above) and a separate confidential minute was produced. The Minute below provides a public record of the consideration of that item.

15. Asset Allocation Changes

Considered –

The report of the Treasurer:-

Providing background information on the steps taken to implement the investment strategy agreed by Members in 2021.

Setting out the Fund's asset allocation position and the options available to Members to rebalance between equity managers.

Updating Members on the Global Property and the expected timing of the launch of Border to Coast's Global Property Fund.

Noting the position on the Fund's residual allocations which were due to come to an end.

Resolved –

That the Committee agrees to disinvest from Dodge & Cox, and reinvest into Baillie Gifford up to their strategic allocation of 18% of the value of the Fund, in two tranches and as soon as practicable, with any surplus being invested at the discretion of the Treasurer.

The meeting concluded at 11.40 am SML