# PENSION COMMITTEE

**MINUTES of the meeting of the Pension Committee held on Friday 25 September 2020 commencing at 10.00 am.**

**PRESENT MEMBERSHIP:**

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|---|---|
| Cllr Colin Hay | Cllr David Brown |
| Cllr Shaun Parsons | Peter Clark |
| Cllr Lynden Stowe | Cllr David Gray |
| Cllr Ray Theodoulou | |

**Apologies:** Cllr Rachel Smith and Steve Mawson

**In Attendance:**

## 14. DECLARATIONS OF INTEREST -

No declarations of interest were made.

## 15. PUBLIC QUESTIONS -

No public questions were received.

## 16. MEMBERS' QUESTIONS -

No Members' questions were received.

## 17. ANNOUNCEMENTS

The Chairman welcomed Cllr David Gray to the meeting as the newly appointed District Representative. The Chairman on behalf of the Committee wished to thank to Cllr Nigel Cooper, District Representative, for his support and service to the Committee.

Paul Blacker explained that an email had been circulated regarding the Local Government Association Pension Fundamentals Course. He advised Members that it was a virtual course and there were three one hour sessions on investment frameworks, governance and oversight and it would be beneficial for members to attend.

The Committee noted that Mark Spilsbury, the former Head of Pensions had retired from post in April. The Director of Finance advised the committee that the first round of recruitment was unsuccessful. As a result of a second round of recruitment he was pleased to report that Matthew Trebilcock, who currently works for BPP, had been appointed to the position and would start in due course.

The Employee Representative requested a bio for the new Head of Pensions, in terms of his experience, etc. The Director of Finance explained that Matthew had previously been heavily involved in investments with the Cornwall Pension Fund and was currently working for the Brunel Pension Partnership. It was agreed that a pen portrait would be circulated in due course, once the position had been formally accepted.

**18. MINUTES -**

The minutes of the meeting held on the 14th February 2020 were approved as a correct record and signed by the Chairperson.

**Resolved**

**That the public minutes of the meeting held on the 14th February be approved as a correct record.**

**19. PRESENTATION ON RESPONSIBLE INVESTMENT & CLIMATE CHANGE**

The Director Finance explained that on previous occasions members expressed a desire to have further information on Brunel's approach to responsible investment and climate change.

Laura Hobbs, Investment Manager & Helen Price, Engagement and Stewardship Manager gave an update on Brunel’s responsible investment work on behalf of the wider partnership.

It was noted that Brunel brought together the assets of the ten like-minded funds and had embedded responsible investment throughout. Brunel aimed to work closely with its clients to ensure that they we're meeting the investment and responsible investment outcomes.

Brunel knew the COVID-19 pandemic had profound effects across economies, labour markets and the way that we go about our lives in general. It had a huge impact on Responsible Investment and Environment, Social and Governance (ESG) investing, these were highlighted in the presentation. It was noted that COVID-19 had highlighted some of the weaknesses that were present in the financial system, and had touched on all aspects from inequality to the environment, as well as the need for a sustainable recovery.

The pandemic had highlighted the importance of capitalism as a force for good and had touched on pretty much all areas of Brunel’s responsible investment work. The key responsible investment priorities undertaken by Brunel were explained in detail.

Members were advised that climate change remained a key focus, as the Covid-19 Pandemic had wreaked havoc across the world, it was an example of what could happen if we didn't actively address climate change.  It was evident that Governments could change policy and make policy decisions quickly when there was a crisis.

Climate change heightened the importance of a sustainable recovery and adjustment recovery, in an effort to make sure that no one was left behind the COVID-19 crisis.  It was noted that Covid-19 had upped the spotlight on ESG, in particular the social aspects in terms of inequality, mental health, and labour standards, many of these aspects were highlighted within the presentation.

The Committee noted that Brunel co-filed the first ever shareholder climate resolution at a major bank in December 2019, they asked Barclays to come up with a plan on how they would be phasing out lending to fossil fuel companies.  The Engagement and Stewardship Manager led to this piece of work.  Members were informed that this was an ongoing piece of engagement work, which would be followed up with Barclays Bank to ensure that come up with a plan on phasing out lending for fossil fuel companies that were not aligned with the goals of the Paris agreement.

In addition, engagement work was taking place with BlackRock as the largest asset manager in the world.  It was noted that for a number of years, they agreed to incorporate sustainability and climate change into their investments and they were cited now as being one of the key drivers to making this change.  Members were advised that face to face meetings with Larry Fink, CEO had taken place and Brunel were pleased by their recent stance when they made the decision to vote against 53 companies and put another 244 on 'watch' for inadequate action over climate change risk.  Brunel's engagement with Black Rock continued.

It was explained that a Taskforce for Climate Financial related Disclosures (TCFD) in association with the Department for Work and Pensions launched a consultation to see if TCFD should be embedded into UK pension's law.  The Investment Manager explained that Brunel had been doing TCFD reports for a number of years and were working on their most recent one.  This would enable clients to fulfill any obligations,  if this requirement was incorporated into UK pension's law.

It was reported that Brunel had joined the Institutional Investors Group on Climate Change (IIGCC), this was an international global organisation on climate change to pilot a new set of methodologies and studies.  The net zero framework had been developed with 70 global investors representing $16 trillion. The aim of the project was to construct portfolios that kept global temperatures below 1.5 degrees of warming because there was very little understood about what a portfolio aligned to Paris agreement actually looked like.  In practice how that would perform from a financial point of view and meet the obligations was questionable.

It was noted that Brunel was among the five investors that had actually submitted some hypothetical portfolios,  so that they could be modelled.   The expectation was that climate change modeling would enable Brunel to see what the impacts were financially and whether those methodologies could  be advanced.  Members noted that Brunel were excited by the project and were looking forward to seeing the results.

In terms of the social aspects from ESG and particularly the issues that Covid had created, namely racial inequality.  The Committee was advised that the Engagements and Stewardship Manager was leading on labour standards, modern human slavery and workplace mental health.  It was noted that she had also published a blog earlier in the year, which reflected the work undertaken so far and where further work was required.  It was explained that historically a lot of diversity talk focused around gender and they had been focusing on working with partners across the industry.

Brunel was a member of the Diversity Project, which aimed to identify what action could be taken and what could be embedded within their stewardship policy.  Brunel had started to do identify where to access data and engage with companies, as well as the asset managers across the industry.  The committee was advised that Brunel were actively looking at the barriers and challenges.

The pandemic had also created huge amounts of issues around the labour crisis, particularly in Middle Eastern Countries.  It was explained that Countries in the Middle East had a considerably higher proportion of migrant labour working in industries,  such as airline freight,  leisure and hospitality.  However, as a result of the Covid-19 crisis, many migrant workers had been laid off from work and effectively they had very little employment rights.

It was evident that many of their jobs were secured through employment agencies that workers had to pay and they often had to take out large loans in order to secure their jobs.  It was affectively deemed as modern human slavery, as such there were now huge amount of migrants stuck in the Middle East, unable to get back to their home countries as they had no jobs to fund their return travel.

Brunel had been engaging with 38 other large investors who had written to 54 companies, who had operations in the Gulf and we're asking companies to commit to reimbursing recruitment fees and to perform exit interviews with the staff.  The aim was to produce best practice on labour outsourcing, so that the issues could be addressed.

It was reported that Brunel were working on a collaborative engagement with other investors on workplace mental health.  The Committee understood that mental health had a huge cost to the UK economy and to UK employers.  Members appreciated that the Covid-19 pandemic had heightened the fact that some people were struggling with isolation, homeworking, having to quarantine and obviously in some cases having to deal with grief.  The Committee were informed that Brunel had written to all companies within the Footsie 100 and had asked them to train line managers on how to spot signs of poor mental health,  how to assist vulnerable employees, offer increased flexibility and to make sure that employees know how to access support when they needed to.

It was noted that this was the first year that Brunel had undertaken the Principles for Responsible Investment (PRI) assessment and this was assessed by a third party. It addressed how Brunel was undertaking responsible investment and how well they were embedding it throughout the organisation across strategy and governance. The presenting officer was pleased to report that Brunel was awarded A plus in every category apart, from listed equities active ownership which they were awarded an A. Members were advised that the full report was available on the Brunel website if they wished to read it.

Brunel was pleased to report that they had won the sustainable finance award for the pension fund of the year. This award was for the strength of the Brunel pension partnership and the way that they collaborated with clients while workings together to ensure that responsible investment priorities and investment needs were met.

The Chairman thanked Officers for the detailed presentation and he appreciated the work Brunel was undertaking on the Pension Funds behalf. Members echoed the Chairman comments and welcomed the presentation. It was agreed that a copy of the presentation should be circulated to all County & District Councilor's, as climate change was clearly being debated in chambers across the County.

In response to question, it was explained that the TCFD asked companies to look at how they assessed climate change risk through both their investments and also their own operations. Members were advised that Brunel had been reporting on this for a number of years now and if this was to be embedded into UK pension's law it was dependent on the outcome of the DWP consultation. The Committee felt the effect on the investment compared to the ESG investment should be included in future presentations in order to add context.

The Independent Advisor echoed member's comments in relation to ESG and Brunel's ethos in respect of responsible investments. He remained impressed and remained supportive of their approach.

In response to a question, members were advised that Brunel invested through preferred party fund managers and they held those fund managers to account. Brunel had a clear and transparent set of needs and which they communicated clearly. For example, the climate change policy set out Brunel's clear expectations on what they expected from managers and companies. As part of this policy Brunel were committed to a stock take in 2022 and they were committed to assessing their managers and effectively deciding whether they should still remain appointed to manage the money of Brunel clients.

The Committee was advised that Brunel used lots of external data to assess companies and managers, the transition pathway initiative (TPI) was publicly available data. The TPI assessed the way that companies looked at climate change risk, so whether they had set goals or they set targets to reduce their emissions. It considered the way that the companies were managing climate change at the board level and how their business model was aligned with the Paris agreement. It was noted that Brunel had active dialogue with its managers on where a company was particularly poorly rated.

The Engagement and Stewardship Manager explained there was an escalation process in place, so if Brunel were engaging with companies when progress hadn't been made, there actions would be reviewed. This was highlighted by Brunel discussion with Barclays relating to their lending practices to fossil fuel companies, which had resulted in a shareholder resolution. This was a first for a European bank that actually led them committing to be net zero by 2050. Brunel deemed this to be a monumental success and it would lead to more fruitful conversations with other banks in the future.

In response to a question, it was explained that Brunel did not tell their fund managers what they could and couldn't invest in, as they wanted managers to really think about what they're doing and to be able to hold them to account. The Committee was advised that Brunel had a variety of different engagement approaches, so the fund managers themselves would be engaging on the client's behalf. It was explained that Brunel utilised a third party, Hermes Eos who would take a review of the holdings across all portfolios.

One member questioned the sharing of workload with other funds, in order to avoid the repetition of work, as obviously there was a cost involved to Brunel and ultimately to its shareholders. It was suggested that all the funds had the same basic need, therefore joint working would spread the cost and the benefits were wider spread.

In response to a question, it was explained that Brunel was part of a cross pool responsible investment working group. The Engagement and Stewardship Manager regularly met with peers across the pools and was in regular communication. The pools shared best practice, what challenges they were facing and what engagement objectives were undertaken. In addition, there was a collaboration platform so collectively asset managers and asset owners could post on to that platform.

In response to the question, it was noted that Exxon was no longer in any of the active portfolios and was only within the passive portfolios. In terms of the social side of ESG, it was explained that the UK was entering into a period where unemployment would increase rapidly and the number of jobs available would decrease. Members were advised that Brunel were part of an engagement program on UK listed companies that were perhaps not performing to the best of labour standards and also in industries where unscrupulous labor practices were more common.

The agriculture sector and the leisure and hospitality industry were known for zero hour contracts and labour standards could be poorer. Brunel's focus area going forward was a collaborative approach with the engagement provider Federated Hermes, as they were aware that labour practices was one of the key priority areas. Members were encouraged by the direction things were going in, however they felt the comparison in relation to the TCFD would be beneficial to provide context, in order to aid decisions taken in relation to investments.

Members referred to the IIGCC portfolio modeling, migrant workers in the Middle East and wondered if there was anyway of detecting any geographical bias. As in some of these portfolio modeling there were countries who were not taking the move towards reducing fossil fuels. The Committee was advised there were a carbon metrics report available on the Brunel website. The report detailed the carbon footprints all of the Brunel portfolios against their benchmarks.

The Cabinet Member for Environment & Planning explained that each Autumn, Gloucestershire County Council reported on the progress the council had made on reducing carbon emissions across the County and also across the whole range of our services . He felt it would be very useful to include pension fund information in this report.. Chris Crozier, BPP agreed to provide that information.

In terms of geography, it was noted that emerging markets were lagging on things such as Labour Standards and disclosures around fossil fuels, however these issues could be rectified through investor pressure. For example an announcement was recently made by China about becoming a net zero economy by 2050, so evidently things were changing with investor pressure. Consequently different risks in different geographies would impact on Brunel's engagement strategy and on its investment risk strategy.

The Committee felt the presentation would be useful for all the employers within the fund, as this would help rid any misconceptions that this was just the Gloucestershire County Council pension fund, as it contained a multitude of other employers.

The Chairman felt it would be advisable to make it clear what the Pension fund was about, as it was the largest liability that the council had. It would be beneficial to show that the Pension Committee supported these initiatives that Brunel was taking in the wider context. Members noted the Brunel website had a lot of usable responsible investment information available.

The Chairman thanked Brunel Officers for a very informative presentation.

**Resolved**

**That the Committee received the Responsible Investment and Climate Change presentation.**

**20. ACTUARIAL UPDATE REPORT**

Julie West, Fund Actuary, Hymans Robertson summarised the key issues, which were detailed at page 23 of the report.

Members were advised at the start of the summer there were changes to the exit credit regulations which allowed funds to repay any surpluses back to any employers when they leave the fund, this was also detailed at agenda item 8, Exit Credit Policy.

The McCloud judgement referred to when schemes were changed out from final career average and protections were put in place for any members within 10 years of retirement to make sure they were not any worse off when they came to retire. So if a person were age 55 or over at 31st of March 2012, when they came to retire they would receive the better of the either the benefit in the care scheme or what they would have earned in the final salary scheme. It was evident that most members would benefit in the care scheme because of the scheme generosity.

It was explained the case went to court and the transitional protections applied to all of the public service schemes. The Committee was advised that it was a member of the firefighter scheme that took the government's to court to state that the transactional protections were age discriminatively.

It was a long process and the Government lost the initial case, the government appealed and lost, they sought to appeal again and there were no further grounds for appeal. So that case remained and the proposed remedy for that case, was to make those transitional protections in place for all of the staff in the scheme at 31st March 2012, so they would get the better of that benefit. From an actuarial point, in terms of the pension fund liabilities Hymans expected the impact to be small. Obviously there was an increase in benefit and because they didn't expect there to be that many cases and did not expect a significant impact on pension fund liabilities.

However, there would be an impact on the administration of the scheme. Every member of the scheme who was eligible for that benefit, when they come to retire there would have two benefit calculations carried out. The Actuary didn't feel this was an issue for the Gloucestershire fund, but would be an issue for many funds throughout the country. Since the care schemes had been in place there was no requirement to collect some of the data that's was necessary to calculate that benefit underpin. There was now a large admin task to go back and seek that data from employers and this was expected to be a significant project for pension fund admin teams, probably for the next two years with some dedicated resource required to resolve this issue alone.

The Chairman appreciated the actuaries' explanation of the McCloud ruling but questioned what the impact would truly be on the Pension Fund. The Chairman suggested that perhaps the newly appointed Head of the Pension Fund could be tasked with looking at this issue in more detail when he was in post.

The Director of Finance advised the Committee that the actuarial value would be quite small, the big issue would be the administrative issue. As it would be necessary to produce calculations for all employees and that's was quite a significant burden. Fortunately GCC had kept its records up to date, so it was anticipated that the burden could be managed with some extra resources.

The Chairman questioned the impact on the fund, in terms of pension liabilities. The Actuary explained that it would probably equate to less than 1% of the pension fund liabilities. The Chairman was alarmed at costs involved, officer explained in costs terms it was large, but in comparison to the fund it was small in significance.

The Chairman advised the Committee that the figures would be confirmed in due course and it would be necessary for Officers to work on the project and report back at a later date. The Actuary confirmed that it was significantly less than 1% but it was still an additional cost that would have to borne by the fund.

One member was interested to know what happened when someone who was a member of pension fund left Local Authority employment and then rejoined, he wondered if they still had the benefit of choosing the career average as opposed to final salary. The Actuary explained that a member was unable choose to stay in the final salary scheme or the care average scheme. The administration team had to calculate two benefits and the member gets the better of those benefits when they came to retire. Members felt this could be a complicated area for some employees and would require due consideration. This issue would be considered further by the New Head of Funds when he was in post.

A member wished to know in terms of administration, when members would know if this would affect their pension return. The Actuary explained that it would be when the pensions were calculated and would be incorporated in the annual benefit statement, however this would depend on when the project began. It was anticipated this would be included in 2021/22 annual pension statement.

The Actuary summarised the cost of management valuations, as the scheme being was changed from final salary to care average, one of the original recommendations in Lord Hutton’s report was to put in place a cost cap mechanism. This was to make sure that the cost of this scheme couldn't go onto it, so this was in a period where life expectancy increased and the scheme was being reformed to limit the costs and his recommendation was to ensure that that cost couldn't keep increasing and there was a mechanism to bring it back in line.

It was noted that what happened between the report and the implementation of the benefits was through the discussions and agreement with the unions, the cost cap became cost sharing and that was a set cost of the scheme which was calculated by the Government actuary and the cost of the scheme would be checked at four yearly intervals.

The scheme mechanism had also been put on hold until the McCloud judgement was rectified and had been on pause, so the outcome was yet unknown. However, any benefits would be retrospective to the 1st April 2016, as the outcome was unknown this could also potentially be another administration challenge. The Chairman summarised that clarification would need to be sought before any work could progressed.

It was noted the Goodwin case was a similar discrimination case to McCloud and referred to survivor’s benefits and discrimination on the grounds of sexual orientation, male dependent of a female member was entitled to less of a pension, or a female dependent of a male member, or a female dependent on the female member. The Government just lost that case and similarly to McCloud it would involve a rectification of benefits for the resolution of that, it was expected to be an even smaller liability impact than McCloud but again significant in terms of admin.

The actuary gave a detailed explanation of the £95K cap, as it could be significant in terms of local authorities, some academies and potentially colleges. The Government had put in place at cap on the exit payment, so if you were aged over 55 they would eligible for immediate receipt of the pension. So any other payments that members may get, when made redundant plus the pension stream cost and if that exceeds £95,000 then they would have their pension reduced.

Another part of that consultation was going through parliament and there was an unexpected part of which was to limit the exit payments of all in people that were being made retired. So the stream cost would be less and employees would receive smaller benefits and may come into force by 2021.

The Chairman suggested there must have a lot of consultation, as interfering with member's pensions was a hot issue and he hoped the unions had all been consulted. The Actuary confirmed that the 95K cap was already law but she didn't think any of the consultation responses made it to the final regulations. It was noted that there would be some issues around administering this area and members wondered if this would also end in court too as this was a significant issue for LGPS. The Chairman was concerned for the rate payers as the budget would be under further stress.

The Actuary referred to the funding update which gave an update of the current position. Members felt that clarification would need to be sought from the administration, when the full impact had been assessed and known. It was anticipated that this information would be shared in due course.

In response to a question, it was explained that it was too early to know the long term effects of Covid-19 were at this stage. At there could be some younger deaths, which would have a greater impact on the fund, however this information was unknown at this stage. The Actuary referred members to Club Vita, as they'd been doing lots of work on the mortality rate and there was lots of detailed information available for members to consider.

**Resolved**

**The Committee noted the report.**

## 21. EXIT CREDIT POLICY - HYMANS ROBERTSON

The Director of Finance advised the Committee that the policy was required to ensure that all employers who actually decide to leave the fund were treated in a fair and consistent way. It was important to note that this policy was only applicable to people who joined the scheme after 2018. The Actuary was involved in advice on if a payment was due and how much. The Policy required the Committee 's approval.

The Actuary provided further context to the report. It was explained that prior to these regulation changes, the funds and would charge a debt if anyone was in deficit when they left the scheme and after that, if there was any surplus leftover and then it would remain in the scheme.

On being put to the vote, the Committee agreed to approve the Exit Credit Policy.

**Resolved**

**That the Exit Credit Policy be approved**.

## 22. PENSION FUND RISK REGISTER

Paul Blacker, The Director of Finance introduced the risk register explaining that the risk register was a live document and therefore it was important for it to reflect the discussion carried out by the committee.

Members were informed that since the risk register was last considered by the Pension Committee in February 2020, a number of changes had been made, these were highlighted in yellow and the new narrative was shown in bold red, in the risk register.

The Committee noted that a new risk A/R5 had been entered on the risk register specifically relating to the COVID-19 pandemic. This was:

- COVID-19 pandemic having a detrimental impact to the Pension Fund service provided to members and/or to the collections of pension fund contributions and implementation of new investments.

It was explained that a combination of home working and socially distancing working was taking place within the office on a rota basis, the two pensions teams had been able to continue to deliver the core service.

All of the risk ratings within the risk register had been reviewed and the residual risk ratings for risks F1, relating to investment returns, F2, relating to the implementation of the long-term investment strategy, and F4, relating to the Pension Fund deficit, had been increased due to the impact of COVID- 19.

The Committee noted that risk G5, related to the lack of relevant expertise, knowledge, skills and resources at officer and member level in relation to administering the LGPS, had also increased with the residual risk rating of 16, i.e. a high residual risk. It was noted that this change had been made because the Head of Pension post was vacant when the report was produced but this will reduce again once the new appointee is in post.

The Director of Finance referred to the challenges ahead in terms of administration, therefore it was necessary to ensure that all our staff were well trained and understood these implications.

In response to a question, the Director of Finance added the two members of the Pensions Team were appointed prior to the lockdown, were proving to be valuable assets. He added the consequences of the potential changes that government might introduce were unknown at this stage, however GCC was actually in quite a good position because good records retained for past employees and employers. It was noted that the risk should not be increased at this stage but officers were actively looking at it as more details evolved.

A member questioned the impact of COVID on investment valuations. The Director of Finance explained this would be covered in more detail in the Independent Advisor Report.

The Chairman wished to extend his thanks to the Director of Finance for covering the role in the meantime.

**Resolved**

**That the Committee noted the risk register, and supported the inclusion of new risk A/R5 and the increase to the residual risk scores for risks F1, F2, F4 and G5.**

## 23. PENSION FUND BUSINESS PLAN 2020/21

The Director of Finance, Paul Blacker, gave an update on the Gloucestershire Local Government Pension Fund Business Plan 2020-21.

The Business Plan was prepared in accordance with the Department of Communities and Local Government best practice guidance for the governance of pension funds. The business plan confirmed that, at 31 March 2020, the Gloucestershire Local Government Pension Scheme (LGPS) had 55,901 members, consisting of 19,121 active, 20,713 deferred and 16,607 retired (pensioner/dependent) members

He referred the Committee to Section 4 of the report, as it detailed the key targets for 2020-21. Member’s attention was brought to the Pension Strategy Statements that were due to be updated, in terms of the communication strategy, the governance compliance strategy and the government governance policy strategy. It was noted these were being reviewed and the new head of pensions would be tasked with analysing those reviews.

Members noted that Section 5 lay out the budget for the financial year, Members attention was drawn to the two large changes in the budget. It was explained that the external fund manager fees had increased slightly compared to 2019-20. Members noted that the fees were still lower than in 2018-19.

Members were reminded that the LGA fundamentals course would be beneficial if they were able to attend online.

A member of the committee felt that as the business plan sets out GLGPS objectives and the funding strategy, he felt it would be beneficial to incorporate the pension fund and Brunel's commitment to ESG. The Committee welcomed this suggestion.

**Resolved**

**That the report be noted and recommended the GLGPS and Brunel's commitment to ESG should be incorporated within the Plan.**

## 24. PENSION ADMINISTRATION REPORT

The Director of Finance explained that it had been an incredibly difficult time during the pandemic and the team had responded to the challenge very well. He wished to personally thank the Pension Team for their hard work and the fact that they've continued to provide an effective and efficient service during this time. It was noted that in some cases the team had improved on performance, compared to previous years.

In response to a question regarding retirements, lump sums and death grants performance were below target. Members were advised that performance on retirements had to be viewed in the context of higher volumes, it was noted that in 2020-21 the number of retirements were 983, that was increase of 15% compared to 2019-20.

The Team was actively trying to increase its resources given the increasingly technical nature of the role, however it was necessary to limit how many new staff was brought in at any one time because of the need to work shadow officers. The staff appointed in February were unable to work shadow during the lockdown period. However they were now working well.

The Pension Administration Manager explained that there were teams working on a shift system either from the office and home working. It was necessary to have some presence in the office because there was a lot of paperwork involved in pension's administration – for example when a scheme member wants to transfer between GCC and another pension schemes, all the documentation needed to be scanned, which created a lot of pressure resource wise.

The Chairman asked officers to ensure that they flag up any resource issues immediately so they can be attended too given the importance of the service area. The Committee wished to thank the Pension Team for all their efforts and for providing what was a very efficient and effective service during this difficult time.

**Resolved**

**That the report be noted.**

## 25. MARKET VALUATIONS & QUARTERLY PERFORMANCE REVIEW

The Director of Finance presented an overview of market valuations and an update on the performance of the Gloucestershire Local Government Pension Scheme, (LGPS), as at 30 June 2020.

Members noted that by the end of Quarter 2 the majority of value lost in Quarter 1 had been recovered. However, given the situation they expected some kind of volatility in the next six to twelve months. It was noted that the Independent Advisor would look at the performance in more detail during his report.

**Resolved**

**That the performance report was noted.**

**26. EXCLUSION OF THE PRESS AND PUBLIC**

**Resolved**

**That in accordance with Section 100 A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following agenda items, because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public**.

**27. EXEMPT MINUTES**

The exempt minutes of the meeting held on the 14th February 2020 were approved as a correct record and signed by the Chairman.

**Resolved**

**That the exempt minutes of the meeting held on the 14th February 2020 be approved as a correct record.**

At this juncture in meeting, the Chairman called for a brief adjournment at 12:12pm.

The Committee reconvened at 12:17pm.

**28. INVESTMENT REPORT**

Independent Advisor, John Arthur, provided members with an update on current investments. The Committee were referred to the detailed Performance and Executive Summaries contained within the report.

**Resolved**

**That the report be noted.**

## 29. PRIVATE MARKETS UPDATE

The Committee received a detailed presentation by Chris Crozier and Richard Fanshawe from BPP.

**Resolved**

**That the Committee received a presentation.**

**CHAIRMAN**

Meeting concluded at 1.28 pm