

**STRATHCLYDE PENSION FUND
BOARD'S MINUTES.**

By video conference, 17th November 2021.

Item 2

24th November 2021

Strathclyde Pension Fund Board.

- Present:** James Corry, UNISON (Chair); Alison Fettes, Scottish Water; Thomas Glavin, UNITE; Councillor Graeme Horne, South Lanarkshire Council; Councillor John Shaw, Renfrewshire Council; and Andy Thompson, GMB.
- Also present:** Councillor Richard Bell, Glasgow City Council.
- Apologies:** Stephen Kelly, UNISON; Mark Dickson, Scottish Water; and Councillor Tom Fisher, North Lanarkshire Council.
- Attending:** A Wyber (Clerk); R McIndoe, Director of Strathclyde Pension Fund; D Black, Head of Audit and Inspection; J Gillies, R Keery, I Jamison, L Sweeney and L Welsh (Strathclyde Pension Fund Office); S Forrest and S Tough (for the Executive Director of Finance); and C MacKenzie (for the Head of Communication and Strategic Partnerships).

Appointment of Chair.

1 In the absence of the Chair and Vice-Chair, the Board agreed to appoint James Corry, UNISON to chair the meeting.

Register of Interests for 2021/22 noted.

2 There was submitted a report by the Director of Legal and Administration advising of the rules, policies and procedures relating to declaration and registration of Board members' interest.

After consideration, the Board noted

- (1) the rules, policies and procedures relating to members' interests; and
- (2) the Register of Interests for 2021/22, as detailed in the report.

Declarations of interest.

3 There were no new declarations of interest.

Equitix – Proposed presentation noted.

4 The Board noted that Equitix would make a short presentation on Investing in Core Infrastructure to Strathclyde Pension Fund Committee on 24th November 2021.

Minutes of Strathclyde Pension Fund Board noted.

5 The minutes of Strathclyde Pension Fund Board of 1st September 2021 were submitted and noted.

Audit Scotland - Annual Audit Report 2020/21 noted.

6 There was submitted and noted a report by the Director of Strathclyde Pension Fund regarding Audit Scotland's annual Audit report for 2020/21.

Strathclyde Pension Fund – Annual Accounts 2020/21 noted.

7 With reference to the minutes of Strathclyde Pension Fund Committee of 22nd June 2021 (Print 3, page 149) noting the unaudited Annual Accounts for 2020/21, there was submitted and noted a report by the Director of Strathclyde Pension Fund regarding the audited annual Accounts for 2020/21.

Direct Investment Portfolio – Review noted.

8 There was submitted a report by the Director of Strathclyde Pension Fund regarding a review of the Direct Investment Portfolio (DIP).

After consideration, the Board noted that it was proposed that

- (1) there be no change to the objectives, structure, overall size parameters, risk and return parameters, or governance structure of the DIP;
- (2) the individual investment guidelines be revised as follows:-
 - (a) target investment size £30m to £100m (currently £20m to £100m);
 - (b) minimum investment £20m (currently £10m);
 - (c) maximum investment greater of £250m or 1% of Total Fund Value (currently £200m or 1%); and
 - (d) the existing co-investment programme be extended in order to maximise its effectiveness, subject to development of a detailed proposal; and
- (3) the DIP's profile be refreshed by:-

- (a) re-naming it as the Direct Impact Portfolio;
- (b) redesigning the DIP website page and other materials to highlight the portfolio's achievements and clarify its objectives; and
- (c) re-marketing it with a brief campaign to increase awareness of the portfolio and its objectives, particularly in respect of local investment.

Direct Investment Portfolio – Temporis Impact Strategy V LP - Investment proposal noted.

9 There was submitted a report by the Director of Strathclyde Pension Fund regarding a proposal to invest in Temporis Impact Strategy V LP, advising

- (1) of the investment proposal; and
- (2) of the expected return from the fund, the main risks and the exit strategy

After consideration, the Board noted the proposal to invest £50m in Temporis Impact Strategy V LP by the Direct Investment Portfolio.

Internal Audit – Review of Board governance noted.

10 There was submitted and noted a report by the Head of Audit and Inspection regarding the outcome of a review by Internal Audit in relation to the governance arrangements for this Board, advising of 4 recommendations for improvement that had been identified, which were detailed in the report along with the planned management action.

Vacation of Chair.

11 Due to the chair experiencing technical difficulties, the Board agreed that Thomas Glavin, UNITE would chair the remainder of the meeting.

Internal Audit – Review of ad hoc payments noted.

12 There was submitted and noted a report by the Head of Audit and Inspection regarding the outcome of a review by Internal Audit in relation to ad hoc payments administration arrangements within Strathclyde Pension Fund Office, advising that no recommendations for improvement had been identified.

Internal Audit – Follow-up audits noted.

13 There was submitted and noted a report by the Head of Audit and Inspection regarding the outcome of follow-up audits by Internal Audit in relation to Strathclyde Pension Fund Office.

After consideration, the Board noted

- (1) the follow-up audits; and
- (2) that a further report would be submitted to this Board, following the next review date.

Strathclyde Pension Fund - Administration Performance – Position noted.

14 There was submitted and noted a report by the Director of Strathclyde Pension Fund advising of performance and current issues within the benefits administration area of Strathclyde Pension Fund Office as at 30th September 2021.

Strathclyde Pension Fund – Investment performance noted.

15 There was submitted and noted a report by the Director of Strathclyde Pension Fund regarding

- (1) the investment performance to 30th September 2021;
- (2) a summary of the portfolio investment as at 31st October 2021;
- (3) the outcome of the Investment Advisory Panel meeting of 4th November 2021; and
- (4) responsible investment and climate change activity during Quarter 3.

Financial statements – Current position noted.

16 There was submitted and noted a report by the Director of Strathclyde Pension Fund regarding financial statements for the administration of Strathclyde Pension Fund, detailing the monitoring and cash flow statements for period 7 from 1st April to 23rd September 2021.

Risk Register – Position noted.

17 There was submitted and noted a report by the Director of Strathclyde Pension Fund detailing the risk register for Strathclyde Pension Fund Office.