

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

**Item 2**

**2nd March 2022**

By video conference, 23rd February 2022.

**Strathclyde Pension Fund Board.**

**Present:** Thomas Glavin, UNITE (Chair); Alison Fettes, Scottish Water; and Councillor John Shaw, Renfrewshire Council.

**Also present:** Councillor Richard Bell, Glasgow City Council.

**Apologies:** Councillor Graeme Horne, South Lanarkshire Council; Stephen Kelly, UNISON; Mark Dickson, Scottish Water; Councillor Tom Fisher, North Lanarkshire Council; and Andy Thompson, GMB.

**Attending:** A Wyber (Clerk); R McIndoe, Director of Strathclyde Pension Fund; 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 Thomas Glavin, UNITE to chair the meeting.

**Resignation noted.**

**2** The Board noted that Mr James Corry had stepped down from his UNISON trade union duties, which included his role as Joint Secretary and member of this Board.

**Declarations of interest.**

**3** There were no new declarations of interest.

**Review of Pension Fund Board arrangements and effectiveness noted.**

**4** There was submitted a report by the Director of Strathclyde Pension Fund regarding a review of the Board's arrangements and effectiveness and seeking comments from members of this Board.

After consideration, the Board

(1) noted members' comments; and

- (2) agreed that the Director of Strathclyde Pension Fund would seek the views of those members of this Board who had not been present at today's meeting.

**DTZ Investors – Proposed presentation noted.**

5 The Board noted that DTZ Investors would make a short presentation on the UK Property Portfolio to Strathclyde Pension Fund Committee on 2nd March 2022.

**Minutes of Strathclyde Pension Fund Board noted.**

6 The minutes of Strathclyde Pension Fund Board of 17th November 2021 were submitted and noted.

**Property Portfolio – Development works (King Street, Manchester) - Proposed appointment noted.**

7 There was submitted a report by the Director of Strathclyde Pension Fund regarding the outcome of a tendering exercise for the provision of development works (King Street, Manchester) for Strathclyde Pension Fund.

After consideration, the Board noted the proposed appointment of Recom Solutions Ltd to carry out development works for Strathclyde Pension Fund Property Portfolio, at an estimated cost of £4,776,502.69.

**Property Portfolio – Development works (Printworks, Manchester) - Proposed appointment noted.**

8 There was submitted a report by the Director of Strathclyde Pension Fund regarding the outcome of a tendering exercise for the provision of development works (Printworks, Manchester) for Strathclyde Pension Fund Property Portfolio.

After consideration, the Board noted the proposed appointment of John Turner Construction Ltd to carry out development works (Printworks, Manchester) for Strathclyde Pension Fund Property Portfolio, at an estimated cost of £12,932,695.

**Strathclyde Pension Fund – Investment performance noted.**

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

- (1) the investment performance to 31st December 2021;
- (2) a summary of the portfolio investment as at 31st January 2022;

- (3) the outcome of the Investment Advisory Panel meeting of 10th February 2022; and
- (4) responsible investment and climate change activity during Quarter 4.

**Direct Investment Portfolio – Palatine Impact Fund II - Investment proposal noted.**

**10** There was submitted a report by the Director of Strathclyde Pension Fund regarding a proposal to invest in Palatine Impact Fund II, 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 £25m in Palatine Impact Fund II by the Direct Investment Portfolio.

**Direct Investment Portfolio – Panoramic Fund 3 - Investment proposal noted.**

**11** There was submitted a report by the Director of Strathclyde Pension Fund regarding a proposal to invest in Panoramic Fund 3, 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 £25m in Panoramic Fund 3 by the Direct Investment Portfolio.

**Direct Investment Portfolio – Proposed extension of existing Co-investment Programme noted.**

**12** There was submitted and noted a report by the Director of Strathclyde Pension Fund regarding the proposed extension of the Direct Investment Portfolio's existing Co-investment Programme.

**Climate Change Strategy – Proposed amendments and changes noted.**

**13** There was submitted a report by the Director of Strathclyde Pension Fund regarding the Climate Change Strategy for Strathclyde Pension Fund.

After consideration, the Board noted that it was proposed that Strathclyde Pension Fund

- (1) produce a high-level climate action plan;

- (2) adopt an interim target for carbon reduction of at least 45% from the baseline by 2030;
- (3) use the IGCC Net Zero Investment Framework as the basis for producing its climate action plan;
- (4) join the Paris Aligned Investment initiative; and
- (5) adopt and implement with immediate effect the energy company standards framework as detailed in Appendix B to the report.

**Business plan 2022/23 noted.**

**14** There was submitted and noted a report by the Director of Strathclyde Pension Fund regarding the proposed terms of a business plan for Strathclyde Pension Fund Office for 2022/23, detailing performance objectives and development priorities together with the draft budget to deliver the plan.

**Internal Audit - Annual audit report and annual governance statement Plan 2022/23 noted.**

**15** There was submitted and noted a report by the Head of Audit and Inspection regarding the annual audit report and annual governance statement for 2022/23 for Strathclyde Pension Fund.

**Internal Audit – Pension Fraud Investigation noted.**

**16** There was submitted and noted a report by the Head of Audit and Inspection regarding an investigation into a significant overpayment of pension.

**Audit Scotland – Annual audit plan 2021/22 for Strathclyde Pension Fund – Position noted.**

**17** The Board noted that Audit Scotland’s annual audit plan 2021/22 for Strathclyde Pension Fund would not be available for consideration by Strathclyde Pension Fund Committee on 2nd March 2022, however details of the audit plan would be included in the updated Finance report which would be submitted to that committee.

**Strathclyde Pension Fund - Administration Performance – Position noted.**

**18** 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 31st December 2021.

**Financial statements – Current position noted.**

**19** 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 10 from 1st April to 17th December 2021.

**Risk Register – Position noted.**

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