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STRATHCLYDE PENSION FUND BOARD'S MINUTES.

By video conference, 23rd February 2021.

Strathclyde Pension Fund Board.

Item 8

3rd March 2021

- Present: Andy Thompson, GMB (Chair); James Corry, UNISON; and Stephen Kelly, UNISON.
- Apologies: Mark Dickson, Scottish Water; Councillor Tom Fisher, North Lanarkshire Council; Thomas Glavin, UNITE; and Councillor Collette Stevenson, South Lanarkshire Council.
- Attending: A Wyber (Clerk); R McIndoe, Director of Strathclyde Pension Fund; J Gillies, I Jamison, R Keery and L Welsh (Strathclyde Pension Fund Office); S Tough and L Pendrich (for the Executive Director of Finance); and C MacKenzie (for the Chief Executive).

Declarations of interest.

- 1 There were no new declarations of interest.

Training events noted etc.

- 2 The Director of Strathclyde Pension Fund advised the Board of a number of forthcoming training events.

After discussion, the Board

- (1) noted the forthcoming training events; and
- (2) agreed that the Director of Strathclyde Pension Fund would circulate details of these training events.

Timetable of Board meetings noted etc.

- 3 The Board heard that Mark Dickson, Scottish Water had intimated that on a number of occasions meetings of this Board had clashed with Scottish Water Board meetings and had asked if there was an alternative to holding these Board meeting on the last Wednesday of the month and to perhaps send out a few options for Board dates and then set the dates based on responses to ensure maximum attendance.

After discussion, the Board

- (1) noted that the next meeting of the Board was scheduled to take place on Wednesday, 26th May 2021 at 1000 hours; and

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- (2) agreed to look into the possibility of rescheduling the Board meetings to another day or time but noted that there was limited scope to change the Board meetings date due to the timetabling of Strathclyde Pension Fund Committee.

DXC Technology and Hewlett Packard Enterprise involvement in Occupied Palestinian Territories – GES updated report noted

4 With reference to the minutes of 18th November 2020 agreeing that the Director of Strathclyde Pension Fund would ask GSE for an update report on their agreed monitoring of the involvement of DXC Technology (DXC) and Hewlett Packard Enterprise (HPE) in the Occupied Palestinian Territories (OPT), there was submitted a report by the Director of Strathclyde Pension Fund on the matter, advising that

- (1) attached as an Appendix to the report was an updated report from Sustainalytics in relation to DXC and HPE in the OPT; and
- (2) as at 31st December 2020, Strathclyde Pension Fund held around £20m of HPE equity and held no equity in DXC.

After consideration and having heard the concerns of members, the Board noted Sustainalytics updated report in relation to DXC and HPE in the OPT.

Hymans Robertson – Presentation noted.

5 The Board noted that Hymans Robertson would make a short presentation on the Review of the Strategy to Strathclyde Pension Fund Committee on 3rd March 2021.

Review of investment strategy noted.

6 There was submitted and noted a report by the Director of Strathclyde Pension Fund regarding the conclusion of a review of the Fund's investment strategy and structure.

Strathclyde Pension Fund – Actuarial valuation report and revised Funding Strategy noted.

7 There was submitted a report by the Director of Strathclyde Pension Fund regarding the actuarial valuation report for Strathclyde Pension Fund as at 31st March 2020, which had been carried out by the Fund's consulting actuaries, Hymans Robertson and a revised Funding Strategy Statement.

After consideration, the Board noted

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- (1) the actuary's draft report in respect of the 2020 actuarial valuation; and
- (2) the proposed publication of the Funding Strategy Statement, as detailed in the report.

Direct Investment Portfolio - Investment proposals noted.

8 The Board noted a verbal report by the Director of Strathclyde Pension Fund regarding proposals to invest in RiverRock Sustainable Industry Finance Fund and Tosca Debt Capital Fund III within the Direct Investment Portfolio, which would be considered by Strathclyde Pension Fund Committee on 3rd March 2021.

Member Data Services – Proposed appointment noted.

9 There was submitted a report by the Director of Strathclyde Pension Fund regarding the outcome of a tendering exercise for a Member Data Services provider for Strathclyde Pension Fund, commencing on 1st May 2021 until 30th September 2024.

After consideration, the Board noted the proposed appointment of Accurate Data Services as a Member Data Services provider for Strathclyde Pension Fund, at an estimated cost of £45,000 per annum.

Review of communications policy noted.

10 There was submitted and noted a report by the Director of Strathclyde Pension Fund regarding a proposed revised communications policy and its implementation.

Business plan 2021/22 noted.

11 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 2021/22, detailing performance objectives and development priorities together with the draft budget to deliver the plan.

Minutes of Strathclyde Pension Fund Board noted etc.

12 The minutes of Strathclyde Pension Fund Board of 18th November 2020 were submitted and noted, subject to paragraph 17 being amended to read:-

“requested an update report on their agreed monitoring of the involvement of DXC Technology (DXC) and Hewlett Packard Enterprise (HPE) in the Occupied Palestinian Territories (OPT)”.

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Strathclyde Pension Fund – Investment performance noted.

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

- (1) the investment performance to 31st December 2020;
- (2) a summary of the portfolio investment as at 31st January 2021;
- (3) the outcome of the Investment Advisory Panel meeting of 11th February 2021; and
- (4) the responsible investment activity for quarter 4.

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 31st December 2020.

Financial statements – Current position noted.

15 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 11 from 1st April 2020 to 15th January 2021.

Risk Register – Position noted.

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