

AVON PENSION FUND COMMITTEE

Minutes of the Meeting held

Friday, 26th March, 2021, 2.00 pm

Bath and North East Somerset Councillors: Bruce Shearn (Chair), Shaun Stephenson-McGall (Vice-Chair), Chris Dando, Paul May and Manda Rigby

Co-opted Voting Members: Councillor John Cato (North Somerset Council), Councillor Steve Pearce (Bristol City Council), Charles Gerrish (Academies), William Liew (HFE Employers), Richard Orton (Trade Unions), Shirley Marsh-Hughes (Independent Member), Pauline Gordon (Independent Member) and John Finch (Independent Member)

Co-opted Non-voting Members: Wendy Weston (Trade Unions) and Cllr John Goddard (Parish and Town Councils)

Advisors: Steve Turner (Mercer)

Also in attendance: Tony Bartlett (Head of Business, Finance and Pensions), Liz Woodyard (Investments Manager), Nathan Rollinson (Assistant Investments Manager), Geoff Cleak (Pensions Manager), Kathryn Shore (Technical and Compliance Advisor), Carolyn Morgan (Governance and Risk Advisor) and David Richards (Finance & Systems Manager (Pensions))

48 WELCOME & INTRODUCTIONS

The Chair of the Committee welcomed everyone to the meeting.

49 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies had been received from Councillor Toby Savage (South Gloucestershire Council) and co-opted member Mike Rumph.

50 DECLARATIONS OF INTEREST

There were none.

51 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

52 ITEMS FROM THE PUBLIC - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS

Councillor Martin Fodor, Redland Ward, Green Party addressed the Committee. A copy of his statement is attached as an online appendix to these minutes, a summary is set out below.

Divestment is the common term for making investments free of fossil fuels. Calls for private and public funds to divest have grown around the world thanks to pressure from activists - with some investors and bankers belatedly waking up to the drastic impact of drilling, mining and burning fossil fuels on the global climate. The pace has been accelerating as the evidence of climate breakdown grows. Warnings from scientists to stop releasing greenhouse gases are ever more urgent.

For investors there's also a serious risk of 'stranded assets' as stocks based on expectations of continued extraction permanently lose their value when the minerals have to stay in the ground.

What analysis has the fund done of the recent price crashes and revaluations of assets in the fossil fuel based investments held by the fund? How certain are you that you are not risking exposure to stranded assets?

The fund invests through the Brunel Pensions Partnership. In January 2020 Brunel gained headlines for a new policy:

“between now and 2022, Brunel will demand that their material holdings take steps to align their emissions with Paris benchmarks Those that fail to do so will face the threat of votes against the re-appointment of Board members, or being removed from Brunel's portfolios when the partnership carries out a stocktake of its policy's effectiveness in 2022.”

This seems like good news. But the Paris carbon commitments are nowhere near good enough. The UN found that if every country follows through its commitments under the accords, the result would be global heating of over 3 degrees by the end of the century. This would cause catastrophic runaway heating of the planet.

Continuing to invest in big polluters while merely sending letters or threatening votes just delays alternative approaches. Many campaigners took the announcement by Brunel as the start of divestment. But apart from a gradual placing of some new funds into lower carbon stocks it wasn't. And despite confirmation at the Fund's June 2020 meeting that these 'greener' investments had been more successful through the pandemic than the traditional fund holdings - no increase was approved.

There's therefore another dimension you need to assess: reputational risk. The fund represents local authorities who have all declared a climate emergency and this stance is backed by the largest staff union, Unison, as you know. At the same time the eyes of the world will be on action underway in the UK this autumn with the Conference of the Parties in Glasgow.

Are you prepared for further scrutiny as Paris commitments get left behind?

It was a surprise to me when in September 2020 Bristol was credited in international press, following a C40 cities press release that claimed Bristol City Council supports divestment. Was the Avon Pension Fund equally surprised?

Among the official C40 declaration there are clear commitments to:

“Take all possible steps to divest city assets from fossil fuel companies and increase investments in climate solutions”

“Call on pension funds to divest from fossil fuel companies and increase financial investments in climate solutions.”

Bristol’s own specific commitments amount to:

“...support our staff pension fund, the Avon Pension Fund, in its objectives to reduce fossil fuel investment and increase sustainable investments.”

“...call on Avon Pension Fund to set out a clear timetable and set of metrics as part of its review of its alignment of its portfolio with the Paris agreement“

It’s debatable whether you’ve done even this – maybe you could confirm the timetable?

As a Green I think an emergency requires action not just ‘monitoring’. This committee should:

- Publicly commit to accelerate the action by APF, to revisit the Brunel Partnership Investment Strategy and its 2year delay. We need to demand a target of net zero by 2030 – the same as our climate emergency target. When will you align with the commitments by all the constituent authorities?
- Inform the workforce of other options for shifting funds out of fossil fuels over a 5 year period, highlighting the benefits of this compared to risks of stranded assets.
- Direct the APF to innovate by putting some of its funds into community energy projects, and dramatically stepping up funding into cleaner energy and diversifications tried elsewhere eg the new Renewables Infrastructure Funds.

The Chair thanked Councillor Fodor for his statement and said that a written response to the questions and points raised would be sent to him in due course.

Alasdair Yule, B&NES UNISON Branch Green Officer, addressed the Committee on behalf of B&NES UNISON Branch, Bristol UNISON Branch, North Somerset UNISON Branch, Bath Spa University UNISON, Bath University UNISON Branch and the University of the West of England UNISON Branch. A copy of his statement is attached as an online appendix to these minutes, a summary is set out below.

The September 2020 Investment Strategy Statement (ISS) states the Avon Pension Fund will ‘use the Fund’s power as a shareholder to encourage change’ in the companies in which it invests, to support the transition to a low carbon economy, and align with the Paris Goals.

It also states that “If engagement does not work ahead of the Paris Stocktake in 2023... *the fund...* will consider selective divestment from laggard companies”.

Please can the committee report on the following;

- Has the fund identified which companies in which it invests are engaging in fossil fuel extraction and fossil fuel energy production?
- How is the progress those companies are making towards decarbonisation being measured?
- Has the fund begun the process of assessing which, if any, of those companies will be considered for selective divestment ahead of the Paris Stocktake in 2023, owing to their insufficient progress towards meeting the 2015 Paris Agreement?
- If not, when does the fund plan to begin the process of identifying these laggard companies?

We emphasise that burning all the oil and gas from currently operating fields would take global warming beyond 1.5°C. It is imperative to stop all new fossil fuel infrastructure and fossil fuel industry expansion.

There is a strong financial case for divestment from fossil fuels to avoid future losses. Studies show that fossil fuel use will peak in the 2020s, after which investors in the industry should expect significant losses. Increasing numbers of investors are divesting from fossil fuels, purely on financial grounds.

Divestment from companies that base their business model on fossil fuel extraction can be aligned with the fiduciary duty of the Fund to scheme members.

The Chair thanked Alasdair Yule for his statement and said that a written response to the questions and points raised would be sent to him in due course.

Councillor Martin Fodor Statement March 2021

53 ITEMS FROM COUNCILLORS AND CO-OPTED AND ADDED MEMBERS

There were none.

54 MINUTES - 11TH DECEMBER 2020

The minutes were approved as a correct record.

55 DRAFT PENSION BOARD MINUTES: 25TH FEBRUARY 2021

The Committee noted the minutes of the Pension Board from their meeting that took place on 25th February 2021.

56 2021 - 24 SERVICE PLAN AND BUDGET

The Head of Business, Finance and Pensions introduced this report to the Committee. He explained that the Service Plan sets out the Pension Fund's objectives for the next three years and that the three-year budget supports the objectives and actions arising from the plan, including work relating to the investment strategy, risk management and compliance and improvements in the administration of the Fund.

He highlighted some of the main focus areas of the Plan.

- Develop and implement fully digitalised services to members and employers to increase operational efficiency and capacity; this will include gap analysis and specification of digital requirements across all stakeholders
- Monitor transition of final assets to Brunel and ongoing performance of portfolios and ensuring Brunel are delivering the Fund's strategic objectives
- To meet our climate objectives, review the equity allocation with objective to having all equity assets managed in sustainable or Paris Aligned investment strategies
- In light of the interim valuation, consider whether the current investment strategy meets the funding objectives or whether the level of risk embedded in the strategy is too low
- Plan for the expected burden on Fund administration resulting from the McCloud remedy (including potential Fire scheme related Immediate Detriment cases) and GMP rectification exercises.
- Undertake any necessary work to ensure the objectives of the Good Governance Report are met once scheme regulations and statutory guidance are in place.

The budget approved for Administration in 2020/21 was £3.7m. The proposed budget for 2021/2022 increases to £4.0m. The increase will include the appointment of both a Transformation Manager and Project implementation officer and include the strengthening of the existing management team and the temporary additional resource to support administration requirements as a result of the expected McCloud remedy.

He acknowledged that it had been a testing time for all staff and that vacancies within the teams were being addressed and strengthened where possible.

Wendy Weston asked why a number of tasks within the Administration Strategy were on hold.

The Head of Business, Finance and Pensions replied that since the first national lockdown was imposed in March 2020 a number of significant changes have been required to our ways of working and technical procedures. He added that a revised

Administration Strategy will be brought to Committee for consideration later in the year.

Councillor John Cato referred to Appendix 2a and asked why the task 'Iconnect reporting - Dashboard in place and development of pre load data validation in progress' was not listed as behind schedule as its original target date was December 2020 and its completion date had now been revised to March 2022. He also asked if the information listed in the table could be shown as a Gantt Chart.

The Head of Business, Finance and Pensions replied that the table was a summary of a larger project document and that a Gantt Chart could be provided. He added that with regard to Iconnect rollout it had been suspended for a period of time due to Covid-19 and that a number of projects had also been rephased to give more realistic timescales.

Richard Orton commented that he was surprised that there was not a greater reference to staffing within the report.

The Head of Business, Finance and Pensions apologised if this was seen as an omission and said that contact with staff has remained on a regular basis, especially in terms of digital / communication issues and any operational problems. He said staff training and development has continued through the past year. He added that staff were and will continue to be at the forefront of our plans.

Shirley Marsh-Hughes asked if the increase in salaries planned for 2022/23 should be maintained in 2023/24 rather than decreased to allow for any potential additional projects and business.

The Pensions Manager replied that the budget figures have been produced with the potential McCloud remedy in mind and the resources that could be required to implement that.

Pauline Gordon asked if the two entries below from the Service Plan were related.

- Develop online portal for PC & LPB members – public and secure areas
- Review papers and content that go to committee and set up library on Modern Gov

The Head of Business, Finance and Pensions replied that they were related. He said that the portal would provide members access to agenda papers and act as a repository for where updated information can be shared.

Councillor Shaun Stephenson-McGall asked if there was enough available officer time to develop the stakeholder communications strategy.

The Head of Business, Finance and Pensions replied that they had recently recruited into the communications team and were assessing their options for social media use. He added that one format that was being progressed by the Fund was LinkedIn.

The Committee **RESOLVED** to approve the 3 Year Service Plan and Budget for 2021-24 for the Avon Pension Fund.

57 TREASURY MANAGEMENT POLICY

The Finance & Systems Manager (Pensions) introduced this report to the Committee. He explained that the Fund's Treasury Management policy was approved in June 2020 and that the policy closely mirrors the Council's policy set out in the Councils' Annual Treasury Management Strategy.

He stated that the Committee are asked to approve the Treasury Management policy each year and that the policy proposed for 2021/22 is the same as the policy approved in June 2020.

Shirley Marsh-Hughes asked if the Property Fund listed in the counter parties was an appropriate asset class for the Fund to invest in.

The Finance & Systems Manager replied that it would act in the same way as a Money Market Fund which we already use extensively and have liquid assets.

Councillor Shaun Stephenson-McGall asked if the Triodos Bank, which has its HQ in Bristol, has been considered to be added to the counterparty list of UK Banks for Unsecured Bank Investments.

The Finance & Systems Manager replied that he would need research and reply after the meeting.

Subsequently the Treasury Management team have confirmed that Triodos fails the credit rating criteria; our minimum is A- whereas Triodos credit rating is only BBB, therefore they would not be considered to become an approved counterparty at this stage.

William Liew asked what the position would be if interest rates were to turn negative.

The Group Manager for Funding, Investment & Risk replied that the Fund has quite a limited use of Treasury Management in relation to its working balance. She added that it would be an issue for any of the Euro deposits within the custodian bank.

The Committee **RESOLVED** to approve the Treasury Management Policy.

58 ANNUAL REVIEW OF RISK MANAGEMENT & REGISTER

The Governance & Risk Advisor introduced this report to the Committee. She informed them that over the last year, all risks have been reviewed at least once and that there have been the following changes:

- 1 new risk added
- 5 risks removed or combined with other risks
- 10 risk scores increased
- 4 risk scores decreased
- 16 risks remained unchanged

She explained that the new risk was added to the register in May 2020 to reflect the difficulties for the Fund in sustaining homeworking arrangements during the Pandemic. She added that this situation continues to be monitored with risk assessments carried out for all staff, processes reviewed & digital solutions implemented where possible. She said that it was planned for new IT equipment to be issued to all staff in 2021 and a new digital strategy will be planned over the next year.

Councillor John Cato referred to risk number 'R28 - Recruitment of staff' and asked how this particular risk was likely to affect others over time.

The Governance & Risk Advisor replied that this risk remained high as difficulties in recruitment had remained in place for a large portion of the year. She added that a number of additions have recently been made to the Fund team.

The Pensions Manager added that a three-phase approach to recruitment commenced in the Autumn of 2020 to allow for a gradual introduction of new team members. He said that he believed that this risk was being managed as best it could in the current circumstances.

Councillor Paul May commented on the future role of the FCA (Financial Conduct Authority) and asked if there should be a separate risk allocated should this change significantly in the future.

The Head of Business, Finance and Pensions replied that the Fund would need to see what potential changes there could be, but that this was likely to have an impact on Brunel. He said that in addition there could possibly be governance and scrutiny changes to consider.

Pauline Gordon asked why the Trend column was showing as flat in Appendix B and had movement identified in Appendix A.

The Governance & Risk Advisor replied that Appendix A shows a comparison for the whole year and Appendix B only shows movement from one quarter to the next.

Shirley Marsh-Hughes referred to risk number 'R23 - Deterioration in financial stability of employers (employer Covenants)' and noted that it had moved from a likelihood of possible to likely and now had a high impact level. She asked if the Committee should be receiving more direct information regarding the risk.

The Group Manager for Funding, Investment & Risk replied that all employers currently have additional financial pressures and that this is an area to monitor ahead of the next valuation. She said that there was an ongoing programme of work relating to this issue.

The Committee **RESOLVED** to note the report.

59 BRUNEL PENSION PARTNERSHIP - UPDATE ON POOLING

The Group Manager for Funding, Investment & Risk introduced this report to the Committee. She said that the transition of the listed assets was nearing completion

for Avon with only the Multi asset Credit mandate to transfer. She added that following the transition they would be able to move into a business as usual stage.

She informed the Committee that the latest meeting of the Brunel Oversight Board had been held last week. She added that a number of reserved matters had been approved over the last few months.

She stated that ahead of the 2022 stocktake there was still a great deal of work to be done.

Charles Gerrish asked how the Fund would absorb the proposed 3% increase in the Brunel budget for 2021/22

The Group Manager for Funding, Investment & Risk replied that it was already accounted for within the Service Plan and that their budget had been approved by the clients of Brunel.

The Head of Business Finance & Pensions stated that there was a new structure to the Brunel Board that had been agreed by the Brunel Oversight Board and Shareholders to increase the number of Non-Executive Directors to five, giving it a total composition of nine and therefore the balance of power sits with the Non-Executives in line with best practice.

He said that a new Shareholder Non-Executive Member had been appointed, a new Investment Officer (David Vickers) recruited and a new Chair of the Oversight Board (Robert Gould) was now in place.

He said that a budget of £10.5m had been agreed with the Brunel Board which includes some room for growth in resources in terms of private markets and risk management.

The Committee **RESOLVED** to note:

- i) The progress made on pooling of assets
- ii) The updated project plan for the transition of assets.

60 INVESTMENT PANEL ACTIVITY

The Investments Manager introduced this item to the Committee. Regarding Private Markets Portfolios he explained that under their delegated powers the Panel considered whether to top up Cycle 2 commitments to the Secured Income, Renewable Infrastructure and Private Debt portfolios in line with the strategic allocation weights determined at 2019/20 investment review.

He said that given market uncertainty due to the pandemic in April 2020, the Fund scaled back its initial commitment to Cycle 2 with the intention to review whether to top up in March 2021.

He stated that following a presentation by Brunel the Panel agreed to top up the Cycle 2 commitments to the full strategic asset allocation weights in line with the recommendation from Mercer.

Councillor Shaun Stephenson-McGall thanked the members of the Investment Panel for their detailed questions at the meeting which took place on 26th February 2021.

The Committee **RESOLVED** to:

- i) Note the decisions as summarised in paragraph 4.1
- ii) Note the draft minutes of the Investment Panel meeting on 26th February at Appendix 1 and Exempt Appendix 2.

61 INVESTMENT PERFORMANCE AND STRATEGY MONITORING (FOR PERIODS ENDING 31 DECEMBER 2020)

The Investments Manager introduced this report to the Committee. On the issue of Responsible Investment Activity he explained that Brunel was one of 16 institutional investors that co-filed a climate change resolution at HSBC, co-ordinated by ShareAction. It called on HSBC to publish a strategy and targets in order to reduce its exposure to fossil fuel assets on a timeline consistent with Paris climate goals.

He added that in March there was intensive engagement with HSBC in the lead up to its AGM that resulted in Brunel and all co-filers withdrawing the resolution on the understanding that HSBC would put forward their own resolution that includes commitments to set, disclose and implement a strategy with short- and medium-term targets to align its provision of finance across all sectors with the goals and timelines of the Paris Agreement, to phase out the financing of coal-fired power and thermal coal mining by 2030 in the European Union and by 2040 in other markets and to produce an annual report on the progress of the strategy.

Steve Turner, Mercer added that the funding level increased from 93% to 95% over the quarter to 31st December 2020. He said that based on investment returns and net cashflows into the Fund, the deficit was estimated to have reduced over 4Q20, from £376m to £272m.

He informed the Committee that the currency hedging programme is in place to manage the volatility arising from overseas currency exposure, in particular to protect the Fund as sterling strengthens and returns from foreign denominated assets reduce in sterling terms.

He explained that the Fund's Equity Protection Strategy declined in value over the quarter, as markets rose further from the protection levels in place and that this detracted from the overall fund return over the quarter.

He added that officers, acting on advice from Mercer, considered a tactical opportunity to restrike the protection levels given the significant increase in the underlying equity markets, which would allow further upside participation. He said that due to unattractive pricing and the potential losses incurred under a downside scenario, officers agreed to take no action but to keep the prospect of closing out the structure ahead of time - and moving to a dynamic approach sooner - under review.

Councillor John Cato asked if the 3.2% net investment return mentioned in section 5.1 of the report was due to new contributions or performance of the fund.

The Group Manager for Funding, Investment & Risk replied that there were no monthly contributions to invest so the return was due to asset performance.

Councillor Steve Pearce commented that he had responsible investment concerns with regard to human rights abuse in China. He proposed that the Committee should receive a general report on the Social element of ESG (Environmental, Social and Governance).

The Group Manager for Funding, Investment & Risk replied that Brunel have been addressed on this issue and that it was difficult to assess the potential exposure. She added that officers could try to analyse and report back.

The Committee **REOLVED** to note the information set out in the report and appendices.

62 UPDATE ON LEGISLATION

The Technical & Compliance Advisor introduced this report to the Committee. Referring to the HMT Public Sector Exit Payments Cap she explained that on February 12th, the Government issued directions which disapply parts of the regulation with immediate effect.

She said the exit cap therefore doesn't apply to anyone leaving on or after 12th February, and as such a member who is dismissed on grounds of redundancy or business efficiency, who is over the age of 55, can once again receive a fully unreduced pension regardless of the cost to their employer. The guidance on the directions further set out HM Treasury's expectation that employers should pay any additional sums that would have been paid had the cap not applied for employees who left between 4 November when the regulations came into force and 12th February.

She stated that following this decision the Fund has no cases to respond to and therefore no rectification exercise to complete. She added that it was possible that a revised cap might be proposed by the end of the year and if so a further consultation exercise on any changes required to the LGPS regulations, as a result, would be carried out.

Referring to McCloud she said that on 4th February 2021, HMT published its response to the consultation on changes to the transitional arrangements in respect of the unfunded public service pension schemes only. She added that as previously advised, changes to the LGPS were consulted on separately by MHCLG and we expect them to make a Written Ministerial Statement outlining some key remedy policies shortly and a full consultation response will follow later in the year.

She informed the Committee that the Phase III report of the Good Governance in the LGPS had now been published on the Scheme Advisory Boards website along with the Board's action plan which has been submitted to the Local Government Minister for consideration.

She said that the TPR have launched a consultation on the introduction of a new Single Modular Code.

Shirley Marsh-Hughes asked if the cost threshold had been breached with regard to the 2019 valuation and if any work was therefore required.

The Technical & Compliance Advisor replied that it was unclear at the moment as they were awaiting directions from the Treasury as to how they are going to include the cost of McCloud. She added that the Scheme Advisory Board will follow that guidance when announced.

Shirley Marsh-Hughes referred to the exit payment legislation and asked if no cap is in place will employers have to pay the full amount of any strain costs.

The Technical & Compliance Advisor replied that yes, all employers would be accountable for strain costs if there is no cap in place.

The Committee **RESOLVED** to note the current position regarding the developments that could affect the administration of the fund.

63 FUNDING & EMPLOYER UPDATE

The Group Manager for Funding, Investment & Risk introduced this report to the Committee. She explained that it shows how employer risks are monitored and managed.

She highlighted the following points from within the report.

Employers are reviewing their costs and, in some cases, where permitted, this can mean considering closing to new accruals or exiting the Fund. The Fund is working with many employers, in a wide range of circumstances, to share information for decision making (including membership data, funding updates) whilst ensuring the Fund's policies are communicated clearly and implemented in accordance with the Regulations and Funding Strategy Statement.

McCloud - The Government confirmed that the judgement would apply to the LGPS, and the Scheme Advisory Board set out how McCloud should be allowed for in the 2019 Valuation. There has been no further update, although a Ministerial Statement is expected soon. Although no change to the Regulations has yet been made, we know that a liability exists. Therefore, potential costs arising from McCloud need to be considered when employers exit the Fund.

Shirley Marsh-Hughes asked if employers pay for their own actuarial or legal advice.

The Group Manager for Funding, Investment & Risk replied that the Fund would charge employers if the nature of the advice was driven by them.

The Committee, having been satisfied that the public interest would be better served by not disclosing relevant information, **RESOLVED**, in accordance with the provisions of the Section 100(A)(4) of the Local Government Act 1972 that the public should be excluded from the meeting for this item of business, because of the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act as amended.

The Committee **RESOLVED** to note the report.

64 PENSION FUND ADMINISTRATION - OVERVIEW & SUMMARY PERFORMANCE REPORT

The Pensions Manager introduced this report to the Committee and highlighted the following areas from within it.

As per TPR guidance the Fund has focussed on critical member processes including those related to the payment of retirement and death benefits.

Appendix 2 (Annex 1 & 2) and Appendix 2a provide details of APF performance up to the end of the quarter for all KPI's measured against both SLA and statutory legal deadlines. KPI's continue to be monitored and reported for review on a bi-weekly basis.

Appendix 2 (Annex 3) reflects the position at the end of December with an overall total of 3,294 cases outstanding of which 1,828 (55%) are workable. This represents a minor decrease in outstanding workable cases over the previous period.

There has been a reduction in recorded common data errors across most membership categories, with an improved overall data score of 95.38% for the quarter ending December 2020. Improvements in the data score can be partly attributed to the missing CARE project that has been underway for the last 6 months which is now seeing positive results from employers and progress continues to be made with the address tracing project.

The project undertaken to trace and correct missing member addresses is continuing. Of the 6,700 cases originally identified 4,740 positive matches have been confirmed by the tracing agency of which 32% have individually been verified as correct. Further work is ongoing to complete the project members and to address those cases as yet unprocessed. A detailed report on progress will be presented at the next committee meeting.

Transfers In – Due to working from home and lockdown restrictions with access to the office these cases were initially not a priority and our main focus was on paying benefits, transfer in cases are currently delayed at print stage causing a backlog.

The administration recruitment project is still ongoing and currently in phase 2 of 3. The induction and training of newly appointed members of staff via the new training officer program is in place and working well. A project lead has now been appointed for the McCloud data collection project, this was an internal appointment and backfilling is currently underway.

Shaun Stephenson-McGall commented that he welcomed the proposed report to the next Committee regarding missing member addresses.

The Committee **RESOLVED** to note the Fund and Employer performance for the three months to 31st December 2020.

65 BUDGET & CASH FLOW MONITORING

The Finance & Systems Manager (Pensions) introduced this report to the Committee and highlighted the following points.

An underspend of £383,500 on Brunel fees was incorrectly included within forecast expenditure. This means that forecast expenditure for the year to 31 March 2021 should actually be £456,000 under budget, not the £839,500 referred to in the report.

In the part of the budget that is not directly controlled, the forecast for the year is an overspend of £92,295 and not an underspend of £291,205 as stated within the report.

Within the directly controlled Administration budget expenditure is forecast to be £548,295 under budget. The forecast reduction in directly controlled expenditure is largely related to salaries, due to delays in filling vacant posts. There are also predicted underspends in relation to staff travel and training, because of the pandemic. There are further underspends relating to communications and information systems.

The Committee **RESOLVED** to note:

i) The administration and management expenditure incurred for 11 months to 28 February 2021.

ii) The Cash Flow Forecast at 28 February 2021.

66 WORKPLANS

The Governance and Risk Advisor introduced this report to the Committee.

She explained that the purpose of the work plans is to provide members with an indication of their future workload and the associated timetable.

She said that the provisional training programme for 2021/22 was also included so that Members are aware of intended training sessions and workshops.

Shirley Marsh-Hughes commented that she would welcome further training related to Climate Change.

Councillor Steve Pearce suggested that Social Governance could be a future focus area for the Committee.

The Head of Business Finance & Pensions asked what the options were in the coming months in terms of virtual meetings.

The Democratic Services Officer replied that the current emergency regulations that enable Councils to meet virtually are due to expire on May 6th. He added that this is being legally challenged through an application to the Courts by the Lawyers in Local Government, the Association of Democratic Services Officers and Hertfordshire County Council to declare that councils already have the powers needed to hold online meetings. An announcement on these proceedings is expected in April.

He said that room capacities have been assessed at the Guildhall and they are considerably smaller than before, but bookings have been made post May 6th in case we are not allowed to continue virtually.

Councillor Shaun Stephenson-McGall wished good luck to those members that were due to be taking part in the upcoming local elections. He also advised that the Liberal Democrat Group within Bath and North East Somerset Council would be holding their own internal elections.

The Chair said that he echoed the words of Councillor Stephenson-McGall and that it had been a privilege to work with everyone on the Committee.

The meeting ended at 4.15 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services