

**GREATER MANCHESTER PENSION FUND
MANAGEMENT PANEL**

14 July 2023

Commenced: 10.00am

Terminated:12.35pm

Present: Councillor Cooney (Chair)

Councillors: Axford (Trafford), Billington, Boyle, Drennan, Fitzpatrick, Jabbar (Oldham), Jones, Martin, Mistry (Bolton), O'Neill (Rochdale), North, Sheikh (Manchester), Smart (Stockport), Taylor, Walters (Salford) and Ward

Ms Herbert (MoJ) joined the meeting virtually

Fund Observers:

John Pantall – Independent Advisor

Councillor Taylor (Stockport)

Apologies for Absence: Councillors Grimshaw (Bury), Lane, Quinn, Rehman (Wigan) and Ricci

1. CHAIR'S OPENING REMARKS

The Chair, Councillor Cooney, began by welcoming new and returning Trustees and in particular, Councillor Jaqueline North as the new Vice Chair and Cllr Jim Fitzpatrick who was re- elected this year and had returned as the Deputy of the Fund.

He further extended a very warm welcome to those who had just been appointed to the Fund: from Tameside: Cllr Laura Boyle, Cllr Charlotte Martin, Cllr George Jones and Cllr Liam Billington.

And from other Local Authorities:

Cllr Champak Mistry – Bolton – replacing Cllr Amy Cowen

Cllr Basat Sheikh – Manchester – replacing Cllr Paul Andrews

Cllr Shaun O'Neill – Rochdale - replacing Cllr Philip Massey

Cllr Andrew Walters – Salford – replacing Cllr Michele Barnes

Cllr Jill Axford – Trafford – replacing Cllr Dylan Butt

Cllr Nazia Rehman – Wigan – replacing Cllr Keith Cunliffe

The Chair also extended thanks and gratitude to the retired members of the Panel for their contribution to the work of the Fund over the last year.

The Chair then announced the recent sudden and untimely death of David Schofield, who was a Local Board Trade Union member and previous Panel member. He had been a stalwart to the Fund and would be sadly missed, particularly for his good humour and pragmatic interventions. The meeting then stood and observed one minutes silence in respect.

The Chair stated that ordinary people working in public sector jobs serving their communities, get to live out their retirement years with security and dignity, was a noble cause. There was nothing more important than safeguarding the deferred pay, which were the pensions of public sector workers, whilst balancing the need to ensure that they were affordable and sustainable to the employers and taxpayers alike. He reminded everyone that attendance at meetings was important and in particular to undertake the training provided to ensure that members had the appropriate skills and knowledge to be a trustee.

On the 23 June 2023 Government published the Economic Activity of Public Bodies (Overseas Matters) Bill to ban LGPS administering authorities from making investment decisions influenced

by political and moral disapproval of foreign state conduct, except where this was required by formal Government legal sanctions, embargoes, and restrictions.

The Scheme Advisory Board, who advised Government had pointed out that, the LGPS was a well-funded and well-run scheme. Administering authorities took their statutory and fiduciary duties around the investment of pension funds very seriously. As far as the Board was aware, there was no evidence that any LGPS fund had instituted inappropriate politically motivated boycott or divestment policies. There would be further reports on the bill as it made its way through Parliament and the implications for the Fund.

Members were advised that on the 15 June 2023, a letter from the Minister was sent to the Scheme Advisory Board on governance and reporting of climate change risks in the LGPS. DLUHC had confirmed that implementation of climate reporting obligations would be delayed at least until next year. Presuming regulations were forthcoming in time for 1 April 2024, reports covering the next financial year would need to be produced by December 2025. In the meantime, the Responsible Investment Advisory Group (RIAG) who advise the Scheme Advisory Board, and chaired by the Director of Pensions for the Fund, Sandra Stewart, were looking at what advice could be given to funds wishing to do a shadow reporting year, and also what could be done to standardise the development of climate reporting approaches at the pool level.

The Fund had been undertaking voluntary climate reporting and disclosure for over 7 years. The Chair was also pleased to announce that one of Fund's managers, Mushfiqur Rahman, had been awarded the CFA Environment Social and Governance certificate. Congratulations were extended to Mush for all the hard work he put into achieving the certification.

The Chair made reference to plans announced by the Chancellor to consult the Local Government Pension Scheme (LGPS) on new targets to double their existing investments in private equity to 10%, in a move that was intended to help unlock £25bn by 2030. The consultation also outlined a March 2025 deadline for all LGPS funds to transfer their assets into LGPS pools, suggesting that each pool should exceed £50bn of assets. The Northern Pool, consisting of GMPF, West Yorkshire and Merseyside Pension Fund were already collectively over £50billion at about £60 billion and there was oversight over 100% of the pool. In the consultation, the government suggested that whilst pooling had delivered "substantial benefits" so far, the pace of transition should accelerate to deliver further benefits, including improved net returns, more effective governance, increased savings and access to more asset classes. There were a number of other technical proposals as well. This would be studied very carefully and the Fund would be responding. It was agreed that there were opportunities to deliver the twin aims of unlocking investment into pioneering UK businesses, growing the economy, whilst ensuring affordable and sustainable pensions, and Government acknowledged that Greater Manchester Pension Fund had led the way on this, one of the fundamental beliefs of the Fund had always been that all decisions were in the best interests of members and the taxpayer and decisions were not based on politics or to address fiscal policy.

The Chair was pleased to note that the fantastic work done as the GMPF, elected members, officers and advisors, had been recognized, by GMPF being shortlisted in the LGPS Fund of the Year (assets over £2.5 billion at 31 March 2023) category. He added that, someone who should be very proud of this nomination as a testament and reflection of the contribution he has personally made, was one of the advisors, Ronnie Bowie, who after 36 years of shaping and supporting the Fund, had decided that the time had come for him to retire. Ronnie's history with the Fund began on 13 November 1987, and since then, the Fund had grown from strength to strength. To give one example; when Ronnie did his first valuation as the Fund's actuary in 1989, it had £1.9 billion of assets with just short of 14 thousand members. He leaves it in 2023 more than 100% funded, with a value of £30 billion and 420 thousand members. He had a huge impact on the ability of Greater Manchester to sustain affordable pensions for the public sector workforce and the huge number of people who had been able to live their retirement in comfort and dignity. The Chair thanked Mr Bowie for his hard work and commitment over the years and wished him well in his retirement and future endeavours. The Chair presented Mr Bowie with a gift. Mr Bowie responded in kind.

2. DECLARATIONS OF INTEREST

There were no new declarations of interest submitted by Members.

3. MINUTES

The Minutes of the proceedings of the meeting of the Pension Fund Advisory Panel held on 24 March 2023 were noted.

The Minutes of the proceedings of the meeting of the Pension Fund Management Panel held on 24 March 2023 were signed as a correct record.

4. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

(a) Urgent Items

The Chair announced that there were no urgent items for consideration at this meeting.

(b) Exempt Items

RESOLVED

That under Section 100 (A) of the Local Government Act 1972 the public be excluded for the following items of business on the grounds that:

- (i) they involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the act specified below; and
- (ii) in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information for reasons specified below:

Items	Paragraphs	Justification
9, 10, 11, 12, 13, 14, 15, 16, 17, 22, 23, 24	3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10	Disclosure would or would be likely to prejudice the commercial interests of the Fund and/or its agents, which could in turn affect the interests of the beneficiaries and/or tax payers.

5. LOCAL PENSIONS BOARD

The Minutes of the proceedings of the meeting of the Local Pensions Board held on 13 April 2023 were considered.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

6. INVESTMENT MONITORING AND ESG WORKING GROUP

The Minutes of the proceedings of the meeting of the Investment Monitoring and ESG Working Group held on 14 April 2023 were considered

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

7. ADMINISTRATION AND EMPLOYER FUNDING VIABILITY WORKING GROUP

The Minutes of the proceedings of the meeting of the Administration and Employer Funding Viability Working Group held on 14 April 2023 were considered

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

8. POLICY AND DEVELOPMENT WORKING GROUP

The Minutes of the proceedings of the meeting of the Policy and Development Working Group held on 22 June 2023 were considered

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

9. NORTHERN LGPS JOINT OVERSIGHT COMMITTEE

The Minutes of the proceedings of the meeting of the Northern LGPS Joint Oversight Committee held on 2 February 2023 were received.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

10. SCHEME GOVERNANCE/WORKING GROUP MEMBERSHIP

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

11. GMPF STATEMENT OF ACCOUNTS 2022-23 AND ANNUAL REPORT

A report was submitted by the Assistant Director, Local Investments and Property.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

12. RESPONSIBLE INVESTMENT UPDATE

A report was submitted and a presentation delivered by the Assistant Director of Pensions Investments.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

13. LGPS PERFORMANCE UPDATE

A presentation was delivered by Karen Thrumble of PIRC

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

14. INVESTMENT STRATEGY AND TACTICAL POSITIONING

A report and presentation was submitted by the Assistant Director of Pensions Investments.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

15. PERFORMANCE DASHBOARD

A report of the Assistant Director of Pensions Investments was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

16. LONG TERM PERFORMANCE 2022/23 – MAIN FUND AND ACTIVE MANAGERS

A report was submitted by the Assistant Director of Pensions Investments.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

17. CASH MANAGEMENT

A report was submitted by the Assistant Director of Pensions Investments.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

18. BUSINESS PLANNING, BUDGET AND RISK MANAGEMENT

A report of the Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

19. GMPF POTENTIAL EXITING EMPLOYER

A report of the Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

20. ADMINISTRATION UPDATE

A report was submitted by the Assistant Director of Pensions Administration.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

21. LGPS UPDATE

A report of the Assistant Director of Pensions Administration was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

22. FUTURE DEVELOPMENT OPPORTUNITIES

Trustee development opportunities were noted as follows:

LGA Fundamentals – Day 1, Manchester Piccadilly Hotel	5 October 2023
PLSA Annual Conference - Manchester	17-19 October 2023
LGA Fundamentals – Day 1 virtual (two half days)	19 October 2023 26 October 2023
UBS Training Day, Lowry Hotel, Manchester	30 October 2023
LGA Fundamentals – Day 2, Manchester Piccadilly Hotel	8 November 2023
LGA Fundamentals – Day 2 virtual (two half days)	16 November 2023 23 November 2023
LGA Fundamentals – Day 3, Manchester Piccadilly Hotel	13 December 2023
LGA Fundamentals – Day 3 virtual (two half days)	11 December 2023 19 December 2023

23. DATES OF FUTURE MEETINGS

It be noted that the date of future meetings be held as follows:

Management/Advisory Panel	15 Sept 2023 1 Dec 2023 8 March 2024
Local Pensions Board	20 July 2023 28 Sept 2023 25 Jan 2024 11 April 2024
Policy & Development Wrk Grp	7 Sept 2023 23 Nov 2023 22 Feb 2024
Investment Monitoring & ESG Wrk Grp	21 July 2023 22 Sept 2023 26 Jan 2024 12 April 2024
Administration & Employer Funding Viability Wrk Grp	21 July 2023 22 Sept 2023 26 Jan 2024 12 April 2024

CHAIR