

CUMBRIA PENSIONS COMMITTEE DECISIONS: 14 March 2023

PART I PAPERS

Item 9 (pages 27-38): Update from the Cumbria LGPS Local Pension Board

Pensions Committee resolved to:-

1. Note the update from the Cumbria Local Pension Board

Item 10 (pages 39-130): Fund Policy Document Annual Review

Pensions Committee resolved to:-

1. Approve the changes to the Introduction and Governance Policy Statements related to the new constitution of Westmorland and Furness;
2. Approve the changes to the Administration Strategy and Communications Policy, related to the changes in terminology used by Local Pensions Partnership Administration (LPPA);
3. Note that the Fund's Stewardship Report 2021/22 has been assessed by the Financial Reporting Council (FRC) as meeting the requirements of the FRC's UK Stewardship Code 2020;
4. Approve the changes to the Investment Strategy Statement;
5. Approve the updated Training Policy and 2023/24 Training Plan; and
6. Note and approve the other minor amendments made throughout the Fund Policy Document.

Item 11 (pages 131-216): Monitoring Report for the Quarter Ended 31 December 2022 – Part 1

Pensions Committee resolved to:-

1. Delegate to the Senior Manager – Pensions & Financial Services (Deputy Section 151 Officer - LGPS) full range of powers including taking all decisions, implementing decisions and acting as the authorised signatory for the Council where it is necessary to ensure the safe transfer of the Cumbria Pension Fund assets and pension administration activities from Cumbria County Council to Westmorland and Furness Council on the 1 April 2023;
2. Receive and note the performance and monitoring of the Fund for the period from 1 October 2022 to 31 December 2022;

3. Note issues arising relating to the governance of the Fund; and
4. Note changes to the Border to Coast Pensions Partnership Ltd (BCPP) Responsible Investment Policy, Corporate Governance & Voting Guidelines and Climate Change Policy which continue to be aligned with the underlying principles of the Fund's Investment Strategy Statement.

Item 12 (pages 217-236): Draft Pensions Fund Business Plan & Administration Budget 2023/24 (Part 1)

Pensions Committee resolved to:-

1. Approve the draft Business Plan for 2023/24; and
2. Approve the draft budget required to administer the Cumbria LGPS of £20.158m for 2023/24 (which has been constructed in support of the activities outlined in the Draft Business Plan).

CUMBRIA PENSIONS COMMITTEE: 14 March 2023

PART 2 PAPERS

Item 13 (pages 237-244): Draft Pensions Fund Business Plan & Administration Budget 2023/24 (Part 2)

Pensions Committee resolved to:-

1. Note the detailed 2023/24 budget for investment management fees as summarised in the 2023/24 Draft Business Plan and Administration Budget report presented in Part 1.

Item 14 (pages 245-294): BCPP Budget & Strategic Plan and Related Shareholder Resolution(s)

Pensions Committee resolved to:-

1. Note the proposed BCPP Operating and Project Implementation budgets for 2023/24 and Business Plan 2023-26; and
2. Support the Chair of the Pensions Committee, in his capacity as the Council's Shareholder representative for the Company, to authorise the vote to approve the

BCPP Strategic Business Plan for 2023-26 and the Operating and Project Implementation budgets for 2023/24.

Item 15 (pages 295-300): Monitoring Report for the Quarter Ended 31 December 2022 – Part 2

Pensions Committee resolved to:-

1. Receive and note the quarterly monitoring Part 2 items of the Fund for the period to 31 December 2022.

Item 17 (pages 327-402): Cumbria LGPS Investment Sub Group Activity Report to March

Pensions Committee resolved to:-

1. Agree that, in recognition of the impact of exceptional market volatility on its weighting within the portfolio, the minimum of the allocation range for index linked gilts be temporarily decreased to 13% (in place of 14%) and that the Fund's Investment Strategy Statement (ISS) be updated to reflect this temporary decrease. In addition, to note that should the lower end of the range be breached in coming months (ahead of the next Investment Strategy review), that Officers will progress incremental purchases of ILG's in a planned and prudent manner to bring the allocation back within the target range;
2. Approve that the Deputy Section 151 Officer (Pensions) be authorised to action the following Investment commitments:
 - a) £70m to the BCPP Infrastructure fund Series 2b – this would form part of the Fund's 12% long-term target strategic allocation to infrastructure equity (c.£371m at 31 December 2022);
 - b) £30m to the BCPP Private Equity fund Series 2b – this would form part of the Fund's 7% long-term target strategic allocation to private equity (c.£216m at 31 December 2022); and
 - c) £200m to the BCPP Private Credit fund Series 2b – this would form part of the Fund's 14% long-term target strategic allocation to private debt (c.£433m at 31 December 2022).
3. Notes the activities of the Investment Sub Group from September to December 2022;
4. Notes the performance of the Fund over the quarter to 31 December 2022; and
5. Agrees the proposed work programme of the Investment Sub Group for the next reporting period, including supporting the s151 Officer to continue planning and implementation of the changes required to enable the Fund to achieve the Target Investment Strategy, and also work associated with the development of Border to Coast Pensions Partnership's UK Commercial Property (Real Estate) proposition.