

## Brunel Oversight Board – Public Minutes

<b>Meeting date</b>	07/03/2024
<b>Time</b>	10:30 – 12:30
<b>Location</b>	Virtual / Ship, 101 Victoria Street

## Attendees

Pension Fund Representatives	
<b>Paul Crossley</b>	Avon Pension Committee Chair
<b>Nick Dixon</b>	Avon Pension Officer
<b>Timothy Butcher</b>	Buckinghamshire Pension Committee Chair
<b>Julie Edwards</b>	Buckinghamshire Pension Officer
<b>Jayne Kirkham</b>	Cornwall Pension Committee Chair
<b>James Morrish</b>	Devon Pension Committee Chair
<b>Mark Gayler</b>	Devon Pension Officer
<b>John Beesley</b>	Dorset Pension Committee Chair
<b>David Wilkes</b>	Dorset Pension Officer
<b>Robert Gould (Chair)</b>	Environment Agency Pension Committee Chair
<b>Craig Martin</b>	Environment Agency Pension Officer
<b>Lynden Stowe</b>	Gloucestershire Pension Committee Chair
<b>Matthew Trebilcock</b>	Gloucestershire Pension Officer
<b>Kevin Bulmer</b>	Oxfordshire Pension Committee Chair
<b>Sean Collins</b>	Oxfordshire Pension Officer
<b>Anton Sweet</b>	Somerset Pension Officer
<b>Richard Britton</b>	Wiltshire Pension Committee Chair



<b>Andy Bowman</b>	Scheme Member Representative
<b>Alistair Bastin</b>	Scheme Member Representative
<b>Laura Chappell</b>	Brunel, CEO
<b>Denise Le Gal</b>	Brunel, Chair
<b>Liz Mckenzie</b>	Brunel, SNED
<b>Joe Webster</b>	Brunel, COO
<b>David Vickers</b>	Brunel, CIO
<b>Tim Dickson</b>	Brunel, HoCRT
<b>Alice Spikings</b>	Brunel, SO
<b>Secretariat</b>	
<b>William Cresswell</b>	Cornwall Pension Fund Officer
<b>James Rich</b>	Cornwall Pension Fund Officer
<b>Guests</b>	
<b>External Guests</b>	
<b>Apologies</b>	
<b>Peter Seib</b>	Somerset Pension Committee Chair



## Minutes

### 1. Confirm Agenda

Apologies for absence

Any Urgent or "for information only" items

Any Declarations of Conflict of Interest

DLG noted LC's apologies. LC arrived during item 3.

### 2. Review minutes

The minutes were approved with no comment.

### 3. Client Assurance

SC introduced the item. SC noted the format of the BOB agenda has been changed to make the Client Assurance item first. The item will include the key issues the Client Group have been working on over the past quarter. This change will allow Clients to feed through more detailed assurance into the meeting for the Committee representatives.

MT presented the CG Assurance Report papers. MT's presentation focussed on the portfolio RAG ratings included on paper 3A.

MT noted the Client Group's assurance process. MT noted the Client Group assure: the portfolio remains consistent with the principles agreed when the portfolio was created, they are aware and understand operational issues, and they understand the outcomes and performance resulting from the agreed principles and guidelines.

MT noted 3 years since inception is a relatively short timeline and there have been a number of one-off issues including, the covid pandemic, war in Ukraine, and dominance of the magnificent 7 to consider.

MT presented paper 03 - Client Group Assurance Report.

LS asked MT to share Gloucestershire's priorities for investment performance.

- MT shared Gloucestershire's position and noted the Client Group have been informed.
- SC noted the Client Group officers attend deep-dives on the portfolios to receive more specific assurance and opportunities to feedback.

JW thanked the Client Group officers for the assurance report.

### 4. CIO Update

DV highlighted his SMCR responsibility which is a regulatory requirement to prove he has necessary oversight and assurance in the portfolios.

DV noted they have added additional comments to the Portfolio Monitoring Summary to contextualise the performance.

DV addressed the magnificent 7 and noted collectively they were up 75% last year. DV noted every global active manager struggled and the benchmark was in the top quartile for performance.



JK noted Cornwall have received many queries on Weapons and Controversial Weapons. JK noted there is increasing pressure to consider the "S" and "G" in ESG.

- DV noted no armaments companies are owned [as at end 2023 Q4]. There are some aerospace and defence holdings.

KB noted Brunel's language needs to be more precise as the term "controversial weapons" is too ambiguous.

- DV pointed out there was a common standard definition to the term 'controversial weapon' which we use.

ABa asked DV questions on investment performance.

JB noted the queries JK highlighted have also been raised in Dorset. JB asked if there is a way of achieving consistent messaging to Stakeholders.

- DV suggested they send their replies to stakeholder queries to all Clients which would allow consistent messaging.

DV passed on the following message from Faith Ward. "The UK government has announced it will be withdrawing from the Energy Charter Treaty." DV noted this is a success. The Energy Charter Treaty had incentivised governments to support oil companies.

## 6. CEO Report

JW presented the CEO report.

JW noted the Labour Party's plans for Financial Services has been released. The plans outlined a review of the LGPS' models and to consider whether internal management is the right model.

- DLG noted there is support for an internal management model from some other pools.

JW noted the business plan has been passed.

JW noted a new Chair of the Board has been agreed. They will be in attendance at the Shareholder forum. There will be a handover period with DLG.

JW noted Brunel's year in review has been published and they welcome feedback.

JW summarised the financial statements.

JM asked questions on savings and open staff positions.

JK asked for clarification on Barclay's shareholder resolution.

- DV noted the resolution means Barclays will not be funding new oil and gas projects.

LC provided updates on meetings with Government officials.

## 7. SNED/Chair Update

LM noted their one-to-one meetings with the Clients are being scheduled. LM noted they will be attending Carden Park next week.

DLG referred to the UK Government Budget and noted the UK Government wants to bring forward the requirements for DC schemes and the LGPS to publicly disclose their asset allocations including UK equities. DLG noted the UK government will want to see increasing allocations to UK equities.





- TB asked whether the UK government demanding increased allocations to UK equity would increase the risk of these assets as they become too expensive.
- DV noted risk would increase as it would result in an increased allocation into a market that is already very concentrated.
- ND noted the UK government encouraging UK equity investment could discourage assets owners from investing in UK equity.

#### 8. Any other urgent or for information items

JK asked for Brunel's views on the internal management model.

