

<b>Title of Report</b>	Stewardship Code Timeline
<b>For Consideration By</b>	Pensions Committee
<b>Meeting Date</b>	14th June 2023
<b>Classification</b>	Open
<b><u>Ward(s) Affected</u></b>	All
<b><u>Group Director</u></b>	Ian Williams, Group Director Finance & Corporate Resources

## 1. **Introduction**

- 1.1. This report presents the Pensions Committee with a proposed timeline for work on the Fund's Stewardship Code submission, to ensure the Fund meets the deadline to submit this in the next round of submissions for new applicants, in May 2024.

## 2. **Recommendations**

- 2.1. **The Pensions Committee is recommended to:**

- **Note the report**

## 3. **Related Decisions**

- 3.1. N/A

## 4. **Comments of the Group Director of Finance and Corporate Resources.**

- 4.1. The Financial Reporting Council's UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

4.2. Becoming a signatory to the 2020 code would help the Fund to demonstrate its commitment to the responsible stewardship of its assets, and regard for the integration of financially material ESG factors into its investment process.

4.3. There are no direct financial implications arising from this report.

## 5. **Comments of the Director of Legal, Democratic and Electoral Services**

5.1. The Council's Constitution gives the Pensions Committee responsibility for various specified functions relating to management of the Council's Pension Fund, as reflected in the Committee's Terms of Reference. The Committee has delegated responsibility:

- To act as Trustees of the Council's Pension Fund, consider pension matters and meet the obligations and duties of the Council under the Superannuation Act 1972, the Public Service Pensions Act 2013, and the various pension legislation.
- To act as Scheme Manager for the Pension Fund.
- To monitor the performance and effectiveness of the investment managers and their compliance with the Investment Strategy Statement

5.2. Given these responsibilities, it is appropriate for the Committee to consider options for the Fund's allocation to Threadneedle's CNRET.

## 6. **Background to the Report**

6.1. This report presents the Pensions Committee with a proposed timeline for work on the Fund's Stewardship Code submission, to ensure the Fund meets the deadline to submit this in the next round of submissions for new applicants, in May 2024.

6.2. The timeline at Appendix 1 sets out the proposed stages of work required, along with indicative timings for each. The proposed workplan begins with a survey for Committee members in July 2023 to capture key beliefs around engagement.

6.3. The principles of the Fund's RI working group were first agreed at the 10 March 2022 meeting of the Pensions Committee. The group held its first meeting in March 2023, to help develop the Fund's climate targets. Work on the Stewardship Code submission is a suitable next step for the Group, who will be a valuable resource in helping to identify and develop the Fund's key engagement priorities following the survey. This will allow a new engagement framework with regular monitoring to be developed - it is proposed that recommendations around this work be brought to the

November 2023 Pensions Committee.

- 6.4. Drafting of the submission will take place between November 2023 and February 2024, with a draft submission to be brought to Pensions Committee in March 2024. The next available window for new Stewardship Code applications to be submitted to the FRC is May 2024 - although the FRC runs an autumn assessment period, only renewal applications from existing signatories will be accepted in that period. Submission in Spring 2024 also ensures adequate time ahead of submission for the development of additional processes and reporting.

### **Appendices**

Appendix 1 - Stewardship Code timeline

### **Background documents**

None

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