



To: Members of the Pension Fund Committee

***Notice of an Informal Meeting of the Pension Fund
Committee***

Friday, 14 June 2013 at 10.10 am

County Hall, New Road, Oxford

Peter G. Clark.

Peter G. Clark
County Solicitor

June 2013

Contact Officer: **Julie Dean**
Tel: (01865) 815322; E-Mail: julie.dean@oxfordshire.gov.uk

Membership

Councillors

Surinder Dhesi
Jean Fooks
Neil Owen

Mark Gray
Nick Hards

Patrick Greene
Stewart Lilly

Co-optees

District Councillor Jerry Patterson* (subject to confirmation)
District Councillor Hywel Davies* (subject to confirmation)

Also Invited: Councillor Sandy Lovatt; Councillor Richard Langridge

Notes:

- ***A lunch will be provided***
- ***Date of next meeting: 6 September 2013***
- ***The officers will give a training session on 'Roles and Responsibilities of the Pension Fund Committee Members' prior to the meeting, starting at 9.30 am in the meeting room itself.***

Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned.....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines. <http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Rachel Dunn on (01865) 815279 or Rachel.dunn@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. **Election of Chairman and Deputy Chairman for the duration of the meeting**
2. **Apologies for Absence and Temporary Appointments**
3. **Declarations of Interest - see guidance note**
4. **Minutes**

To approve the minutes of the meeting held on 8 March 2013 (**PF4**) and to receive information arising from them.

5. **Petitions and Public Address**
6. **Overview of Past and Current Investment Position**

10:15

Tables 1 to 10 are compiled from the custodian's records. The custodian is the Pension Fund's prime record keeper. He accrues for dividends and recoverable overseas tax within his valuation figures and may also use different exchange rates and pricing sources compared with the fund managers. The custodian also treats dividend scrip issues as purchases which the fund managers may not do. This may mean that there are minor differences between the tabled figures and those supplied by the managers.

The Independent Financial Adviser will review the investment activity during the past quarter and present an overview of the Fund's position as at 31 March 2013 using the following tables:

| | |
|-----------------|--|
| Table 1 | provides a consolidated valuation of the Pension Fund at 31 March 2013 |
| Tables 2 to 9 | provide details of the individual manager's asset allocations and compare these against their benchmark allocations |
| Table 10 | shows net investments/disinvestments during the quarter |
| Tables 11 to 12 | provide details on the Pension Fund's Private Equity |
| Tables 13 to 24 | provide investment performance for the consolidated Pension Fund and for the four Managers for the quarter ended 31 March 2013 |

In addition to the above tables, the performance of the Fund Managers over the past 18 months has been produced graphically as follows:

Graph 1 – Value of Assets
Graph 2 – 3 – Baillie Gifford
Graph 4 - Wellington
Graph 5 – 6 – Legal & General
Graphs 7 – 11 – UBS

The Committee is RECOMMENDED to receive the tables and graphs, and that the information contained in them be borne in mind, insofar as they relate to items 9, 10 and 11 on the agenda.

7. EXEMPT ITEMS

The Committee is RECOMMENDED that the public be excluded for the duration of items 7, 8, 9, 10, 11, 12, 13 and 14 in the Agenda since it is likely that if they were present during those items there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

THE REPORTS RELATING TO THE EXEMPT ITEMS HAVE NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS STRICTLY PRIVATE TO MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

NOTE: In the case of item 12, there are no reports circulated with the Agenda. Any exempt information will be reported orally.

8. Overview and Outlook for Investment Markets

10:30

Report of the Independent Financial Adviser (**PF8**).

The report sets out an overview of the current and future investment scene and market developments across various regions and sectors. The report itself does not contain exempt information and is available to the public. The Independent Financial Adviser will also report orally and any information reported orally will be exempt information.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such*

disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

The Committee is RECOMMENDED to receive the report, tables and graphs, to receive the oral report, to consider any further action arising on them and to bear the Independent Financial Adviser's conclusions in mind when considering the Fund Managers' reports.

9. UBS

10:40

- (1) The Independent Financial Adviser will report orally on the performance and strategy of UBS drawing on the tables at Agenda Items 6 and 8.
- (2) The representatives (Mr. M. Gordon and Ms Y. Thomas) of the Fund Manager will:
 - (a) report and review the present investments of their part of the Fund and their strategy against the background of the current investment scene for the period which ended on 31 March 2013;
 - (b) give their views on the future investment scene.

In support of the above is their report for the period to 31 March 2013.

At the end of the presentation, members are invited to question and comment and the Fund Managers to respond.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.

10. Legal & General

11:20

- (1) The Independent Financial Adviser will report orally on the performance and

strategy of Legal & General drawing on the tables at Agenda Items 6 and 8.

- (2) The representative (Mr J. Cloke) of the Fund Manager will:
- (a) report and review the present investments of their part of the Fund and their strategy against the background of the current investment scene for the period which ended on 31 March 2013;
 - (b) give their views on the future investment scene.

In support of the above is their report for the period to 31 March 2013.

At the end of the presentation, members are invited to question and comment and the Fund Managers to respond.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

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The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.

11. Report of Main Issues arising from Reports of the Fund Managers not represented at this meeting

12:00

The Independent Financial Adviser will report on the officer meetings with Baillie Gifford and Wellington (**PF11**) in conjunction with information contained in the tables (Agenda Item 6), as well as update the Committee on any other issues relating to the Fund Managers not present.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to note the main issues arising from the reports and to take any necessary action, if required.

12. Summary by the Independent Financial Adviser

12:05

The Independent Financial Adviser will, if necessary, summarise the foregoing reports of the Fund Managers and answer any questions from members.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

13. Future Management of the LGPS

12:10

This report (**PF13**) provides the findings of a review undertaken by the Heads of Pensions for the Buckinghamshire, Oxfordshire, and Berkshire LGPS Funds. The review follows the findings from Lord Hutton's Commission report on Public Sector Pensions which questioned the efficiency and effectiveness of continuing to operate with 89 separate LGPS Funds across England & Wales. The report will form part of an overall report to Cabinet on 16 July 2013 which is looking at the future arrangements for all support services within Oxfordshire Customer Services, and this Committee is invited to pass comments onto the Cabinet in respect of the proposed way forwards for the management of the LGPS scheme in Oxfordshire.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that disclosure at this time would prejudice the Authority's future negotiations with Fund Managers, and other contractors to the Fund and the delivery of the Authority's fiduciary duties and future savings to the employers and Council Tax payers.*

The Committee is RECOMMENDED to consider the above report and the

detailed annex produced by the Head of Pensions at Buckinghamshire, Oxfordshire and Berkshire, and offer any comments to the Cabinet who will consider the proposal at their meeting on 16 July 2013.

14. Custodian Procurement

12:30

The report **(PF14)** will inform the Committee of the results of the recent tender exercise for the appointment of a new global custodian.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to note the report.

ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC

15. The New Look LGPS (2014) Update

12:35

The report **(PF15)** updates the Committee on progress towards implementing the New Look LGPS from April 2014. It includes information on the recent consultation on Councillor membership of the LGPS.

The Committee is RECOMMENDED to note the report.

16. Review of Pension Fund Policies

12.50

The report **(PF16)** provides an opportunity for the Committee to undertake a formal review of its major policy documents, held in line with the LGPS Regulations. The last such comprehensive review of policies was in June 2012, and the report provides an update of any key changes since that date.

The Committee is RECOMMENDED to approve the revised policy documents as set out in Annexes 1-6 to this report, noting the main changes in the documents as discussed above.

17. Oxfordshire County Council Pension Fund - Employer Update

13:00

The report (**PF17**) seeks Committee approval for any new admissions to the Fund. It also updates members on the status of any current employer which impacts on future Scheme membership.

The Committee is RECOMMENDED to:

- a) note the progress of previously approved applications for admitted body status;*
- b) approve the application for admitted body status by Oxfordshire South and Vale Citizen's Advice Bureau; and*
- c) note the cessation of scheme employers.*

18. Write Offs

13:05

The report (**PF18**) will provide the Committee with summary details of the amounts written off in the last quarter in accordance with the Financial Regulations of the Fund.

The Committee is RECOMMENDED to note the report.

LUNCH

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on Thursday 13 June 2013 at 10.00am for the Chairman, Deputy Chairman and Opposition Group Spokesman.