

PENSION FUND COMMITTEE

MINUTES of the informal meeting held on Friday, 14 June 2013 commencing at 10.10 am and finishing at 13:30 pm

Present:

Voting Members:

Councillor Stewart Lilly
Councillor Surinder Dhesi
Councillor Jean Fooks
Councillor Nick Hards
Councillor Neil Owen
Councillor Patrick Greene

**Other Members
attending**

**District Council
Representatives:**

Councillor Sandy Lovatt- Observing
Councillor Richard Langridge - Observing
District Councillor Jerry Patterson
District Councillor Hywel Davies

By Invitation:

P. Davies (Independent Financial Adviser)

Officers:

Whole of meeting

S. Collins and S. Fox (Environment & Economy);
D. Ross and J. Dean (Chief Executive's Office)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with a schedule of addenda tabled at the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and schedule, copies of which are attached to the signed Minutes.

21/13 ELECTION OF CHAIRMAN AND DEPUTY CHAIRMAN FOR THE DURATION OF THE MEETING

(Agenda No. 1)

Councillor Stewart Lilly was elected Chairman and Councillor Patrick Greene was elected Deputy Chairman for the duration of the meeting.

22/13 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 2)

There were no apologies for absence or temporary appointments. Paul Gerrish, Beneficiaries Observer submitted his apologies.

23/13 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda No. 3)

Councillors Fooks, Lilly, Owen and Patterson each declared personal Interests as members of the Pension Fund Scheme under the provisions of Section 18 of the Local Government & Housing Act 1989.

Councillors Hards declared a pecuniary interest in Agenda Item 17 on account of his spouse being Chair of the Trustees of the South and Vale Citizen's Advice Bureau. He did not participate in any discussion on the matter and withdrew from the meeting for the duration of the item.

Councillor Dhesi declared a pecuniary interest in Agenda Item 17 on account of her position as a Trustee of Banbury Citizens Advice Bureau. She did not participate in any discussion on the matter and withdrew from the meeting for the duration of the item.

24/13 MINUTES

(Agenda No. 4)

The Minutes of the last meeting were approved and signed as a correct record subject to the omission of the £ sign before '20m euros' in paragraph 1 of Minute 11/13.

25/13 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 5)

There were no petitions submitted or requests to address the meeting.

26/13 OVERVIEW OF PAST AND CURRENT INVESTMENT POSITION

(Agenda No. 6)

Mr Davies reported that the first quarter of 2013 had been unprecedented in that it had seen an asset appreciation of £133m. This was made up of £48m in UK equities, £59 m in overseas equities, £17m in private equities, £8m in bonds and £1m in Hedge Funds.

RESOLVED: to receive the tables and graphs; and that the information contained in them be borne in mind insofar as they related to items 9,10 and 11 on the agenda.

27/13 EXEMPT ITEMS

(Agenda No. 7)

RESOLVED: that the public be excluded for the duration of items 7,8, 9,10,11,12, 13 and 14 in the Agenda since it was likely that if they were present during those items there would be disclosure of exempt information as defined in Part 1 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 was considered that, in all circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

28/13 OVERVIEW AND OUTLOOK FOR INVESTMENT MARKETS

(Agenda No. 8)

The Committee considered a report of the Independent Financial Adviser (PF8) which set out an overview of the current and future investment scene and market developments across various regions and sectors. Members asked a number of questions, to which the Independent Financial Adviser responded.

The public were 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.*

RESOLVED: To receive the report, tables and graphs and the oral report of the Independent Financial Adviser and to bear his conclusions in mind when considering the Fund Manager's reports.

29/13 UBS

(Agenda No. 9)

The representatives, Mr M. Gordon and Mr. N. Irish reported on and reviewed the present investments in relation to their part of the Fund and their strategy against the background of the current investment scene for the period which ended 31 March 2013.

The public were 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.*

RESOLVED: to note the main issues arising from the report.

30/13 LEGAL & GENERAL

(Agenda No. 10)

The representatives, Mr J. Cloke and Mr. N. Hodges reported on and reviewed the present investments in relation to their part of the Fund and their strategy against the background of the current investment scene for the period which ended 31 March 2013.

The public were 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.

RESOLVED: to note the main issues arising from the report.

31/13 REPORT OF MAIN ISSUES ARISING FROM REPORTS OF THE FUND MANAGERS NOT REPRESENTED AT THIS MEETING

(Agenda No. 11)

The Committee considered two notes of meetings which took place since the last meeting (PF11) with representatives from Baillie Gifford and Wellington.

The public were 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.

RESOLVED: to note the reports.

32/13 SUMMARY BY THE INDEPENDENT FINANCIAL ADVISER

(Agenda No. 12)

The Independent Financial Adviser reported that no summary was required.

33/13 FUTURE MANAGEMENT OF THE LGPS

(Agenda No. 13)

The Committee considered the exempt report and **AGREED** to offer their comments to Cabinet on 16 July 2013.

34/13 CUSTODIAN PROCUREMENT

(Agenda No. 14)

The Committee had before them a report (PF14) which gave the results of the recent tender exercise for the appointment of a new global custodian.

The public were 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 **AGREED** to note the report.

35/13 THE NEW LOOK LGPS (2014) UPDATE

(Agenda No. 15)

The Committee had before them a report (PF15) which gave an update on progress towards implementing the New Look LGPS from April 2014. The report also included information on the recent consultation on Councillor membership of the LGPS.

The Committee confirmed the importance of the right to membership of the LGPS for Councillors, particularly enabling them to afford to offer the time required to fully undertake their responsibilities; and asked that the Council included such comments in its final response.

The Committee **AGREED** to note the report and asked that their comments be passed on for inclusion in the Council's response on the consultation on Councillor membership of the LGPS.

36/13 REVIEW OF PENSION FUND POLICIES

(Agenda No. 16)

The Committee undertook a formal review of the major Pension Fund policies, in line with the LGPS Regulations. The last such comprehensive review of policies took place in June 2012. The report (PF16) provided an update on the key changes since that date.

..... The Committee **AGREED** (subject to endorsement at the next meeting on 6 September 2013) the revised policy documents as set out in Annexes 1 – 6 of the report, noting the main changes.

37/13 OXFORDSHIRE COUNTY COUNCIL PENSION FUND - EMPLOYER UPDATE

(Agenda No. 17)

The Committee considered a report (**PF17**) which sought approval for applications for new admissions to the Fund. The report also updated members on the status of any current employer that impacted on future Scheme membership admitted body status

The Committee **AGREED** the following (for endorsement at the 6 September 2013 meeting): to

- (a) note the progress of previously approved applications for admitted body status - noting also that Pabulum had withdrawn from theirs;
- (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.

38/13 WRITE OFFS

(Agenda No. 18)

The Committee had before them a report (PF18) which provided summary details of the amounts written off in the last quarter, in accordance with the Financial Regulations of the Fund.

RESOLVED: to note the report.

..... in the Chair

Date of signing