



To: **Members of the Pension Fund Committee**

Notice of a Meeting of the Pension Fund Committee

Friday, 1 July 2016 at 10.00 am

Grand Jury Room - County Hall, New Road, Oxford OX1 1ND

A handwritten signature in black ink that reads "Peter G. Clark".

Peter G. Clark
County Director

June 2016

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

Membership

Chairman – Councillor Stewart Lilly
Deputy Chairman - Councillor Patrick Greene

Councillors

Surinder Dhesi
Jean Fooks
Nick Hards

Richard Langridge
Sandy Lovatt
Neil Owen

Les Sibley

Co-optees

City Councillor James Fry
District Councillor Bill Service

Notes:

- **Date of next meeting: 2 September 2016**

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 Glenn Watson on (01865) 815270 or glenn.watson@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. **Apologies for Absence and Temporary Appointments**
2. **Declarations of Interest - see guidance note**
3. **Petitions and Public Address**
4. **Brunel Submission to Government**

This report (**PF4**) seeks Committee approval to the Project Brunel submission to Government on future Pensions Investments Collaboration. The submission is being presented to all 10 founding Administering Authorities in the Brunel Pension Partnership for their approval, before the deadline of 15 July 2016 for final submission to the Government. The submission represents an interim stage in the process to fully establish the Brunel Pension Partnership. A full business case will be developed as the next stage of the process, to be submitted to each of the 10 Administering Authorities at the end of 2016.

In addition to the covering report PF4, the Committee will have before them at Annex 1, the full submission to the Government and supporting annexes. Until such time as the submission has been considered and agreed by all 10 administering authorities belonging to the Brunel Pension Partnership and submitted to the Government, the documents remain confidential. Therefore, whilst the covering report itself does not contain exempt information and is available to the public, Annex 1 is confidential in that it contains exempt information relating to potential future commercial arrangements. **Members of the Pension Fund Committee and the Local Pension Board are advised that this Annex will follow as soon as it is available, firstly by way of email and then by hard copy.**

The public should therefore be excluded during consideration of Annex 1 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 circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that disclosure could distort the proper process of each of the 10 Committee's negotiating the final proposal. It is intended that once all Committees have agreed the final proposal for submission to Government, the final proposal will become a public document.*

The Committee is RECOMMENDED to:

- (a) agree the proposal as set out at Annex 1 as the basis of the submission to the Government; and**
 - (b) delegate to the Chief Finance Officer the responsibility to agree any final amendments to the proposal, after consideration by all 10 administering authorities, following consultation with the Chairman, Deputy Chairman and Opposition Spokesperson.**
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Division(s):N/A

PENSION FUND COMMITTEE – 1 JULY 2016

BRUNEL SUBMISSION TO THE GOVERNMENT

Report by Chief Financial Officer

Introduction

1. Following the Government's announcement in the July 2015 budget statement that they intended to work with Local Government Pension Scheme (LGPS) administering authorities to ensure that they pool investments to significantly reduce costs, significant work has been undertaken to set up the Brunel Pension Partnership comprising ten LGPS Funds.
2. The Government required an initial response by 19 February 2016, and a joint submission with the other nine Brunel funds was agreed by the Committee at its special meeting on 29 January. A further more detailed response is required by 15 July 2016.
3. Members of the Pension Fund Committee and the Pension Board received a presentation on the Brunel proposal and were given the opportunity to ask questions and provide input at the training/briefing event held on 13 June 2016, which was also attended by colleagues from Buckinghamshire.
4. The original Government requirement for the July submission was that it should include both a joint submission from the pool and also an individual submission from each LGPS fund. However the Government has changed its requirement such that only the joint submission from the pool is now required. The Committee is therefore asked to approve the joint submission from the Brunel Pension Partnership (confidential Annex 1 – to follow).

Key Points

5. A template for the submission has been put together by the Local Government Association in conjunction with the Department of Communities and Local Government and HM Treasury. The requirement is that the following issues should be addressed through the completion of the template:
 - The LGPS Funds participating in the pool.
 - The governance structure of the pool. Feedback from the Secretary of State made it clear that the pool structure needs to be an entity regulated by the Financial Conduct Authority. To fulfil this requirement it is proposed to set up a company in which Oxfordshire County Council would be a shareholder.
 - The business model, including shared principles, accountability, decision making and reporting.

- The timetable for establishing the pool and moving assets into the pool.
 - A detailed estimate of current investment costs, transition and implementation costs for the pool, and an estimate of savings over the next 15 years.
 - The ambition of the pool to increase investment in infrastructure. This can only be stated in terms of an ambition, it will remain up to the individual funds to determine their asset allocation.
6. Annex 1 contains the full submission to the Government and the supporting annexes. Until such time as the submission has been considered and agreed by all 10 administering authorities belonging to the Brunel Pension Partnership and submitted to the government, the documents remain confidential.
7. The proposal has been prepared by the Officers of the 10 administering authorities alongside the advisers to the project, namely Osborne Clarke and PwC. The proposal was presented to a meeting of the Chief Finance Officers and Monitoring Officers on 22 June 2016 and to the Shadow Oversight Board on 23 June 2016. Their comments have been included in the final version contained at Annex 1.
8. Within Oxfordshire, a briefing was given to the Political Leaders Group on 27 June 2016 and the Informal Cabinet on 28 June 2016, so that they were aware of the key elements of the proposal. In particular, the briefing focused on the proposed establishment of a new Brunel Company, in which the County Council as Administering Authority would be an equal shareholder, alongside the other founding administering authorities.
9. The proposal should be seen as an interim stage in the project. Subject to the necessary approvals to continue the project, the next stage is the development of a full business case which will be presented to the 10 administering authorities towards the end of 2016. The target remains to be in a position that the first assets can transition to the new arrangements in April 2018 in line with the Government's timescales.

RECOMMENDATION

10. **The Committee is RECOMMENDED to:**
- (a) agree the proposal as set out at Annex 1 as the basis of the submission to the Government; and**
 - (b) delegate to the Chief Finance Officer the responsibility to agree any final amendments to the proposal, after consideration by all 10 administering authorities, following consultation with the Chairman, Deputy Chairman and Opposition Spokesperson.**

Lorna Baxter
Chief Finance Officer

Contact Officer: Sean Collins, Service Manager. Pensions, Tel: (01865) 897224

June 2016

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