

...Decisions... Decisions...

These notes indicate the decisions taken at this meeting and the officers responsible for taking the agreed action. For background documentation please refer to the agenda and supporting papers available on the Council's web site (www.oxfordshire.gov.uk.)

If you have a query please contact Julie Dean (Tel: (01865) 815322; E-Mail: julie.dean@oxfordshire.gov.uk)

PENSION FUND COMMITTEE - FRIDAY, 6 JUNE 2014

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
1. Election of Chairman for 2014/15 To elect a Chairman for this municipal year to the first meeting of the next municipal year 2015.	Cllr Stewart Lilly	Rachel Dunn
2. Election of Deputy Chairman 2014/15 To elect a Deputy Chairman for this municipal year to the first meeting of the next municipal year.	Cllr Patrick Greene	Rachel Dunn
3. Apologies for Absence and Temporary Appointments	Apology from Cllr Hywel Davies	Rachel Dunn
4. Declarations of Interest - see guidance note	None	
5. Minutes To approve the minutes of the meeting held on 14 March 2014 (PF5) and to receive information arising from them.	Approved and signed. <u>Matters Arising</u> Minute 13/14(b) - Mr Collins reported the UBS timescales for returning to money invested in Hedge Funds. All £35m should be back by September 2014. He also reported that Mercer had been appointed to act as a consultant for the selection of a Diversified Growth Fund Manager. A meeting was planned for July to list possible funds.	Julie Dean Sean Collins

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	Minute 19/14(p) – Mr Collins reported that officers were still seeking the best way forward on this matter and were hoping for clarity between now and the next meeting. He undertook to circulate the information to members when this was arrived at.	Sean Collins/Sally Fox
6. Petitions and Public Address	None.	
<p>7. Overview of Past and Current Investment Position</p> <p>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 2014.</p> <p><i>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, 11, 12 and 13 on the agenda.</i></p>	<p>Received.</p> <p>Mr Collins undertook to ask WM if it would be possible to provide data analysis on a year by year basis separating out the performance of previous Fund Managers.</p>	Sean Collins
<p>8. EXEMPT ITEMS</p> <p><i>The Committee is RECOMMENDED that the public be excluded for the duration of items 9, 10, 11, 12, 13, 14 and 15 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.</i></p>	Agreed.	

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<p>9. Overview and Outlook for Investment Markets</p> <p>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.</p> <p><i>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:</i></p> <p><i>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.</i></p> <p>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.</p>	<p>Received.</p>	<p>Sean Collins</p>

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<p>10. UBS</p> <p>(1) The Independent Financial Adviser will report orally on the performance and strategy of UBS drawing on the tables at Agenda Items 7 and 9.</p> <p>(2) The representatives (Malcolm Gordon, Nick Irish and Jaquie Auger) of the Fund Manager will:</p> <p style="padding-left: 40px;">(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 2014;</p> <p style="padding-left: 40px;">(b) give their views on the future investment scene.</p> <p>In support of the above is their report for the period to 31 March 2014.</p> <p>At the end of the presentation, members are invited to question and comment and the Fund Managers to respond.</p> <p><i>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:</i></p> <p><i>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</i></p>		

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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p><i>and would prejudice the position of the authority's investments in funding the Pension Fund.</i></p> <p>The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.</p>	Noted.	Sean Collins and Donna Ross
<p>11. Legal & General</p> <p>(1) The Independent Financial Adviser will report orally on the performance and strategy of Legal & General drawing on the tables at Agenda Items 7 and 9.</p> <p>(2) The representatives (Jonathan Cloke and Nick Griffiths) of the Fund Manager will:</p> <p style="padding-left: 40px;">(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 2014;</p> <p style="padding-left: 40px;">(b) give their views on the future investment scene.</p> <p>In support of the above is their report for the period to 31 March 2014.</p> <p>At the end of the presentation, members are invited to question and comment and the Fund Managers to respond.</p> <p><i>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:</i></p> <p>3. <i>Information relating to the financial</i></p>		

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<p><i>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.</i></p> <p>The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.</p>	Noted.	Sean Collins and Donna Ross
<p>12. Report of Main Issues arising from Reports of the Fund Managers not represented at this meeting.</p> <p>The Independent Financial Adviser will report (PF12) on the officer meetings with Baillie Gifford and Wellington, as well as update the Committee on any other issues relating to the Fund Managers not present. These reports should be read in conjunction with information contained in the tables (Agenda Item 7).</p> <p>This item also includes a report (PF12) highlighting potential issues surrounding a decision of HM Revenue & Customs (HMRC) to remove the Venture Capital Trust (VCT) status from one of the Fund's investments and seeks the Committee's views on a draft letter to be sent to the HMRC on behalf of the Committee.</p> <p><i>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:</i></p>		

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<p>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.</p> <p>The Committee is RECOMMENDED to:</p> <p>(a) note the main issues arising from the reports on the officer meetings with Baillie Gifford and Wellington and to take any necessary action, if required;</p> <p>(b) note the key issue set out in the report arising from one of the Fund's investments and to determine whether to send the attached draft response to the HMRC.</p>	<p>Noted.</p> <p>Noted and to request Mr Collins to copy the latter to the Exchequer Secretary of the Treasury.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>Sean Collins</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>
<p>13. Summary by the Independent Financial Adviser</p> <p>The Independent Financial Adviser will, if necessary, summarise the foregoing reports of the Fund Managers and answer any questions from members.</p> <p><i>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:</i></p> <p>3. Information relating to the financial</p>	<p>No summary required.</p>	

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<p><i>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.</i></p>		
<p>14. Urgent Decision by Chief Executive under Delegated Powers - Application for Release of a Deferred Benefit</p> <p>To report a decision made by the Chief Executive under her delegated powers in respect of an urgent request to grant payment of deferred benefits on the grounds of ill-health (PF14).</p> <p><i>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:</i></p> <p>3. <i>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.</i></p> <p>The Committee is RECOMMENDED to:</p> <p>(a) note the report; and</p> <p>(b) determine whether future cases should be delegated to the Chief Finance Officer, following</p>	<p>Noted</p> <p>To delegate future urgent cases to the Chief Finance Officer, after consultation with the Chairman of this</p>	<p>Chief Finance Officer/ Sean</p>

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<p><i>consultation with the Chairman of this Committee, in the first instance.</i></p>	<p>Committee, in the first instance.</p>	<p>Collins/Sally Fox</p>
<p>15. Employer Update</p> <p>The report (PF15) updates the Committee on closures of recent scheme employers.</p> <p><i>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:</i></p> <p>3. <i>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.</i></p> <p><i>The Committee is RECOMMENDED to note the progress of cessation cases.</i></p>	<p>Noted.</p>	<p>Sally Fox</p>
<p>16. DCLG Consultation Paper - Opportunities for Collaboration, Cost Savings and Efficiencies</p> <p>The report (PF16) provides details of the Government's current consultation document on the future structure of the Local Government Pension Scheme, and the potential implications for the on-going discussions with the Buckinghamshire and Berkshire Funds. The Committee are invited to agree a response for submission to the consultation.</p> <p>For reference purposes, please find below a link to the government consultation paper:</p>		

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<p><i>(b) approve the application for admitted body status by Proclean Limited subject to either pass through arrangements or bonds being put in place.</i></p>	<p>Approved.</p>	<p>Sally Fox</p>
<p>20. Write Offs</p> <p>The report (PF20) provides the Committee with summary details of the amounts written off in the last quarter in accordance with the Financial Regulations of the Fund.</p> <p><i>The Committee is RECOMMENDED to note the report.</i></p>	<p>Noted.</p>	<p>Sally Fox</p>
<p>21. Corporate Governance and Socially Responsible Investment</p> <p>This item covers any issues concerning Corporate Governance and Socially Responsible Investment which need to be brought to the attention of the Committee.</p> <p>The Chief Finance Officer has no other issues to report for this quarter but it should be noted that all the managers have included pages within their valuation reports which provide details on their voting at company AGMs, engagement with companies and their involvement with other socially responsible initiatives.</p>	<p>None</p> <p>The Committee noted that the Chairman had responded to representations made by Oxford City Council, via the Oxford Mail, to Oxfordshire County Council to sell off any investment in fossil fuels. In brief, the response given referred to the Opinion given by Nigel Giffin's QC (see Agenda Item 18 above) ie. that the precise choice of investment may be influenced by wider social, ethical or environmental considerations, so long as that does not risk material financial detriment to the Fund. Further, that Oxfordshire Council could not impose their views on the Oxfordshire Pension Fund Committee as Administering Authority.</p>	
<p>22. Annual Pension Forum</p> <p>The Chief Finance Officer will report orally on any issues arising from the last Forum</p>	<p>No issues arose.</p>	

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or about the Annual Pension Forum which will take place on <u>Friday 12 December 2014 at 10.00am at Unipart House.</u>	Members of the Committee were asked to give some thought to some pertinent issues they would have liked to see explored at the Forum	All Members