

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, 4 SEPTEMBER 2015

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
1. Apologies for Absence and Temporary Appointments	Apologies were received from Councillor Stewart Lilly and City Councillor James Fry.	Andrea Newman
2. Declarations of Interest - see guidance note	Councillors Fooks, Owen, Service and Sibley each declared personal interests as members of the Pension Fund Scheme under the provisions of Section 18 of the Local Government Act 1989.	Andrea Newman
3. Minutes To approve the minutes of the meeting held on 5 June 2015 (PF3) and to receive information arising from them.	<p>The Minutes of the meeting held on 5 June 2015 were approved and signed as a correct record.</p> <p>With regard to Minute 27/15 – Membership of the Local Pension Board – Mr Collins gave an oral update on progress on the appointment of Board members to the Local Pension Board.</p> <p>With reference to Minute 32/15 – Future Management Arrangements – In response to a query, Mr Collins reported that the new management structure of Pension Services had not yet been agreed but would be circulated as soon as it was available.</p>	<p>Julie Dean</p> <p>Sean Collins/Julie Dean</p> <p>Sean Collins</p>
4. Petitions and Public Address	There were no requests to address the meeting or to submit a petition.	Andrea Newman

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p>5. EXEMPT ITEMS</p> <p><i>The Committee is RECOMMENDED that the public be excluded for the duration of items 6, 15, 16, 17, 18 and 19 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 1 of Schedule 12 A 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>	<p>Agreed.</p>	
<p>6. Annual Presentation on Investment Management Performance and Associated Issues</p> <p>Karen Thrumble from the State Street Company will give her annual presentation on the performance of the Fund, including performance relative to benchmark and to other LGPS Funds.</p> <p>The UK Local Authority Annual Review booklet has been enclosed within Members' document pack.</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</i></p>	<p>To note the presentation and to thank Karen Thrumble for her attendance.</p>	<p>All members of Committee to note</p>

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p><i>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>RE-ADMISSION OF PRESS AND PUBLIC</p>		
<p>7. Government Consultation on further Collaboration/Pooling in the LGPS</p> <p>As part of his Spring Budget, the Chancellor announced a future consultation on further collaboration/pooling in the Local Government Pension Scheme, This item will allow for an oral update on the position, including feedback from round table discussion with officials from the Department for Communities & Local Government (DCLG) and Her Majesty's Treasury (HMT).</p> <p><i>The Committee is RECOMMENDED to note the report.</i></p>	<p>Sean Collins updated the Committee on the Collaboration work following the Chancellor's Budget Statement. The Committee gave the Chairman and Mr Collins a steer on what was acceptable, in its view, for use at future meetings, on the extent of discretion for Local Pension Committees on investment matters. This comprised of asset allocation to be made at a broad level in relation to equity, fixed income and property - with a 'pool', to determine the fund manager(s) and the precise allocations (option 2). This was in preference to option 1 and option 3, option 1 being that asset allocation would be at a high level only, for example, the specification of a target return and risk level, or a split between growth and defensive assets; actual asset allocation decisions to be made by the 'pool'. Option 3 comprised more specific asset allocations, for example, UK equity, emerging market equity or high yield debt.</p> <p>Sean Collins undertook to keep all members of the Committee informed about the unfolding position following each meeting attended by himself or the Chairman.</p>	<p>Cllr Stewart Lilly/Sean Collins</p>

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>8. Draft Annual Report and Accounts 2014/15</p> <p>The draft Annual Report and Accounts are presented for comment and any final amendment (PF8). Representatives of the External auditor (Ernst & Young), Sue Gill and Tom Crous, have been invited to present any findings from their audit work to date. Their findings are also attached at PF8.</p> <p><i>The Committee is RECOMMENDED to receive the draft report and accounts for 2014/15.</i></p>	<p>Received.</p> <p>The Committee recorded their thanks to the officers and the auditors for an excellent set of accounts undertaken in what is a time of real change.</p>	<p>CFO (Greg Ley)</p>
<p>9. Oxfordshire Pension Fund Budget Outturn Report for 2014/15</p> <p>The report (PF9) analyses the actual spend by the Oxfordshire County Council Pension Fund during 2014/15 against the budget and highlights the reasons for any material variances.</p> <p><i>The Committee is RECOMMENDED to receive the report and to note the outturn position.</i></p>	<p>Report received and outturn position noted.</p>	<p>CFO (Greg Ley)</p>
<p>10. Pensions Administration - Service Performance</p> <p>The report (PF10) provides details of the annual review of the Pensions Administration Team, including key performance indicators.</p> <p><i>The Committee is RECOMMENDED to note the report.</i></p>	<p>Noted.</p>	<p>CFO (Sally Fox)</p>

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>11. Employer Management</p> <p>The report (PF11) covers the key operational issues around individual employer membership of the Fund, including the latest performance information as well as any new applications for admissions and cessations.</p> <p><i>The Committee is RECOMMENDED to:</i></p> <p><i>(a) note the position regarding scheme employer performance;</i></p> <p><i>(b) note the position regarding previous applications;</i></p> <p><i>(c) note the position regarding withdrawn applications;</i></p> <p><i>(d) agree the admission of Age UK Oxfordshire providing that either a bond or pass through arrangement is put in place; and</i></p> <p><i>(e) note the position regarding closure valuations.</i></p>	<p>(a) Noted;</p> <p>(b) Noted;</p> <p>(c) Noted;</p> <p>(d) Agreed; and</p> <p>(e) Noted.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>CFO (Sally Fox)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>
<p>12. Fund Governance</p> <p>The report (PF12) identifies any changes required to the Fund's governance arrangements, and in particular to the Fund's discretionary policies and the Scheme of Delegation following changes to the management structure of the Council.</p>		

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p><i>The Committee is RECOMMENDED to:</i></p> <p>(a) amend the Scheme of Delegation to replace all delegations to the post of Chief Executive to the post of Head of Paid Service, and to review the position again on completion of the Council's review of senior management arrangements; and</p> <p>(b) consider amending the requirement for a medical certificate before starting a contract to pay Additional Pension contributions to cases where the additional pension is being purchased over a period greater than one year.</p>	<p>(a) Agreed; and</p> <p>(b) (amendments in bold type) to:</p> <p style="margin-left: 40px;">amend the current discretionary policy to read:</p> <p style="margin-left: 40px;">‘a medical certificate is required before starting a contract to pay Additional Pension contributions for all cases where the additional pension is being purchased over a period greater than one year.’</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>CFO (Sally Fox)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>
<p>13. Write Offs</p> <p>The report (PF13) will provide the Committee with summary details of the amounts written off in the last quarter in accordance with Financial Regulations of the Fund.</p> <p><i>The Committee is RECOMMENDED to note the report.</i></p>	<p>Noted.</p>	<p>CFO (Sally Fox)</p>
<p>14. Overview of Past and Current Investment Position</p> <p>Tables 1 and 2 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</p>		

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p>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.</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 30 June 2015 using the following tables:</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 16, 17 and 18 on the agenda.</i></p> <p>EXCLUSION OF PRESS AND PUBLIC</p>	<p>Received.</p>	<p>CFO(Greg Ley)</p>
<p>15. 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>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,</i></p>		

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p><i>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>	Received.	Independent Financial Adviser (IFA)
<p>16. Baillie Gifford</p> <p>(1) The Independent Financial Adviser will report orally on the performance and strategy of Baillie Gifford drawing on the tables at Agenda Items 14 and 15.</p> <p>(2) The representatives (Anthony Dickson and Iain McCombie) 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 30 June 2015;</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 30 June 2015.</p> <p>At the end of the presentation, members are invited to question and comment and</p>		

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p>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 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>	<p>Noted.</p>	<p>IFA/CFO (Sean Collins)</p>
<p>17. Legal & General</p> <p>(1) The Independent Financial Adviser will report orally on the performance and strategy of Legal and General drawing on the tables at Agenda Items 14 and 15.</p> <p>(2) The representatives (Chris Lyons and Nick Griffiths) of the Fund Manager will:</p> <p>(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 30 June 2015;</p>		

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p>(b) give their views on the future investment scene.</p> <p>In support of the above is their report for the period to 30 June 2015.</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 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>	<p>Noted.</p>	<p>IFA/CFO (Sean Collins)</p>
<p>18. Report of Main Issues arising from reports of the Fund Managers not represented at this meeting</p> <p>The Independent Financial Adviser reports (PF18) on the officer meetings with UBS and Wellington, as well as updates the Committee on any other issues relating to the Fund Managers not present including issues in respect of the Private Equity</p>		

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p>portfolio.</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, 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 reports and to take any necessary action, if required.</p>	Noted.	IFA/ CFO (Sean Collins)
<p>19. 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. <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,</i></p>	Summary not required.	

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p><i>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>20. Employer Management</p> <p>This confidential report seeks the Committee's views with regard to a closure of a scheme employer (PF20).</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 in that such disclosure would prejudice the commercial position of the parties involved and would prejudice the position of the Authority's investments to the detriment of the Council's ability properly to discharge its fiduciary and other duties as a public authority.</i></p> <p>The Committee is:</p> <p>(a) asked for their views on the options for repayment; and</p> <p>(b) to delegate the negotiation and final agreement of the amount to be repaid to The</p>	<p><i>Following discussion the Committee AGREED to (amendments in bold type) delegate the negotiation and final agreement of the amount to be repaid, using option (b), to the Service Manager, Pensions,</i></p>	<p>CFO (Sally Fox)</p>

...Decisions... Decisions...

PENSION FUND COMMITTEE - FRIDAY, 4 SEPTEMBER 2015

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<i>Service Manager, Pensions, Insurance & Money Management.</i>	<i>Insurance & Money Management, following consultation with the Chairman of this Committee.</i>	
<p>21. Corporate Governance and Socially Responsible Investment</p> <p>An oral report will cover any issues concerning Corporate Governance and Socially Responsible Investment which need to be brought to the attention of the Committee, including an updated position on fossil fuel investments.</p>	<p>The Committee AGREED to accept Baillie Gifford's offer to give a presentation to a future meeting on their involvement in fossil fuel investment.</p> <p>The Committee also noted the improved information contained in the report from Wellington.</p> <p>PLEASE NOTE THE PROVISIONAL DATE FOR THE ANNUAL PENSION FUND FORUM IS 11 DECEMBER 2015.</p>	CFO (Sean Collins)