

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](http://www.oxfordshire.gov.uk).)

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**PENSION FUND COMMITTEE - FRIDAY, 10 JUNE 2016**

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p><b>1. Election of Chairman 2016/17</b></p> <p>To elect a Chairman for the municipal year 2016/17.</p>	<p>Cllr Stewart Lilly was elected Chairman for the duration of the 2016/17 municipal year.</p>	<p>Andrea Newman</p>
<p><b>2. Election of Deputy Chairman 2016/17</b></p> <p>To elect a Deputy Chairman for the municipal year 2016/17.</p>	<p>Cllr Patrick Greene was elected Deputy Chairman for the municipal year 2016/17.</p>	<p>Andrea Newman</p>
<p><b>3. Apologies for Absence and Temporary Appointments</b></p>	<p>Cllr Ian Hudspeth substituted for Cllr Richard Langridge.</p>	<p>Andrea Newman</p>
<p><b>4. Declarations of Interest - see guidance note</b></p>	<p>Councillors Fooks, Hudspeth, Lilly, 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.</p> <p>The Chairman led a vote of thanks from the Committee to the team of officers working on the Committee for all their hard work and diligence over the past year.</p>	<p>Andrea Newman</p>
<p><b>5. Minutes</b></p> <p>To approve the minutes of the meeting held on 11 March 2016 (PF5) and to receive information arising from them.</p>	<p>The Minutes of the meeting held on 11 March 2016 were approved and signed as a correct record.</p>	<p>Julie Dean</p>

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<p><b>6. Minutes of meetings of the Local Pension Board</b></p> <p>The Local Pension Board has now met on two occasions, on 18 November 2015 and 15 April 2016, respectively. The Minutes of these meetings are attached, for information <b>(PF6)</b>.</p>	<p>The Committee noted the signed Minutes of the 18 November 2015 inaugural meeting of the Local Pension Board and the draft Minutes of the 15 April 2016 meeting.</p> <p>In response to a query about whether an academy event could be held in order to raise important issues (Minute 18/16 – Employer Management), Sally Fox advised that quarterly events were held with the aim of engaging as many of the employers as possible. She also reported that she and the Communications Manager had recently attended a meeting of academy business managers.</p>	Julie Dean
<p><b>7. Petitions and Public Address</b></p>	<p>There were no requests to submit a petition or to make a public address.</p>	
<p><b>8. Collaboration Update</b></p> <p>The report <b>(PF8)</b> updates the Committee on the work of Project Brunel to develop a proposal to Government on future Pensions Investments Collaboration. A full briefing for Members of the Committee and the Local Pension Board is planned for Monday 13 June 2016.</p> <p><b><i>The Committee is RECOMMENDED to note the latest position on developing the July submission, the detailed developments to date which will be shared at the Seminar on 13 June 2016, and the areas which require additional work before the final submission is submitted to this Committee at its special meeting on 1 July 2016.</i></b></p>	<p>Noted.</p>	CFO (Sean Collins)

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<p><b>9. Risk Register</b></p> <p>This report <b>(PF9)</b> updates the Committee on the Fund's Risk Register, updating the position on risks reported to the last meeting and adding in new risks identified in the intervening period.</p> <p><b><i>The Committee is RECOMMENDED to note the current risk register, and confirm their wish for quarterly updates.</i></b></p>	<p>Noted and confirmed. The Committee also <b>AGREED</b> to enter a further possible risk regarding where the responsibility would lie for the underwriting of any deficit in funding pensions should any of the academies fail; in light of the Government's former undertaking to do so for as long as it could afford it.</p>	<p>CFO (Sean Collins)</p>
<p><b>10. Vacation of Unipart House</b></p> <p>As noted in the risk register, there is a key risk to the performance of the Fund as a result of the relocation of all Council staff from Unipart House, where Pension Services have been based for the past 10 years. The Team lost over 50% of their staff when initially moving to Unipart House. This report <b>(PF10)</b> therefore will cover the options open to the Committee if it wishes to relocate Pension Services independently of the main re-location project.</p> <p><b><i>The Committee is RECOMMENDED to consider this report and to determine which option they wish to adopt</i></b></p>	<p><b>RESOLVED:</b> that subject to the County Council's property services team being unable to find suitable premises to suit the particular needs of the Pension Services team, as outlined in the report, then to instruct officers to seek rented space at a location such as a business park near to current offices which could accommodate the Team and resolve most if not all of the issues identified (Option 2). It was understood that such an option would mean higher set up costs for the Pension Fund, and</p>	<p>CFO (Sean Collins and Sally Fox)</p>



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<p><i>another provider;</i></p> <p><i>(f) note progress made in respect of closure valuation; and</i></p> <p><i>(g) note the position regarding second generation outsourcing.</i></p>	<p>Noted; and</p> <p>Noted.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>
<p><b>12. Review of Pension Fund Policies</b></p> <p>The report <b>(PF12)</b> provides an opportunity for the Committee to undertake a formal review of its major policy documents, held in line with the LGPS Regulations. The Committee has previously agreed to review all such documents on an annual basis, as a minimum, at its June meeting.</p> <p>The Annexes to the report are listed as follows:</p> <ul style="list-style-type: none"> <li>• Annex 1 – The Funding Strategy Statement</li> <li>• Annex 2 – The Statement of Investment Principles</li> <li>• Annex 3 – Governance Policy and Governance Compliance Statement</li> <li>• Annex 4 – Communication Policy and Annex</li> <li>• Annex 5 – Early Release of Benefits Policy</li> <li>• Annex 6 – Scheme of Delegation</li> <li>• Annex 7 – Administration Strategy and two consultation responses</li> <li>• Annex 8 – Procedure for Reporting Breaches of Law to the Pension Regulator</li> </ul> <p><b><i>The Committee is RECOMMENDED to approve the revised policy documents as set out in Annexes 1-8 to this report, noting the main changes in the documents as discussed, and in particular the feedback in respect of the</i></b></p>	<p><b>RESOLVED:</b> to approve the revised policy documents, as set out in Annexes 1 – 8 to the report, noting the changes contained therein; and in particular to note the comments</p>	<p>CFO (Sean Collins &amp; Sally Fox)</p>

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<b>recent consultation on changes to the Administration Strategy.</b>	received in respect of the recent consultation on changes to the Administration Strategy (as documented within the report itself and within the Addenda).	
<p><b>13. Overview of Past and Current Investment Position</b></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 2016 using the following tables:</p> <p>The Committee will also be informed of the impact of the recent decision by State Street to withdraw from the provision of performance management services for all clients where it does not act in a custodial role.</p> <p><b><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 17, 18 and 19 on the agenda.</i></b></p> <p><b>EXCLUSION OF PRESS AND PUBLIC</b></p>	Received.	Independent Financial Adviser/ CFO (Sean Collins & Greg Ley)
<p><b>14. EXEMPT ITEMS</b></p> <p><b><i>The Committee is RECOMMENDED that the public be excluded for the duration of items 15, 16, 17, 18, 19 and 20 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</i></b></p>	Agreed.	

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<p><i>in disclosing the information.</i></p> <p><b>NOTE:</b> In the case of items 17 and 19, there are no reports circulated with the Agenda. Any exempt information will be reported orally.</p>		
<p><b>15.Exempt Minutes</b></p> <p>To approve the exempt part of the Minutes held on 11 March 2016 (<b>PF15</b>) and to receive information arising from them.</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 disclosure could distort the proper process of each of the 10 Committees 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. Disclosure would also prejudice the commercial position of the individual pension fund, and future negotiations with Fund Managers.</i></p>	<p>Approved and signed.</p>	<p>Julie Dean</p>
<p><b>16.Overview and Outlook for Investment Markets</b></p> <p>The report (<b>PF16</b>) sets out an overview of the current and future investment scene and market developments across various</p>		

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<p>regions and sectors, and provides a context for consideration of the reports from the Fund Managers. 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, 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><b><i>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.</i></b></p>	Received.	Independent Financial Adviser
<p><b>17. Insight</b></p> <p>(1) The Independent Financial Adviser will report orally on the performance and strategy of Insight drawing on the tables at Agenda Items 13 and 16.</p>		



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<p>(2) The representatives (Sherilee Mace and Steve Waddington) 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 31 March 2016;</p> <p>(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 2016.</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><b>The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.</b></p>	<p>Noted.</p>	<p>Independent Financial Adviser/ CFO (Sean Collins &amp; Greg Ley)</p>

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<p><b>18. Report of Main Issues arising from Reports of the Fund Managers not represented at this meeting</b></p> <p>The Independent Financial Adviser reports <b>(PF18)</b> on the officer meetings with UBS, Legal &amp; General and Baillie Gifford, 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 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><b>The Committee is RECOMMENDED to note the main issues arising from the reports and to take any necessary action, if required.</b></p>	<p>Noted.</p> <p>NB. Possible future action in relation to one of the Fund Manager portfolios will be the subject of an exempt Minute.</p>	<p>Independent Financial Adviser/ CFO (Sean Collins &amp; Greg Ley)</p>
<p><b>19. Summary by the Independent Financial Adviser</b></p> <p>The Independent Financial Adviser will, if necessary, summarise any issues arising from the previous discussions.</p>	<p>No further issues to summarise.</p>	

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<p><b>20. Annual Review of the AVC Scheme</b></p> <p>The report <b>(PF20)</b> covers the performance of the Fund's AVC provider (the Prudential) covering both the performance of the investment funds offered, and the administration of the scheme.</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>		

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<b><i>The Committee is RECOMMENDED to note the report and to confirm the continued use of Prudential as the Council's AVC provider.</i></b>	Noted and confirmed.	CFO(Sean Collins & Greg Ley)
<p><b>21. Corporate Governance and Socially Responsible Investment</b></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>	The Committee agreed to invite the Environment Agency along to a future meeting to present their proposed principles which are to be considered by a cross pool sub group of Project Brunel in relation to responsible investment.	CFO (Sean Collins)
<p><b>22. Annual Pension Forum</b></p> <p>It was agreed at the last meeting that the annual Pension Fund Forum will take place on <b><u>Wednesday 18 January 2017 at 10 am</u></b>. Sally Fox will report further on arrangements for the event.</p>	The Committee noted that the venue for the Pension Fund Forum which was scheduled to take place on Wednesday 18 January 2017 at 10am would be County Hall.	CFO (Sean Collins)