

...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: 07393 001089; E-Mail: julie.dean@oxfordshire.gov.uk)

PENSION FUND COMMITTEE - FRIDAY, 2 DECEMBER 2016

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
1. Apologies for Absence and Temporary Appointments	Apology received from District Councillor Cllr James Fry.	CLO(AN)
2. Declarations of Interest - see guidance note	Councillors Fooks, 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.	CLO(AN)
3. Minutes To approve the minutes of the meeting held on 2 September 2016 (PF3) and to receive information arising from them.	Approved and signed.	CLO(JD)
4. Minutes of the meeting of the Local Pension Board The Local Pension Board met on 21 October 2016. The public part of the Minutes of this meeting is attached for information (PF4).	Unconfirmed Minutes Noted.	CLO(JD)
5. Petitions and Public Address	Public Address made by Peter Wallis, Member of Fossil Free Oxfordshire.	
6. Brunel Pension Partnership - Approval of full business case The report (PF6) recommended the Committee to recommend full Council to approve the full business case for the establishment of the Brunel Pension		

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<p>Partnership.</p> <p><i>The report itself and Annexes 1 – 3 do not contain exempt information and are available to the public. Annexes 4 – 9 do contain commercially sensitive data relating to each of the Funds and the proposed company. The public should therefore be excluded during consideration of Annexes 4 - 9 because their discussion in public would be likely to lead to the disclosure to members of the public present of information in the following category prescribed by Part I of Schedule 12A to the Local Government Act 1972 (as amended):</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 disclosure at this time is likely to prejudice the future negotiations to set up the pooling arrangements.</i></p> <p>The Committee is RECOMMENDED to RECOMMEND the following resolution to the Council:</p> <p><i>In its capacity as the Administering Authority for the Oxfordshire County Council Pension Fund, and having received and reviewed this report and the Business Case attached to it, the Council HEREBY RESOLVES to enter into investment pooling with respect to the Oxfordshire County Council Pension Fund.</i></p> <p><i>Such Resolution is made on and subject to the following terms</i></p>	<p>Approved (unanimously) without amendment</p>	<p>CFO(SC)/ CLO(CS & DLM)</p>

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<p><i>and conditions:</i></p> <ul style="list-style-type: none"> • <i>THAT the Brunel Pension Partnership investment pool be developed, funded and implemented substantially in accordance with the terms and provisions described in the said Business Case, and more particularly that:</i> <ul style="list-style-type: none"> • <i>a FCA regulated company to be named Brunel Pension Partnership Limited be established, and that the company be operated with all necessary and appropriate arrangements as to its ownership, structure, governance and services capability.</i> • <i>a new supervisory body comprising representatives of the Council and all other participants in the Brunel Pension Partnership be established to ensure oversight of the Council's investment and participation in the Brunel Pension Partnership.</i> • <i>THAT the Pensions Committee be authorised and granted delegated powers to undertake such tasks as it thinks appropriate to progress implementation of investment</i> 		

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RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p><i>pooling, and to take such decisions and do all other things deemed necessary in order to promote the interests of the Council with respect to pooling, which without limitation shall include agreeing and authorising any documentation, contracts, terms of reference, financial expenditure or investment that may be required consequential upon the Council's participation in the Brunel Pension Partnership.</i></p> <ul style="list-style-type: none"> • <i>THAT the Chief Finance Officer and Chief Legal Officer be similarly authorised and granted delegated powers to undertake such tasks as they think appropriate to progress implementation of investment pooling, and to take such decisions and do all things deemed necessary in order to support the Pensions Committee and to promote the interests of the Council with respect to pooling, which without limitation shall include informing and advising the Pensions Committee on the continued viability and suitability of investment pooling in light of any developments, financial or otherwise, in the period up to the establishment of the Brunel Pension Partnership.</i> • <i>THAT subject to the above, all such matters be carried out with the aim of achieving a target date for investment pooling of 1 April 2018, and otherwise subject to such intermediate steps and timescales as may be considered appropriate and necessary by the Pensions Committee.</i> 		

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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>9. Fund Valuation 2016 - Update</p> <p>The report (PF9) updates the Committee on key issues arising from the provisional results of the 2016 Fund Valuation.</p> <p><i>The Committee is RECOMMENDED to note the report and to comment on any assumptions used in this exercise.</i></p>	Noted.	CFO(SC)
<p>10. 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 30 September 2016 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 14, 15, 16, 17 and 18 on the agenda.</i></p>	Received.	CFO(SC) (GL)
<p>11. Fund Manager Monitoring Report</p> <p>Each year the Pension Fund Committee considers the arrangements for monitoring the performance of its Fund Managers. The report (PF11) sets out the proposed schedule for 2017/18 for approval.</p> <p><i>The Committee is RECOMMENDED to approve the Fund Manager Monitoring Arrangements as set out in the report.</i></p>	Approved.	SFO(SC) (GL)
<p>12. EXEMPT ITEMS</p> <p><i>The Committee is RECOMMENDED that the public be excluded for the duration of items 13, 14, 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</i></p>	Agreed.	

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<p><i>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>		
<p>13. Exempt Minutes - Local Pension Board</p> <p>The exempt part of the Local Pension Board Minutes of the meeting held on 21 October 2016 is attached for information (PF13)</p> <p><i>The public was excluded during this item because its discussion in public was 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 funds, and future negotiations with Fund Managers.</i></p>	<p>Unconfirmed Draft Exempt Minute noted.</p> <p>It was Agreed that the topic of AVC review be brought to the June 2017 meeting of Committee.</p>	<p>CLO(JD)</p> <p>CFO(SC)</p>

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<p>14. 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. It also sets the context for consideration of the reports from the Fund Managers. 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>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>CFO(SC) (GL)</p>

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RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p>15.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 10 and 14.</p> <p>(2) The representatives (Malcolm Gordon and Scott Wilkin) 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 September 2016;</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 September 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</i></p>		

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<p><i>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.	CFO(SC) (GL)
<p>16. Partners Group</p> <p>(1) The Independent Financial Adviser will report orally on the performance and strategy of Partners Group drawing on the tables at Agenda Items 10 and 14.</p> <p>(2) The representatives (Sian Roberts and Sergio Jovele) 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 September 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 30 September 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</i></p>		

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<p><i>(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.	CFO(SC) (GL)
<p>17. Report of Main Issues arising from Reports of the Fund Managers not represented at this meeting</p> <p>The Independent Financial Adviser will report (PF17) on the officer meetings with Insight and Wellington as well as update 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</i></p>		

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<p><i>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.	CFO(SC) (GL)
<p>18. 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, 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>	Summary noted	CFO(SC) (GL)
<p>19. 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>	To note that the Item 'Investment Strategy Statement' will be on the March Agenda and any issues will be included under its umbrella.	All to note

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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>20. Annual Pension Forum</p> <p>The Annual Pension Forum is scheduled to take place at <u>County Hall on Wednesday 18 January 2017 at 10am.</u> Sally Fox will report further on arrangements, if necessary.</p>	<p>T</p> <p>The Chairman requested that all members of the Committee and of the Local Pension Board attend this event.</p>	<p>All to note</p>