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PENSION FUND COMMITTEE - FRIDAY, 10 MARCH 2017

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
	The Chairman confirmed that this had already been allowed for in the Risk Register and that Mr Collins was already putting in place a thorough training programme.)))))))
5. Petitions and Public Address	A large number of requests to address the Committee had been received with regard to Agenda Item 12 'Investment Strategy Statement'. The Chairman, in the interests of fairness and the lengthy Agenda, had instead invited each individual to send in a written statement expressing their views. Each statement had then been sent to all members of the Committee and the Board prior to the meeting.))))))) Julie Dean)))))
6. Collaboration Update The report (PF6) presents the latest position in respect of the establishment of the Brunel Pension Partnership, in line with the full business case approved at the last meeting of the Committee. It highlights any key issues to be determined in advance of the next round of Committee meetings following the May election. <i>The Committee is RECOMMENDED to note the position in respect of key decisions to be taken over the next few months, and determine which decisions if any should be subject to a special meeting of this Committee if the timescales so allow.</i>	The latest position in respect of the establishment of the Brunel Pension Partnership was noted. It was also noted that it would be unlikely that a special meeting of the Committee would be required prior to the next meeting.	DF (Sean Collins)
7. Business Plan 2017/18 The report (PF7) covers the business plan for the Pension Fund Committee for the forthcoming financial year and includes the key objectives for the forthcoming year, the proposed Budget and the Cash Management Strategy.		

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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>The Committee is RECOMMENDED to:</p> <p>(a) approve the Business Plan and Budget for 2017/18 as set out at Annex 1;</p> <p>(b) approve the Pension Fund Cash Management Strategy for 2017/18;</p> <p>(c) delegate authority to the Chief Finance Officer to make changes necessary to the Pension Fund Cash Management Strategy during the year, in line with changes to the County Council's Treasury Management Strategy;</p> <p>(d) delegate authority to the Chief Finance Officer to open separate pension fund bank, deposit and investment accounts as appropriate; and</p> <p>(e) delegate authority to the Chief Finance Officer to borrow money for the pension fund in accordance with the regulations.</p>	<p>(a) Approved;</p> <p>(b) Approved;</p> <p>(c) Agreed;</p> <p>(d) Agreed; and</p> <p>(e) Agreed.</p> <p>The Committee thanked the Pensions Team for all their hard work, particularly in light of the number of recent office moves they have undergone.</p>	<p>DF (Sean Collins & Greg Ley)</p> <p>DF (Sean Collins & Greg Ley)</p> <p>DF (Sean Collins & Greg Ley)</p> <p>DF(Sean Collins & Greg Ley)</p> <p>DF (Sean Collins & Greg Ley)</p>
<p>8. Administration Report</p> <p>This report (PF8) updates the Committee on the latest position on administration issues, including the quality and timeliness of returns from employers, the latest</p>		

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<p>position on new admissions to the Fund and any debt write-offs.</p> <p>The Committee is RECOMMENDED to:</p> <p style="padding-left: 40px;">(a) note current team performance;</p> <p style="padding-left: 40px;">(b) approve the write off of £10,770.67;</p> <p style="padding-left: 40px;">(c) note the proposed actions in respect of data retention issues;</p> <p style="padding-left: 40px;">(d) agree to the destruction of the paper records which have been scanned to the Altair system; and</p> <p style="padding-left: 40px;">(e) note the current positions with applications for admission to the fund and other employer changes.</p>	<p>(a) Noted;</p> <p>(b) Approved;</p> <p>(c) Noted;</p> <p>(d) Agreed; and</p> <p>(e) Noted.</p>	<p>DF(Sean Collins & Sally Fox)</p> <p>DF(Sean Collins & Sally Fox)</p> <p>DF (Sean Collins & Sally Fox)</p> <p>DF (Sean Collins & Sally Fox)</p> <p>DF (Sean Collins & Sally Fox)</p>
<p>9. Risk Register</p> <p>The report (PF9) presents the latest position on the Fund's Risk Register, updating the risks reported to the last meeting and adding in new risks identified in the intervening period.</p> <p>The Committee is RECOMMENDED to note the current risk register.</p>	<p>Noted.</p>	<p>DF (Sean Collins)</p>

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<p>10. Fund Valuation 2016</p> <p>The report (PF10) updates the Committee on any key issues arising from the draft results of the 2016 Fund Valuation.</p> <p>The Committee is RECOMMENDED to note the report.</p>	Noted.	DF (Sean Collins & Sally Fox)
<p>11. Fundamental Review of Asset Allocation</p> <p>The report (PF11) from the Independent Financial Adviser informs the Committee of any potential changes required in the Strategic Asset Allocation of the Fund, following the 2016 Valuation results.</p> <p>The report and Annex 11 do not contain exempt information and are available to the public. However, Annexes 1 – 10 do contain exempt information and are therefore not available to the public. Any oral information in relation to Annexes 1 – 10 will also be exempt information.</p> <p><i>The public should be excluded during consideration of Annexes 1 – 10 and during any oral report relating to the Annexes 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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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>be drafted following receipt of appropriate advice. The fundamental review of the Fund's strategic asset allocation strategy which will also be presented at this Committee constitutes this formal advice from the Fund's Independent Financial Adviser. The fundamental review is taken to Committee in March to tie in with the timetable for receiving the results of the triennial valuation of the Fund from the Fund's Actuary. At the time of writing the ISS the contents of the fundamental review had not been approved, and as such, all references are to the strategic asset allocation currently in place. Following consideration of the fundamental review at this committee any changes agreed will be reflected in an updated ISS.</p> <p>In future the intention is for the review of the ISS to align with the cycle of other related reports and so will ordinarily be included on the agenda for June Committee meetings, along with the Funding Strategy Statement, to allow any fundamental review changes to be reflected. The ISS must be reviewed at least every three years. As was the case with the SIP the intention is that the ISS will be approved on an annual basis by the Committee and may be reviewed in intervening periods if required.</p> <p><i>The Committee is RECOMMENDED to approve the Investment Strategy Statement as included an Annex 1, subject to any changes agreed as part of the fundamental review of the Fund's strategic asset allocation</i></p>	<p>Investment Strategy approved subject to the addition of the following to the first sentence of the Committee's Environmental, Social and Corporate Governance Policy to read as follows (amendment in bold italics):</p> <p>'The Committee recognises that environmental, social and corporate governance (ESG) issues, <i>including that of climate change</i>, can have materially significant investment implications.'</p>	<p>DF (Sean Collins)</p>

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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>13. 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 December 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 15, 16, 17, 18, 19 and 20 on the agenda.</i></p>	Received.	DF (Peter davies)
<p>14. EXEMPT ITEMS</p> <p><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 in disclosing the information.</i></p>	Agreed.	
<p>15. Overview and Outlook for Investment Markets</p> <p>The report of the Independent Financial Adviser (PF15) sets out an overview of the current and future investment scene and market developments across various regions and sectors. It also provides the context for consideration of the reports from the Fund Managers. The report itself</p>		

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<p>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>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>DF (Peter Davies)</p>
<p>16. 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 13 and 15.</p> <p>(2) The representatives (Malcolm Gordon and Jean-Luc Seidenberg) of the Fund Manager will:</p>		

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<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 December 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 December 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>The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.</p> <p>LUNCH</p>	<p>Noted.</p>	<p>DF (Sean Collins/Greg Ley)</p>

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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>17. Wellington</p> <p>(1) The Independent Financial Adviser will report orally on the performance and strategy of Wellington drawing on the tables at Agenda Items 13 and 15.</p> <p>(2) The representatives (Nicola Staunton, Ian Link and Louise Kooy-Henckel) 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 December 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 31 December 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><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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<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.	DF (Sean Collins/Greg Ley)
<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 Insight, Baillie Gifford and Legal & General, as well as update the Committee on any other issues relating to 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>The Committee is RECOMMENDED to note the main issues arising from the reports and to take any necessary action, if required.</p>	Noted.	DF (Peter Davies/ Sean Collins/Greg Ley)

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<p>19. Summary by the Independent Financial Adviser</p> <p>The Independent Financial Adviser will, if necessary, summarise any issues arising from the previous discussions.</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>Summary not necessary.</p>	
<p>20. Annual Review of the Independent Financial Adviser</p> <p>The report (PF20) reviews the work undertaken by the Independent Financial Adviser over the course of the past year, and invites the Committee to provide any feedback on the levels of service received and/or changes going forward.</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</i></p>		

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