



To: Members of the Pension Fund Committee

Notice of a Meeting of the Pension Fund Committee

Friday, 1 December 2017 at 10.00 am

Rooms 1&2 - County Hall, New Road, Oxford OX1 1ND

Peter G. Clark
Chief Executive

November 2017

Committee Officer: **Julie Dean**
Tel: 07393 001089; E-Mail: julie.dean@oxfordshire.gov.uk

Membership

Chairman – Councillor Kevin Bulmer
Deputy Chairman - Councillor Ian Corkin

Councillors

Nicholas Field-Johnson
John Howson
Mark Lygo

Charles Mathew
John Sanders
Alan Thompson

Vacancy

Co-optees

City Councillor James Fry
District Councillor Bill Service

Notes:

- ***A lunch will be provided***
- ***Date of next meeting: 9 March 2018***

Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned.....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines.

<http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Glenn Watson on **07776 997946** or glenn.watson@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. Apologies for Absence and Temporary Appointments

To approve the Minutes of the meeting held on 15 September 2017 (**PF3**) and to receive information arising from them.

2. Declarations of Interest - see guidance note

3. Minutes

To approve the minutes of the meeting held on 15 September 2017 (**PF3**) and to receive information arising from them.

4. Petitions and Public Address

5. Minutes of the Local Pension Board

The unconfirmed Minutes of the Local Pension Board which met on 20 October 2017 are attached for information only at **PF5**.

6. Report of the Local Pension Board

10:10

This is the second report of the Local Pension Board to the Pension Fund Committee in response to the request from the new Chairman of the Committee to have a dedicated item on each Committee Agenda where the Committee can properly discuss the work of the Board and any issues identified (**PF6**).

The Committee is RECOMMENDED to:

- (a) note the comments of the Board in respect of the workload associated with the employer management programme, and the potential benefits of increased investment in specialist project management support;***
- (b) consider whether they wish to ask the Board to undertake any specific follow up work in respect of the items on the General Data Protection Regulations or Employer Covenants included elsewhere on their agenda today; and***
- (c) consider the need for a further risk in respect of changes***

in Government Policy.

7. Review of the Annual Business Plan 2017/18

10:20

This report (**PF7**) reviews progress against the key service priorities as set out in the Annual Business Plan for the 2017/18 financial year.

The Committee is RECOMMENDED to note progress against the key service priorities identified in the 2017/18 financial year.

8. Risk Register

10:50

The report (**PF8**) 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.

The Committee is RECOMMENDED to:

- (a) note the current risk register;***
- (b) consider the comments from the Pension Board; and***
- (c) determine any changes to the current risk register.***

9. Brunel Pension Partnership (BPP) - Update

11:00

The report (**PF9**) updates the Committee on the work of Project Brunel to develop the Brunel Pension Partnership.

The Committee is RECOMMENDED to:

- (a) note the latest position in terms of the on-going development of the Brunel Pension Partnership; and***
- (b) delegate to the Director of Finance, as the nominated Shareholder Representative, the responsibility for the approval of the Brunel Business Plan at the Company AGM, following consultation with the Chairman, Deputy Chairman and Opposition Spokesperson of the Committee.***

10. Administration Report

11:30

This report (**PF10**) updates the Committee on the latest position on administration

issues outside of the business plan, including the latest position on new admissions to the Fund, employer cessations and any debt write offs.

The Committee is RECOMMENDED to note the report.

11. General Data Protection Regulations (GDPR) - Update

11:40

Attached at **PF11** is an update on the provisions of the General Data Protection Regulations (GDPR).

The Committee is RECOMMENDED to note the report.

12. Pension Fund Policies - Discretionary Policies

11:45

The attached report sets out changes to an existing discretionary policy and seeks the Committee's view on the introduction of a new discretionary policy (**PF12**).

The Committee is RECOMMENDED to:

(a) comment on and approve the proposed changes to the Administration Strategy; and

(b) confirm whether the Committee wishes to introduce a voluntary scheme pays option, providing criteria in paragraph 11 are met.

13. Overview of Past and Current Investment Position

11:50

Tables 1 to 4 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 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.

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 2017 using the following tables:

Table 1	provides a consolidated valuation of the Pension Fund at 30 September 2017
Table 2	shows net investments/disinvestments during the quarter
Table 3	provides investment performance for the consolidated Pension Fund for the quarter ended 30 September 2017
Table 4	provides details on the Pension Fund's top holdings

In addition to the above tables, the performance of the Fund has been produced graphically as follows:

Graph 1 – Market value of the Fund over the last three years

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 and 19 on the agenda.

14. EXEMPT ITEMS

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.

THE REPORTS RELATING TO THE EXEMPT ITEMS HAVE NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS STRICTLY PRIVATE TO MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

NOTE: In the case of items 16 and 17, there are no reports circulated with the Agenda. Any exempt information will be reported orally.

15. Overview and Outlook for Investment Markets

11:55

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. 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.

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:

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.*

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.

16. Adams Street

12:05

- (1) The Independent Financial Adviser will report orally on the performance and strategy of Adams Street drawing on the tables at Agenda Items 13 and 15.
- (2) The representatives (Ana Maria Harrison and Sergey Sheshuryac) of the Fund Manager will:
 - (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 2017;
 - (b) give their views on the future investment scene.

In support of the above is their report for the period to 30 September 2017.

At the end of the presentation, members are invited to question and comment and the Fund Managers to respond.

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:

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.*

The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.

17. Annual Review of Private Equity

12:45

The Independent Financial Adviser will report on and review the investments within the allocation to Private Equity as a whole. Members will be invited to question and comment (**PF17**).

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:

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.*

The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.

18. Report of Main Issues arising from Reports of the Fund Managers not represented at this meeting

13:00

The Independent Financial Adviser will report on the meetings with UBS, Wellington, Insight (Diversified Growth Fund) the Committee as well as update the Committee on any other issues relating to the Private Equity portfolio.

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:

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.*

The Committee is RECOMMENDED to note the main issues arising from the reports and to take any necessary action, if required.

19. Summary by the Independent Financial Adviser

13:05

The Independent Financial Adviser will, if necessary, summarise the foregoing reports of the Fund Managers and answer any questions from members.

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:

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.*

20. Employer Covenants

13:10

This report provides the Committee with further analysis of current levels of Pension Fund deficits and the financial strength of the employers responsible for meeting these deficit payments. The Committee is invited to consider any changes they would wish to make to the current Funding Strategy Statement in light of this report (**PF20**).

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:

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 the information is supplied in commercial confidence.*

The Committee is RECOMMENDED to consider the information contained within this report and determine any proposed changes to the current Funding Strategy Statement as the basis for a future consultation.

ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC

21. Corporate Governance and Socially Responsible Investment

13:15

This item covers any issues concerning Corporate Governance and Socially

Responsible Investment which need to be brought to the attention of the Committee.

22. Annual Pension Forum

13:20

There will be an oral report on arrangements for the next Annual Pension Forum.

LUNCH

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on Wednesday 29 November 2017 **at 12 noon** for the Chairman, Deputy Chairman and Opposition Group Spokesman.