

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, 7 DECEMBER 2018

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
1. Apologies for Absence and Temporary Appointments	<p>Apologies were received from Cllr Lawrie Stratford, Cllr Mark Lygo and Anya Greig.</p> <p>Members of the Committee and the officers offered their sincere condolences to the family of Jean Fooks on hearing of her recent death. The Committee wished to have recorded its thanks for the 20 years excellent service she gave whilst serving on the Committee.</p>	<p>DLG (Andrea Newman)</p> <p>DLG(Julie Dean)</p>
2. Declarations of Interest - see guidance note	There were no declarations of interest.	DLG (Andrea Newman)
3. Minutes To approve the minutes of the meeting held on 8 June 2018 (PF3) and to receive information arising from them.	<p>Approved and signed as a correct record.</p> <p>No Matters Arising.</p>	DLG (Julie Dean)
4. Petitions and Public Address	No requests received.	DLG (Andrea Newman)
5. Minutes of the Local Pension Board and Brunel Oversight Board A copy of the unconfirmed Minutes of the Local Pension Board, which met on 26 October 2018, is attached for information only (PF5).	Noted.	DLG(Julie Dean)

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<p>Also attached is a copy of the latest Minutes of the Brunel Oversight Board, again for information only (PF5).</p>	<p>Noted.</p>	<p>All to note</p>
<p>6. Report by the Independent Chairman of the Local Pension Board</p> <p>Attached at PF6 is the report by the Independent Chairman of the Local Pension Board. It invites the Committee to respond to the key issues raised by the Pension Board at its most recent meeting on 26 October 2018.</p> <p>The Committee is RECOMMENDED to note the report of the Board and also to:</p> <p>(a) note the wish of the Board to consider the Improvement Plan at their subsequent meetings, in the context that it is the responsibility of this Committee to drive the plan;</p> <p>(b) note the Board's continued concern over the level of vacancies and its strong support for recruiting to fill all positions;</p> <p>(c) consider its request to be invited to consider the next version of the Investment Strategy Statement before it is approved by this Committee; and</p> <p>(d) consider its request that the Committee reflects on how it will monitor the performance of the Brunel portfolios in the context of net</p>	<p>(a) noted;</p> <p>(b) noted;</p> <p>(c) to inform the Board that it would be invited to consider the next version of the Investment Strategy Statement prior to its approval by the Committee as a matter of course; and</p> <p>(d) to note the request and inform the Board that the Committee will consider it further when reviewing the new investment performance reports from Brunel.</p>	

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<i>performance against benchmarks and fee levels.</i>		
<p>7. Administration Report</p> <p>The report (PF7) updates the Committee on the latest position in relation to administration issues.</p> <p><i>The Committee is RECOMMENDED to:</i></p> <p><i>(a) note the report;</i></p> <p><i>(b) provide any feedback on the draft Improvement Plan and confirm the arrangements for monitoring the delivery of the Plan at future meetings; and</i></p> <p><i>(c) agree the proposed changes in the Scheme of Delegation as outlined in paragraph 29.</i></p>	<p>(a) noted, including the letter dated 28 November 2018 from the Scheme Advisory Board to the Pensions Regulator as included on the Addenda;</p> <p>(b) to confirm the arrangements for monitoring the delivery of the draft Improvement Plan at future meetings, with the addition of the Breaches Log data;</p> <p>(c) agree the proposed changes to the Scheme of Delegation, as outlined in paragraph 29 of the report; and</p> <p>(d) agree that all future correspondence with the Pension Regulator should be circulated to the Committee and Board members as soon as possible.</p>	
<p>8. Review of the Annual Business Plan 2018/19</p> <p>The report (PF8) reviews progress to date on the key objectives, budget and training programme set out in the Business Plan for the forthcoming financial year.</p> <p><i>The Committee is RECOMMENDED to:</i></p> <p><i>(a) note the progress against the key service priorities and budget</i></p>	<p>(a) noted; and</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>

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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
	reports.	
<p>11. 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 2018 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, and 18 on the agenda.</i></p>	Received.	DF(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 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>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.</p> <p>NOTE: In the case of item 9, there are no reports circulated with the Agenda. Any exempt information will be reported orally.</p>	Agreed.	

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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>13. Exempt Minutes</p> <p>To approve the exempt Minute of the Pension Fund Committee meeting held on 14 September 2018 (PF13).</p> <p>To note the exempt Minute of the Local Pension Board meeting held on 26 October 2018 (PF13).</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 distort the proper process of free negotiations with another party.</i></p>	<p>Approved and signed as a correct report.</p> <p>Noted.</p>	<p>DLG(JD)</p> <p>Members of the Board to note</p>
<p>14. Overview and Outlook for Investment Markets</p> <p>The attached report of the Independent Financial Adviser (PF14) sets out an overview of the current and future investment scene and market developments across various regions and sectors. It provides the context for the considerations of the reports of 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</i></p>		

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<p><i>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>	Received.	DF(SC/GL)
<p>15. 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 11 and 14.</p> <p>(2) The representatives (Serge Jovelle and Sean Dryden) 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</p>		

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<p>on 30 September 2018;</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 2018.</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>DF(SC/GL)</p>
<p>16. Annual Review of Private Equity</p> <p>The Independent Financial Adviser will present his annual review of the Fund's Private Equity investments (PF16).</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</i></p>		

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<p><i>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 agree the recommendation as set out in the report PF16.</p>	<p>Agree the recommendation as set out in the exempt report PF16.</p>	<p>DF(SC)</p>
<p>17. Report of Main Issues arising from Reports of the Fund Managers not represented at this meeting</p> <p>To consider a report (PF17) from the Independent Financial Adviser on the main issues arising from the reports from UBS, Wellington and Adams Street Partners in conjunction with information contained in the tables (Agenda Item 11).</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>		

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<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>The Committee is RECOMMENDED to note the main issues arising from the reports and to take any necessary action, if required.</p>	Noted	DF(SC/GL)
<p>18. 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>	No summary necessary.	
<p>19. Proposed contract extension for the Independent Financial Adviser</p> <p>The current contract for the Independent Financial Adviser to the Committee expires in February 2019. Given all the changes underway during the transition for Fund</p>		

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<p>Manager responsibility to Brunel, it is unclear what the long-term requirements are for on-going independent financial advice. However, it is clear that in the short-term there is a clear requirement for on-going support, based on a clear knowledge of the existing arrangements. This report (PF19) therefore proposes an extension of the current contractual arrangements through an exemption to the normal procurement rules.</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> <p>The Committee is RECOMMENDED to agree the recommendation as set down in the report PF19.</p>	<p>Agreed – and to thank Peter Davies for all his good work.</p>	<p>DF(SC)/ DLG(SW)</p>
<p>20. Fund Manager Monitoring Arrangements</p> <p>The report (PF20) proposes the arrangements for Fund Manager Monitoring for the 2019/20 financial year.</p> <p>The Committee is RECOMMENDED to approve the Fund Manager monitoring arrangements as set out in the report.</p>	<p>Approved subject to the attendance of Brunel representatives to this Committee on the basis of twice a year rather than once.</p>	<p>DF(SC)/ DLG(SW)</p>

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<p>21. Corporate Governance and Socially Responsible Investment</p> <p>This item provides the opportunity to raise any issues concerning Corporate Governance and Socially Responsible Investment which need to be brought to the attention of the Committee.</p>	<p>No issues raised.</p>	
<p>22. Annual Pension Forum</p> <p>To report any matters arising in relation to the next Forum to be held in January 2019.</p>	<p>The next Pension Forum to take place on 11 January 2019 at Unipart.</p>	