

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 20 April 2018 commencing at 10.30 am and finishing at 12.25 pm

Present:

Voting Members: Mark Spilsbury – in the Chair

Alistair Bastin
Stephen Davis
Councillor Bob Johnston
David Locke FCA
District Councillor Sandy Lovatt
Sarah Pritchard

Officers:

Whole of meeting: S. Collins, S. Fox and J. Dean (Resources)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

11/18 WELCOME BY CHAIRMAN

(Agenda No. 1)

The Chairman welcomed all to the meeting.

12/18 APOLOGIES FOR ABSENCE

(Agenda No. 2)

There were no apologies for absence.

13/18 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE OPPOSITE

(Agenda No. 3)

There were no declarations of interest submitted.

14/18 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were no requests to petition the Board or to make an address.

15/18 MINUTES

(Agenda No. 5)

The Minutes of the last meeting held on 19 January 2018 were approved and signed as a correct record.

Matters Arising

Sean Collins reported that the request from the Board for a robust statement regarding cyber security to be added to the Business Plan had been referred to the Pension Fund Committee as a part of the Risk Register report. The Committee had requested more information on the subject.

In relation to Minute 6/18 – ‘Brunel Pension Partnership’ - the Chairman agreed that some early draft consultation questions could be discussed at Agenda Item 8 ‘Review of the Annual Business Plan’.

16/18 EXEMPT ITEM

(Agenda No. 6)

The Board **RESOLVED** that the public be excluded for the duration of item 7 in the Agenda since it was likely that if they were present during this item there would be disclosure of exempt information as defined in Part 1 of Schedule 12 A to the Local Government Act 1972 (as amended) and specified in relation to the respective item in the Agenda and since it was considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

17/18 EMPLOYER MANAGEMENT

(Agenda No. 7)

The Board considered the latest in a series of reports to the Pension Fund Committee on the Fund’s approach to employer management.

The public was 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 was considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, in that such disclosure would distort the proper process of free negotiations with another party.*

READMISSION OF PRESS AND PUBLIC

18/18 REVIEW OF THE ANNUAL BUSINESS PLAN

(Agenda No. 8)

At its 9 March 2018 meeting, the Pension Fund Committee had approved the Annual Business Plan for 2018/19. The Board was invited to review the latest Plan and to offer any views back to the Committee (LPB8).

Mr Collins introduced the report.

Cllr Bob Johnston informed the Board that the Council had agreed, by 59 votes to 0 (with 1 abstention) to call upon the Pension Fund Committee to incorporate the latest and best advice available on ESG matters when reviewing and drawing up the next three - yearly Investment Strategy Statement (ISS), together with the other policies. Mr Collins reported that the Policies would be reviewed at the next Pension Fund Committee on 8 June 2017, with the full three - yearly review taking place in 2020.

Sally Fox confirmed that there was adequate staffing in the Team and sufficient money in the budget to implement iconnect.

When asked, Sean Collins explained that some of the Fund Manager fees would be offset during the year and there would be new costs as a consequence of the transition to Brunel Pension Partnership (BPP). Furthermore, it would be some years after transition before net savings would occur. The budget for BPP costs had been based on recent estimates which included transition, staffing, custodian and administration costs, together with the costs of having a company. He added that a full report on BPP had been considered at the December 2017 Committee and details of the BPP budget had been included on its website. The agreed Pricing Policy explained the costings over the ten funds which comprised BPP. Oxfordshire's share was £650k which included staffing, offices, consultancy and transition costs of assets.

In response to a question asking how much was spent on training, engagement and communication, Mr Collins stated that it had already been included, with much of it in conjunction with other funds, or nationally, then tailored for Oxfordshire. He added that a significant budgetary cost was for the communication manager's post in the Pensions Administration Team and her work included a responsibility for the development of the website and communication with the Local Government Association. The draft Communication Plan would also be included in the June Pension Fund Committee papers.

In relation to the ISS the Board discussed a set of draft consultation questions which had been produced by Scheme representative, Alistair Bastin, which he proposed could be sent to all scheme members in order to glean their views on particular issues, included in the ISS.

After a full discussion, the Chairman thanked Alistair Bastin for putting forward the consultation questions. In summary, the general feel of the Board was that it was an excellent concept, that information gathering surveys were very much a positive exercise, but the form of the actual questions put forward at this meeting needed to be viewed as an early preparation for consultation on the next ISS in 2020. It thus required more thought and expert opinion.

The Board therefore **AGREED** to inform the Pension Fund Committee that the Board supports a consultation with Fund members on the next ISS and would wish to provide its input into a planned consultation exercise, working with fund managers and specialist consultation officers from the County Council.

19/18 RISK REGISTER

(Agenda No. 9)

The Board was invited to review the report on the latest Risk Register, as presented to the Pension Fund Committee on 9 March 2018 and to offer any further views back to Committee (LPB9).

The Board requested the officers to update the Register regularly to include the dates of reviews and to include headers on each page.

20/18 BRUNEL PENSION PARTNERSHIP

(Agenda No. 10)

Sean Collins gave an update on the development of the Brunel Pension Partnership (BPP) stating the following:

- The first of the investment tenders had been run for passive mandates, the results of which had yet to be announced;
- The timetable for moving to passive tenders had been set for May/June time;
- It was thought that savings could be greater than otherwise assumed by the original business case;
- The Client Group had asked to prioritise the next set of tenders and to run two active equity mandates (including the UK mandates) in the first tranche (by the end of 2018), followed by global equities in early 2019; with the fixed income mandates by 2019;
- Currently BPP was looking at private markets and how to invest and redistribute new money; and
- There would be a significant amount of activity by the Client Group next year on the development and transition of active equity mandates.

The Board **AGREED** that a Gant chart showing the planned dates for key tasks would be very useful to the Board and the Committee when considering the time scales for the above.

21/18 ITEMS FOR INCLUSION IN THE REPORT TO PENSION FUND COMMITTEE

(Agenda No. 11)

The Board confirmed the following issues it wished to include in its latest report to the Pension Fund Committee:

- Committee be recommended to ask the Pensions Regulator to collect comparative data from all funds on Key Administration functions, in order to allow for meaningful comparison to be made between funds;
- Committee be recommended to receive historical data on performance;
- Committee to consider the urgent need for training and targeted written information for the Committee; and
- Committee to consider a consultation exercise with Fund members on the next Investment Strategy Statement for 2020.

..... in the Chair

Date of signing