

Pensions Panel

27 January 2020 – At a meeting of the Pensions Panel held at 10.00 am at County Hall, Chichester.

Present: Cllr Hunt (Chairman)

Cllr Bradford, Cllr J Dennis, Cllr Elkins, Cllr N Jupp, Cllr Urquhart, Cllr Walsh, Mr Donnelly and Ms Taylor

Part I

44. Declarations of Interests

44.1 Mr Jupp stated that his son's firm had bought private equity in the last six months.

45. Part I Minutes of the last meeting

45.1 Resolved – That the Part I minutes of the Pensions Panel held on 25 October 2019 be approved as a correct record, and that they be signed by the Chairman.

46. Motions Received from Employers

46.1 The Panel discussed the Notice of Motions from Adur District and Worthing Borough Councils (copy appended to the signed minutes) asking the Pension Fund to divest its pension fund of any investment in fossil fuel stocks, equities and funds. It was also noted that similar motions had been passed by Arun District Council and was being considered by Chichester District Council.

46.2 Katharine Eberhart, Director of Finance and Support Services, stated that officers could provide a standard response that could include an update on investment strategy and update on holdings. It was agreed this would be produced and circulated to the Panel for views.

46.3 The Chairman also asked that any correspondents in relation to such requests are logged centrally and that responses be produced centrally rather than Panel members responding individually. This was agreed by the Panel.

46.4 It was also noted that an additional meeting on environmental, social and governance (ESG) was being scheduled. The formality, venue and date for that meeting was still to be confirmed. Prior to that meeting a questionnaire would be sent to the Panel.

47. Pension Advisory Board Minutes - Part I

47.1 The Panel considered the confirmed Part I minutes from the 4 September 2019 Pension Advisory Board meeting; and the Agenda from the 20 November 2019 meeting (copies appended to the signed minutes).

47.2 The Panel made comments including those that follow.

- In relation to 24.8 of the 4 September 2019 Pension Advisory Board minutes, Mrs Dennis asked if it was a regulatory requirement. Rachel Wood agreed to look into this and circulate a response to the Panel.

47.3 Resolved – That the minutes and agenda be noted.

48. Business Plan

48.1 The Panel considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

48.2 Katharine Eberhart introduced the report and explained that it provided an update on the Business Plan priorities in the third quarter.

48.3 The Panel made comments including those that follow.

- Dr Walsh raised concern about the RAG rating of the poor quality data resulting in error and misstatement. Katharine Eberhart confirmed that the team had a detailed plan to approach this and have agreed a fee for Hampshire to undertake the work. Andrew Lowe confirmed that clear plans and deadlines for this work were now in place. An update would be provided at the next meeting when it was hoped that the RAG rating would have improved.
- It was noted that the Training Strategy was aligned with the Business Plan and was highlighted as Amber due to a number of new staff.

48.3 Resolved – that the Business Plan is noted.

49. Pension Administration Performance

49.1 The Panel considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

49.2 Katharine Eberhart introduced the report stating that all performance targets are working towards 100% with sustained improvements in most areas.

49.3 Andrew Lowe drew the Panels attention to section 7 of the report detailing Pension Scams. He assured the Panel that a set series of actions are followed if a member requests for their pension to be transferred.

49.4 The Panel made comments including those that follow.

- The Panel asked for confirmation as to whether Trading Standards or the Police are informed if a scam is suspected. Andrew Lowe would check if this was included in the process and report back to the Panel.

49.5 Resolved – that the update on the Administration Performance is noted.

50. Actuarial Valuation

50.1 The Panel considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

50.2 Rachel Wood introduced the report explaining that the funding strategy statement was attached at appendix 1 showing the amendments as tracked changes.

50.3 The Panel made comments including those that follow.

- It was confirmed that the valuation cycle was still 3 years and therefore 2022 was the next scheduled review.
- The amended version once agreed would be circulated as a clean document.

50.4 Resolved – that

1) The Panel agree the current amended version of the Funding Strategy Statement for publication by 31 March 2020.

(2) The Panel agree that any further amendments to the Funding Strategy Statement can be agreed by the Director of Finance and Support Services, in consultation with the Chairman to allow the Statement to be published by 31 March 2020.

51. Treasury Management Strategy

51.1 The Panel considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

51.2 Rachel Wood introduced the report explaining that it provided a review of last year's strategy as well as looking into the next financial year. She stated that it reflected on the need to increase limits on short term money market funds.

51.3 Rachel highlighted that in Appendix 1 of the report, page 112 section 5 it should have also included an Aviva fund as a money market fund.

51.4 Resolved – that the Panel:

(1) approve the 2020/21 Treasury Management Strategy as set out in Appendix 1.

(2) note the treasury activity undertaken during 2019/20 (1 April to 31 December 2019).

52. Date of the next meeting

52.1 The Panel noted that its next scheduled meeting would take place on 27 April 2020 at County Hall, Chichester.

53. Exclusion of Press and Public

Resolved - That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I, of Schedule 12A, of the Act by virtue of the paragraph specified under the item and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

54. Part II Minutes of the last meeting

The Panel agreed the Part II minutes of the Pensions Panel held on 25 October 2019.

55. Pension Advisory Board Minutes - Part II

The Panel noted the contents of the Part II minutes from the 4 September 2019 Pension Advisory Board meeting.

56. AVC Transfer

The Panel considered a report by the Director of Finance and Support Services.

The Panel noted the update.

57. ACCESS

The Panel considered a report by the Director of Finance and Support Services.

The panel noted the update.

58. Review of Pension Investment Performance

The Panel considered a paper by the Director of Finance and Support Services.

The Panel received an update from Caroline Burton relating to the quarterly performance reports from the fund managers.

59. Presentation by Baillie Gifford

The Panel received an update from Lynn Dewar and Paul Roberts from Baillie Gifford on the portfolio performance for the quarter.

60. Presentation by Aberdeen Standard

The Panel received an update from Matthew Cunliffe, Jennifer Ball and Mark McKelvey from Aberdeen Standard on the portfolio performance for the quarter.

61. Income Fund Options

The Panel considered a report by the Director of Finance and Support Services.

The Panel noted the report.

The meeting ended at 2.55 pm

Chairman