

AT A MEETING of the PENSION FUND PANEL AND BOARD of the County Council held at The Castle, Winchester on Monday 9 April 2018.

Chairman:
p Councillor M. Kemp-Gee

Elected members of the Administering Authority (Councillors):

a C. Carter	p A. Joy
p A. Dowden	p P. Latham
p A. Gibson	a J. Glen
p B. Tennent	a T. Thacker
p D. Mellor	

Employer Representatives (Co-opted members):

a Councillor P. Giddings (Test Valley Borough Council)
p Councillor M. Chaloner (Southampton City Council)
a Mr D. Robbins (Churchers College)

Scheme Member Representatives (Co-opted members):

a Dr C. Allen (pensioners' representative)
p Mr N. Wood (scheme members representative)
p Mrs V. Arrowsmith (deferred members' representative)

Independent Adviser:

a C. Dobson

BROADCASTING ANNOUNCEMENT

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

67. APOLOGIES FOR ABSENCE

Cllrs Carter, Glen, Giddings, Thacker, Mr Robbins, Dr Allen and Mrs Dobson sent their apologies.

68. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered

whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

69. **CONFIRMATION OF MINUTES**

The minutes of the Pension Fund Panel and Board held on 15 December 2017 were confirmed.

70. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman informed the committee that he had received a letter from Unison covering a number of topics, including representation within ACCESS, to which he had replied.

The Chairman announced that it was agreed at County Council in February 2018 that a special responsibility allowance for the co-opted members representing scheme members would be paid from April 2018.

71. **ACCESS JOINT GOVERNANCE COMMITTEE MINUTES 13 December 2017 and 29 January 2018**

The Panel and Board received the minutes of the ACCESS Joint Governance Committee held on 13 December 2017 and 29 January 2018.

72. **GOVERNANCE: INTERNAL AUDIT PROGRESS REPORT – FEBRUARY 2018**

The Panel and Board received and noted a report of the Director of Corporate Resources (item 6 in the Minute Book) setting out an overview of internal audit work completed in accordance with the approved audit plan.

Internal Audit's work to date had concluded reviews of pensions payroll and benefit calculations and the payment of pensions refunds, and that a substantial assurance can be placed on both processes based on a sound framework of internal control being in place and is operating effectively.

73. **GOVERNANCE: INTERNAL AUDIT PLAN 2018/19**

The Panel and Board received and noted a report of the Director of Corporate Resources (item 7 in the Minute Book) setting out an overview of internal audit work planned for 2018/19. The plan includes reviews of the process for starters and leavers, the governance of the Pension Fund and pooling.

74. **GOVERNANCE: FUNDING STRATEGY STATEMENT AND EMPLOYER POLICY**

The Panel and Board received a report from the Director of Corporate Resources (Item 8 in the Minute Book) on changes to the Pension Fund's Funding Strategy Statement and Employer Policy in relation to the treatment of wholly owned companies and funding targets for new admission bodies.

Employers were consulted on the changes to the strategy and the policy in January and February 2018. Two comments were received from employers about the impact of the changes, but this did not result in any changes being made.

An additional change had been made to the Employer Policy following the receipt of legal advice, to clarify the way in which the Fund will seek to achieve a scheme employer guarantee.

RESOLVED:

- (a) That the changes to the Funding Strategy Statement and Employer Policy were approved.

75. **GOVERNANCE- TRAINING PLAN 2018/19**

The Panel and Board considered a report of the Director of Corporate Resources (item 9 in the Minute Book) setting out the proposed training arrangements for members of the Pension Fund Panel and Board in 2018/19. In particular members noted the importance of training for Panel and Board members in their role in the governance of the Pension Fund and how the training programme is underpinned by the Training Needs Analyses that the members complete.

Members commented about the increasing popularity of Smart Beta and Factor Driven investment strategies and asked this was considered for the training plan in 2018/19.

RESOLVED:

- (a) That the 2018/19 training programme was approved, noting that it may be adapted based on changing circumstances, and the remainder of the report was noted.

76. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:

That the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be

transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

77. **MINUTES OF PREVIOUS MEETINGS (EXEMPT)**

The exempt minutes of the Pension Fund Panel and Board held on 15 December 2017 were confirmed.

78. **ACCESS JOINT GOVERNANCE COMMITTEE MINUTES 2 October 2017, 13 December 2017 and 29 January 2018**

The Panel and Board received the exempt minutes of the ACCESS Joint Governance Committee held on 2 October 2017, 13 December 2017 and 29 January 2018.

79. **INVESTMENTS: PENSION FUND'S CUSTODIAN PERFORMANCE REPORT**

The Panel and Board considered the exempt report from the Director of Corporate Resources (Item 13 in the Minute Book) detailing the performance of the Pension Fund's custodian. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

80. **INVESTMENTS – INVESTMENT PERFORMANCE UPDATE**

The Panel and Board received an exempt report from the Director of Corporate Resources (Item 14 in the Minute Book) updating the Panel and Board on the performance of the Pension Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

81. **INVESTMENTS: ALTERNATIVE INVESTMENTS PORTFOLIO UPDATE**

The Panel and Board received an exempt report from the Director of Corporate Resources (Item 15 in the Minute Book) updating the Panel and Board about the progress of the Pension Fund's alternative investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]