

PENSION COMMITTEE

MINUTES of a meeting of the Pension Committee held at County Hall, Lewes on 27 February 2017.

PRESENT Councillors Richard Stogdon (Chair) Frank Carstairs,
Bob Standley, David Tutt and Godfrey Daniel

LEAD MEMBERS Councillor David Elkin

ALSO PRESENT Phil Hall, Interim Chief Finance Officer
Ola Owolabi, Head of Accounts and Pensions
Brian Smith, Regional Operations Manager
Jason Bailey, Pension Services Manager
Wendy Neller, Pensions Strategy and Governance Manager
John Shepherd, Finance Manager (Pension Fund)
Russell Wood, Principal Pensions Officer
William Bourne, Independent Adviser
William Marshall, Hymans Robertson
Paul Potter, Hymans Robertson
Harvey Winder, Democratic Services Officer

45 MINUTES

45.1 The Committee RESOLVED to agree the minutes of the meeting held on 30 November 2016 as a correct record.

46 APOLOGIES FOR ABSENCE

46.1 Apologies for absence were received from Cllr Michael Wincott (Substitute: Cllr Godfrey Daniel).

47 DISCLOSURE OF INTERESTS

47.1 Councillor Godfrey Daniel declared a personal interest as a scheme member of three East Sussex Pension Funds.

48 URGENT ITEMS

48.1 There were no urgent items.

49 PENSION BOARD MINUTES

49.1 The Committee considered the draft minutes of the Pension Board meeting held on 9 February 2017.

49.2 The Committee RESOLVED to note the draft minutes.

50 FUND PERFORMANCE - SCHRODER

50.1 The Committee received a presentation from the fund manager Schroder on their fund performance.

51 QUARTERLY PERFORMANCE REPORT - HYMANS ROBERTSON

51.1 The Committee considered a report by Hymans Robertson on the performance of fund managers during the fourth quarter of 2016.

52 EXTERNAL AUDIT PLAN FOR EAST SUSSEX PENSION FUND 2016/17

52.1 The Committee considered a report by the Interim Chief Finance Officer on the External Audit Plan for the East Sussex Pension Fund (ESPF) during 2016/17.

52.2 The Committee RESOLVED to approve the External Audit Plan for the ESPF for 2016/17.

53 INVESTMENT STRATEGY STATEMENT (ISS)

53.1 The Committee considered a report by the Interim Chief Finance Officer on the Investment Strategy Statement.

53.2 The Committee RESOLVED to agree the Investment Strategy Statement subject to the insertion under the asset risk section of the sentence "The Fund believes that climate change poses material risks to the Fund but that it also presents positive investment opportunities."

54 FUNDING STRATEGY STATEMENT (FSS)

54.1 The Committee considered a report by the Interim Chief Finance Officer on the Funding Strategy Statement.

54.2 The Committee RESOLVED to agree the Funding Strategy Statement.

55 ASSET POOLING - PASSIVE PROCUREMENT

55.1 The Committee considered a report by the Interim Chief Finance Officer on the procurement of passive assets within ACCESS.

55.2 The Committee RESOLVED to note the report.

56 PENSION ADMINISTRATION COST ANALYSIS

56.1 The Committee considered a report by the Interim Chief Finance Officer providing an analysis of the cost of pension administration.

56.2 The Committee RESOLVED to:

1) note the report; and

2) request a report for the 17 July 2017 Committee meeting providing a briefing on the current position of the contract for pension administration system including market intelligence on alternative potential systems.

57 OFFICERS' REPORT - BUSINESS OPERATIONS

57.1 The Committee considered a report by the Chief Operating Officer.

57.2 The Committee RESOLVED to

1) note the report;

2) request a report at the 17 July 2017 Committee meeting on GMP including the tendering process for stage 2 of the GMP reconciliation.

58 PENSION FUND BUDGET FOR 2017/18

58.1 The Committee considered a report by the Interim Chief Finance Officer on the Pension Fund Budget for 2017/18.

58.2 The Committee RESOLVED to agree the Pension Fund Budget for 2017/18.

59 FORWARD PLAN

59.1 The Committee RESOLVED to note the Forward Plan.

60 EXCLUSION OF THE PUBLIC AND PRESS

60.1 The Committee RESOLVED to exclude the public and press from the meeting for the remaining agenda item on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

61 GOVERNANCE: LGPS INVESTMENT POOLING - INTER AUTHORITY AGREEMENT

61.1 The Committee considered a report by the Interim Chief Finance Officer on ACCESS pooling developments including the Inter Authority Agreement.

61.2 The Committee RESOLVED to:

1) recommend that the County Council resolves:

1. That authority is delegated to the Assistant Chief Executive, in consultation with the Chair of the Pension Committee to agree the approach to pooling that East Sussex County Council will take, based upon the Government's responses to the two options put forward by the ACCESS Pool and the views of the local authorities that make up the ACCESS Pool.

2. If the Assistant Chief Executive, in consultation with the Chair of the Pension Committee agrees to adopt pooling based on the use of a CIV Operator, then authority is delegated to the Assistant Chief Executive, in consultation with the Chair of the Pension Committee to finalise and agree the terms of an IAA to implement this model, and the Council resolves to establish and delegate the functions to the joint committee as specified in Appendix 2 with effect from the date of execution of the IAA; or

3. If the Assistant Chief Executive, in consultation with the Chair of the Pension Committee agrees to adopt pooling based on Collaborative Joint Procurement, then authority is delegated to the Assistant Chief Executive, in consultation with the Chair of the Pension Committee to finalise and agree the terms of an IAA to implement this model and the Council resolves to establish and delegate the functions to the joint committee as specified in Appendix 3 with effect from the date of execution of the IAA.

4. That authority is delegated to the Monitoring Officer to make consequential amendments to the County Council's Constitution to reflect the agreed approach to pooling and the creation of the Joint Governance Committee. Any amendments to the Constitution will be reported to a future meeting of the County Council.

2) nominate Councillor Richard Stogdon as the Council's representative on the Joint Governance Committee for the period to when the County Council appoints to Committees following the County Council Elections in May 2017.

The meeting ended at 1.30 pm

Councillor Richard Stogdon
Chair