

PENSION COMMITTEE

MINUTES of a meeting of the Pension Committee held at County Hall, Lewes on 15 June 2018.

PRESENT Councillors Richard Stogdon (Chair) Councillors Stuart Earl, Gerard Fox and David Tutt

ALSO PRESENT Cllr David Elkin, Lead Member for Resources
Richard Harbord, Independent Chair of the Pension Board
Ola Owolabi, Head of Pensions
Russell Wood, Principal Pensions Officer
William Marshall, Hymans Robertson
William Bourne, Independent Adviser

1 MINUTES

1.1 The minutes of the previous meeting on 26 February were agreed.

2 APOLOGIES FOR ABSENCE

2.1 Apologies for absence were received from Cllr Simon Elford.

3 DISCLOSURE OF INTERESTS

3.1 There were no disclosures of interest.

4 URGENT ITEMS

4.1 There were no urgent items.

5 PENSION BOARD MINUTES

5.1 The Committee considered the draft minutes of the Pension Board meeting held on 8 May 2018.

5.2 The Committee RESOLVED to note the draft minutes.

6 QUARTERLY PERFORMANCE REPORT - HYMANS ROBERTSON

6.1 The Committee considered the following reports by Hymans Robertson:

- Quarter 1 monitoring report
- Update on investment strategy

6.2 The Committee RESOLVED to:

1) Note the report; and

2) agree to discuss at the July Strategy day the reduction of the East Sussex Pension Fund's equities exposure by 1.6% to better match the strategic target.

7 FUND PERFORMANCE - (PRESENTATION BY HARBOURVEST PARTNERS)

7.1 The Committee received a presentation from the investment fund manager HarbourVest Partners.

8 PENSION FUND SECURITIES LENDING PROGRAMME

8.1 The Committee considered a report on the Pension Fund Securities Lending Programme.

8.2 The Committee RESOLVED to:

1) approve the East Sussex Pension Fund's participation in the Securities lending programme; and

2) approve the Fund's participation in and compliance with the future ACCESS Pool Securities lending policy.

9 PENSION FUND 2017/18 ANNUAL REPORT

9.1 The Committee considered the Pension Fund 2017/18 Annual Report.

9.2 The Committee RESOLVED to:

1)) note the Draft Annual Report, and financial performance of the Pension Fund, which will be submitted for final audit in June 2018;

2) note that the audited Pension Fund Annual Report will be presented to the Pensions Committee for approval at its meeting on 16 July 2018.

10 INTERNAL AUDIT PENSION FUND STRATEGY

10.1 The Committee considered a report on the East Sussex Pension Fund Internal Audit Strategy.

10.2 The Committee RESOLVED to approve the Internal Audit Strategy for the East Sussex Pension Fund.

11 ANNUAL REVIEW OF THE PENSION FUND POLICIES

11.1 The Committee considered a report on the annual review of the Pension Fund Polices.

11.2 The Committee RESOLVED to:

1 note the Discretionary Pension Policy Statements and Administration Strategy Statement; and

2) Approve the Policy for Employers Leaving the Fund (Cessation Policy).

12 OFFICERS' REPORT - PENSIONS GOVERNANCE AND ADMINISTRATIONS

12.1 The Committee considered a report providing a general update on matters related to the Committee activities.

12.2 The Chair of the Pension Board updated the Committee on the Board's concerns about the GMP reconciliation process including the contract arrangements, level of risk to the Fund, and final cost of the process. In regards to the Breaches Log, he expressed concern about Churchill's breach for not paying over pension contributions for some of its members. He also warned the Committee about the potential risk of breaching regulations in regards to the 11 data sets the Pensions Regulator requires all pension funds to hold. The Chair of the Pension

Board informed the Committee that the Board would consider future reports on the GMP reconciliation process.

12.2 The Committee RESOLVED to:

- 1) note the report;
- 2) request a report on the GMP reconciliation process being carried out by the JLT;
- 3) request a progress report on data cleansing; and
- 4) request that an officer from Business Operations attend future meetings of the Board and Committee.

13 FORWARD PLAN

13.1 The Committee considered a report on its forward plan.

13.2 The Committee RESOLVED to note the report.

14 EXCLUSION OF THE PUBLIC AND PRESS

14.1 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).

15 LOCAL GOVERNMENT PENSION SCHEME (LGPS) POOLING - ACCESS UPDATE

15.1 The Committee considered a report providing an update on activities undertaken by the ACCESS Pool.

15.2 The Committee resolved to:

- 1) Approve the ACCESS Business Plan in line with ACCESS Joint Committee recommendation to the participating ACCESS Authorities;
- 2) Agree the ACCESS Joint Committee recommendation that a company is not formed for the support of ACCESS at this time;
- 3). Note the progress on the Governance Manual and the permanent ACCESS Support Unit (ASU);
- 4). Note the ACCESS Pool Spring Progress Update submission to the Ministry of Housing Communities and Local Government.

16 PENSION EMPLOYERS - UPDATE

16.1 The Committee considered a report providing an update on participating employer pension issues.

16.2 The Committee RESOLVED to note the report.

The meeting ended at 2.20 pm.

Councillor Richard Stogdon
Chair