

PENSION COMMITTEE

MINUTES of a meeting of the Pension Committee held at County Hall, Lewes on 26 February 2018.

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

ALSO PRESENT Richard Harbord, Independent Chair
Ian Gutsell, Chief Finance Officer
Ola Owolabi, Head of Pensions
Wendy Neller, Pensions Strategy and Governance Manager
John Shepherd, Finance Manager (Pension Fund)
Russell Wood, Principal Pensions Officer
William Bourne, Independent Adviser
Paul Potter, Hymans Robertson
William Marshall, Hymans Robertson
Harvey Winder, Democratic Services Officer

49 MINUTES

49.1 The Committee agreed the minutes of the meeting held on 27 November 2017.

50 APOLOGIES FOR ABSENCE

50.1 There were no apologies for absence.

51 DISCLOSURE OF INTERESTS

51.1 Cllr Richard Stogdon declared a personal, non-prejudicial, interest as the trustee of a private Trust fund managed by Ruffer.

52 URGENT ITEMS

52.1 There were no urgent items.

53 PENSION BOARD MINUTES

53.1 The Committee considered the draft minutes of the Pension Board meeting held on 8 February 2018.

53.2 The Committee RESOLVED to note the draft minutes.

54 QUARTELY PERFORMANCE REPORT - HYMANS ROBERTSON

54.1 The Committee considered the following reports by Hymans Robertson:

- Quarter 4 monitoring report

- New Manager Rating System
- Stock Lending
- Fund Review – Pantheon Global Infrastructure III

54.2 The Committee RESOLVED to:

1) Note the reports; and

2) agree to invest in the Pantheon Global Infrastructure III Fund in order to help fulfil the proposed increase in the East Sussex Pension Fund's commitment in infrastructure and private equity from 2% to 4%.

55 FUND PERFORMANCE - LONGVIEW PARTNERS

55.1 The Committee received a presentation from the investment fund manager Longview Partners.

56 CARBON FOOTPRINT MEASUREMENT - TRUCOST

56.1 The Committee received a presentation by Trucost on its Carbon Footprint Measurement of the East Sussex Pension Fund.

56.2 The Committee RESOLVED to request that the data on LGIM Global and LGIM UK be revised.

57 PASSIVE INVESTMENT TRANSITION - UBS

57.1 The Committee received a presentation on the transition of the East Sussex Pension Fund's passive investments to UBS.

57.2 The Committee expressed significant concern about the cost of transitioning passive funds to UBS, including the new Life Climate Aware World Equity Fund.

57.3 The Committee RESOLVED to note the presentation.

58 INVESTMENT STRATEGY STATEMENT

58.1 The Committee considered an updated Investment Strategy Statement.

58.2 The Committee noted that the cost of establishing a sub-fund within ACCESS – which would be necessary in the event of not agreeing to undertake stock lending – was not available for consideration.

58.3 The Committee RESOLVED to defer this item until more information on the cost of not undertaking stock lending is provided.

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

59.1 The Committee considered a report on the progress of the ACCESS pooled fund.

59.2 The Committee RESOLVED to note the report.

60 EXTERNAL AUDIT PLAN - EAST SUSSEX PENSION FUND

60.1 The Committee considered a report on the proposed External Audit Plan for the East Sussex Pension Fund.

60.2 The Committee RESOLVED to note the report.

61 COMMUNICATIONS POLICY STATEMENT

- 61.1 The Committee considered a report on the Communications Policy Statement 2018/19.
61.2 The Committee RESOLVED to approve the Communications Policy Statement 2018/19.

62 INTERNAL AUDIT REPORT - PENSION FUND GOVERNANCE AND INVESTMENTS

- 62.1 The Committee considered a report by Internal Audit on Pension Fund Governance and Investments.
62.2 The Committee RESOLVED to note the report.

63 EAST SUSSEX PENSION FUND 2017/18 BUDGET MONITORING AND 2018/19 BUDGET REPORT

- 63.1 The Committee considered the East Sussex Pension Fund 2017/18 Budget monitoring and 2018/19 Budget report.
63.2 The Committee RESOLVED to:
1) note the 2017/18 Budget Monitoring; and
2) approve the East Sussex Pension Fund Budget for 2018/19.

64 OFFICERS' REPORT - PENSIONS GOVERNANCE AND ADMINISTRATIONS

- 64.1 The Committee considered a report providing a general update on pension governance and administrations.
64.2 The Committee RESOLVED to note the report.

65 WORK PROGRAMME

- 65.1 The Committee considered a report on its work programme.
65.2 The Committee RESOLVED to note the report.

66 EXCLUSION OF THE PUBLIC AND PRESS

- 66.1 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).

67 PENSION EMPLOYERS - UPDATE

- 67.1 The Committee considered a report on employer members of the East Sussex Pension Fund.
67.2 The Committee RESOLVED to note the report.

The meeting ended at 3.10 pm.

Councillor Richard Stogdon (Chair)
Chair