

PENSION COMMITTEE

MINUTES of a meeting of the Pension Committee held at Committee Room, County Hall, Lewes on 8 February 2016.

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

LEAD MEMBERS Councillor David Elkin – for items 13a and 17, (minutes 53a and 56)

ALSO PRESENT Kevin Foster, Chief Operating Officer – for items 13a and 17, (minutes 53a and 56)
Marion Kelly, Chief Finance Officer
Ola Owolabi, Head of Accounts and Pensions
John Shepherd, Finance Manager (Pension Fund)
Wendy Neller, Pensions Strategy and Governance Manager
Simon Pollock, Head of Orbis Business Operations – for items 13a and 17, (minutes 53a and 56)
Jason Bailey, Pension Services Manager – for items 13a and 17, (minutes 53a and 56)
William Bourne, Independent Pension Adviser
William Marshal, Hymans Robertson
Paul Potter, Hymans Robertson
Harvey Winder, Democratic Services Officer

43 MINUTES

43.1 The Committee approved the minute of the meeting held on 12 January 2016.

44 DISCLOSURE OF INTERESTS

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

45.2 Councillor Richard Stogdon declared a personal interest as a Trustee of certain private trust funds managed by Ruffer.

45 PENSION BOARD MINUTES

45.1 The Committee considered the draft minutes of the Pension Board meeting held on 4 February 2016.

45.2 The Committee RESOLVED to note the Pension Board minutes.

46 FUND PERFORMANCE - SCHRODER (PROPERTY)

46.1 The Committee discussed a presentation from the fund manager Schroder on their fund performance.

46.2 Following advice from the investment advisers, the Committee RESOLVED to start taking the distributable income from the Schroders portfolio for rebalancing the East Sussex Pension Fund, rather than reinvesting this income in the Schroders pooled property funds.

47 FUND PERFORMANCE - M&G INVESTMENTS

47.1 The Committee discussed a presentation from the fund manager M&G Investments on their fund performance.

48 QUARTERLY PERFORMANCE REPORT - HYMANS ROBERTSON

48.1 The Committee discussed the Quarterly Performance Report by Hymans Robertson updating the Committee on investment managers' performance for the Fourth Quarter of 2015.

49 LGPS INVESTMENT POOLING

49.1 The Committee considered a report by the Chief Operating Officer 1) providing an update on the work that has been undertaken to consider the Government's LGPS Investment Pooling requirements and consultation on the Investment Regulations; and 2) seeking approval from the Committee regarding the best pooling option for the East Sussex Pension Fund.

49.2 The Committee RESOLVED to:

- 1) Agree that ACCESS is the preferred option for the Fund; and
- 2) authorise the Chief Operating Officer, in consultation with Chair of the Pension Committee, to submit the finalised response on the East Sussex Pension Fund's pooling option; the consultation on the LGPS - Revoking and replacing the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, to the Government by 19 February 2016.

50 REVISED COMMUNICATIONS POLICY STATEMENT 2015/16

50.1 The Committee considered a report by the Chief Operating Officer providing a draft updated 2015/16 version of the East Sussex Pensions Communications Policy for approval.

50.2 The Committee RESOLVED to approve the Communications Policy Statement.

51 PENSION FUND BUDGET REPORT - 2016/17

51.1 The Committee considered a report by the Chief Operating Officer providing an outline of the 2016/17 budget for the Council's statutory function as the administering authority of the East Sussex Pension Fund.

51.2 The Committee RESOLVED to:

- 1) approve the revenue budget for 2016/17 attached as Appendix 1 of the report; and
- 2) Agree that the travel cost of Pension Board members' training is covered by the Pension Fund Budget for 2016/17.

52 ENVIRONMENTAL, SOCIAL, GOVERNANCE AND INVESTMENT STRATEGY

52.1 The Committee considered a report by the Chief Operating Officer setting out the legal position of trustees in respect of the investment in certain companies which might be considered to be 'ethically compromised'.

52.2 Hymans Robertson provided a presentation on responsible investment.

52.3 The Committee RESOLVED to:

- 1) note the report and its appendices; and
- 2) request that ethical investments is a topic for more detailed discussion at the Committee's Strategy Review Day.

53a Officers' Report - Business Operations

55a.1 The Committee considered a report by the Chief Operating Officer providing an update of the administration service provided to the Pension Fund by Orbis Business Operations

55a.2 The Committee expressed concern at the performance of Orbis Business Operations in the administration of the Pension Fund.

55a.3 The Committee resolved to:

- 1) note the report and its appendices;
- 2) request a report in 3-6 months on the potential outsourcing options available for pension fund administration.

53b Officers' Report - General Update

53b.1 The Committee considered a report by the Chief Operating Officer providing a general update to Members of the Pension Committee on matters related to the Committee's activity.

53b.2 The Committee RESOLVED to note the report and its appendices.

54 PENSION COMMITTEE FORWARD PLAN 2015/16

54.1 The Committee considered a report by the Chief Operating Officer providing an update on the Pension Fund Forward plan for 2015- 16.

54.2 The Committee RESOLVED to:

1. Note the report and its appendices;
2. Agree to consider the East Sussex Pension Fund – CIPFA Benchmarking Report – that was considered at the Pension Board on 4 February 2016 – following the training day on 22 February 2016.

55 EXCLUSION OF THE PRESS AND PUBLIC

55.1 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).

56 PENSIONS ADMINISTRATION SYSTEM - BUSINESS CASE

56.1 The Committee considered a report by the Chief Operating Officer recommending that it agree the purchase of a Pensions Administration system for the East Sussex Pension Fund.

56.2 Members were concerned by the lack of consultation with the Committee on this matter to date and the report did not give sufficient information for them to be assured that Officers recommendations were in the best interest of the East Sussex Pension Fund as well as the overall administration of the Pension Funds administered by Orbis.

56.3 The Committee RESOLVED to:

- 1) Request that officers seek the best terms for an 18-24 month contract extension
- 2) Request an update report to the meeting being held on 22nd February 2016

[The full decision is set out in an exempt minute]

The meeting ended at 2.03 pm.

Councillor Richard Stogdon
Chair