

AT A MEETING of the PENSION FUND PANEL of the County Council held at The Castle, Winchester on Friday 13 June 2014.

Chairman:
p Councillor M. Kemp-Gee

Councillors:

p C. Carter	a P. Latham
p C. Connor	p T. Rolt
a A. Gibson	p B. Tennent
p A. Joy	p T. Thacker

Co-opted members:

p Councillor P. Giddings (Test Valley Borough Council)
p Councillor J. Leek (Basingstoke and Deane Borough Council)
a Councillor G. Vernon-Jackson (Portsmouth City Council)
p Councillor S. Barnes-Andrews (Southampton City Council)
a Dr C. Allen (pensioners' representative)
p Mr P. Reynolds (employee representative)

Independent Adviser:

p C. Dobson

68 **APOLOGIES FOR ABSENCE**

Councillors A. Gibson, P. Latham, G. Vernon-Jackson and Dr C. Allen gave their apologies.

69 **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.

70 **CONFIRMATION OF MINUTES**

The minutes of the meeting held on 28 February 2014 were confirmed.

71 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman invited Cllr T. Thacker to report on the Local Authority Pension Fund Forum's business meeting on 25 March 2014 which he had attended.

72 **INTERNAL AUDIT ANNUAL REPORT AND OPINION**

The Panel considered a report of the Director of Corporate Resources (item 5 in the Minute Book) providing the Chief Internal Auditor's annual report and opinion on the adequacy and effectiveness of Pensions Services' framework of risk management, internal control and governance for the year to 31 March 2014.

The Chief Internal Auditor confirmed that 'Substantial Assurance' could be placed on the framework of governance, risk management and management control, and that audit testing had demonstrated controls to be working in practice.

RESOLVED:

That the Chief Internal Auditor's annual report and opinion statement for 2013/14 be accepted.

73 **PENSIONS ADMINISTRATION PERFORMANCE UPDATE**

The Panel received and noted a report of the Director of Corporate Resources (item 6 in the Minute Book) providing an update on the administrative performance of the Pension Fund between October 2013 and March 2014, and highlighting the key activities planned for the next year.

Processing times had met service standards for all categories of casework in the six months to 31 March 2014. Total work in progress at that date represented just over two weeks' work. Administration costs per member in 2013/14 were lower than the good practice level of 0.3% of the total employer payroll for the Pension Fund. Pensions Services had retained their full Customer Service Excellence accreditation in an assessment in April 2014.

Work on implementing the new LGPS 2014 scheme from 1 April 2014 had progressed well, with information provided to staff, employers and scheme members.

The Panel noted that the Government had announced the outcome of its consultation on councillor access to the LGPS in March 2014. No new councillors would be allowed to join the LGPS after 31 March 2014 and existing councillor members would cease to be eligible for membership once their current term of office ended.

Details were awaited from the Government on its proposals for scheme governance, including the introduction of Pension Boards for each LGPS fund.

RESOLVED:

That the administration performance for 2013/14 be noted.

74 **TRAINING FOR PANEL MEMBERS, INCLUDING THE TRAINING PLAN FOR 2014/15**

The Panel considered a report of the Director of Corporate Resources (item 7 in the Minute Book) providing the proposed Training Plan for 2014/15 and details of training half-days for 2014/15.

The Panel also considered the attendance at the LGC Investment Summit in September 2014.

RESOLVED:

- (a) That the Training Plan for 2014/15 be approved.
- (b) That Councillors T. Thacker, C. Connor and P. Giddings attend the LGC Investment Summit on 9 and 10 September 2014.
- (c) That the remainder of the report be noted.

75 **GOVERNMENT CONSULTATION ON OPPORTUNITIES FOR COLLABORATION, COST SAVINGS AND EFFICIENCIES**

The Panel considered a report of the Director of Corporate Resources (item 8 in the Minute Book) which suggested a response to the Government's consultation paper on the opportunities for collaboration, cost savings and efficiencies in the Local Government Pension Scheme (LGPS).

The Government had confirmed that it would not implement mergers of LGPS funds, but that its preference was for all investments of LGPS funds should be invested in one or more common investment vehicles. In addition, the Government had indicated that it preferred the use of passive fund management. In reaching these conclusions, the Government had been assisted by a report provided by its consultants Hymans Robertson.

Representatives of Hymans Robertson were attending a meeting with the Chairman and Director of Corporate Resources on 27 June 2014 to explain their conclusions. A summary of that meeting would be circulated to Panel members.

The Panel discussed the draft responses to the Government's

consultation questions included in the report. Panel members were asked to forward any further comments to the Director of Corporate Resources' staff.

RESOLVED:

That a response to the Government's consultation be drafted by the officers, based on the report and taking into account the Panel's views, to be agreed by the Chairman prior to despatch.

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 Paragraph 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 MEETING HELD ON 28 FEBRUARY 2014 (EXEMPT APPENDIX)**

The exempt minutes of the meeting held on 28 February 2014 were confirmed.

78 **GOVERNMENT CONSULTATION ON OPPORTUNITIES FOR COLLABORATION, COST SAVINGS AND EFFICIENCIES**

The Panel received and noted an exempt Appendix from the Director of Corporate Resources (Item 11 in the Minute Book) on the Government's consultation paper on the opportunities for collaboration, cost savings and efficiencies in the Local Government Pension Scheme.
[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

79 **INVESTMENT UPDATE INCLUDING RECENT PERFORMANCE RETURNS**

The Panel considered an exempt report from the Director of Corporate Resources (Item 12 in the Minute Book) updating the Panel about the progress of the Pension Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

80 PROPERTY PORTFOLIOS - UPDATE

The Panel received and noted an exempt report from the Director of Corporate Resources (Item 13 in the Minute Book) providing an update on the Pension Fund's property portfolios. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]