

AT A MEETING of the PENSION FUND PANEL AND BOARD of the County Council held at The Castle, Winchester on Friday 22 July 2016.

Chairman:
p Councillor M. Kemp-Gee

Administering Authority Representatives (Councillors):
a C. Carter
p C. Connor
p A. Gibson
p A. Joy
p P. Latham
p T. Rolt
p B. Tennent
p T. Thacker

Employer Representatives (Co-opted members):
p Councillor P. Giddings (Test Valley Borough Council)
a Councillor H. Mason (Portsmouth City Council)
p Mr D. Robbins (Churchers College)

Scheme Member Representatives (Co-opted members):
p Dr C. Allen (pensioners' representative)
p Mr P. Reynolds (active members' representative)
p Mrs V. Arrowsmith (deferred members' representative)

Substitute Representatives
p Cllr C. Greenwood (Administering Authority Representative)
p Mr N. Wood (Scheme Member Representative)

Independent Adviser:
p C. Dobson

80. **BROADCASTING ANNOUNCEMENT**

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

81. **APOLOGIES FOR ABSENCE**

Cllrs Mason and Carter sent their apologies.

82. **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.

Mrs Dobson informed the Panel and Board that as Chair of one of Aberdeen's Investment Trusts she could only provide factual advice on Item 11 on the agenda.

83. **CONFIRMATION OF MINUTES**

The minutes of the Pension Fund Panel and Board held on 3 June 2016 were confirmed.

The Director Of Corporate Resources highlighted that despite numerous reminders and offers of support there remained a small number of Training Needs Analyses (TNA's) outstanding. To reflect the importance that the Panel & Board place on training and development for members from a Governance perspective, the Director will seek guidance from Legal Services in liaison with the Chairman regarding next steps to be taken.

84. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman thanked officers for arranging the recent internal training session for members of the Pension Fund Panel and Board and Audit Committee including items on investment pooling and responsible and ethical investing and thanked Dr Allen for recommending the session on responsible and ethical investing presented by Newton. The Panel and Board agreed that both sessions had been useful.

85. **GOVERNANCE - INTERNAL AUDIT REPORT & OPINION 2015-16**

The Panel considered a report of the Director of Corporate Resources (item 5 in the Minute Book) providing the Pension Fund Panel and Board with the Chief Internal Auditor's opinion on the adequacy and effectiveness of internal control of the Pension Fund. The Chief Internal Auditor's opinion was that 'substantial assurance' can be placed on the County Council's framework of control for the Pension Fund.

RESOLVED:

- (a) That the Chief Internal Auditor's annual report and opinion statement for 2015/16 was accepted.

86. **GOVERNANCE – AMENDED APPOINTMENTS POLICY**

The Panel and Board considered a report of the Director of Corporate

Resources (item 6 in the Minute Book) recommending a minor amendment to the Panel and Board's Appointments Policy to align the appointment of the employer representative representing Unitary Authorities with the Municipal year.

RESOLVED:

(a) That the revised Appointments Policy was approved

87. **INVESTMENT - PENSION FUND CASH – ANNUAL REPORT FOR 2015/16**

The Panel and Board considered a report of the Director of Corporate Resources (Item 7 in the Minute Book) which summarised the activities of the Director in managing the Pension Fund's cash balance during 2015/16). The Panel had agreed an Annual Investment Strategy earlier in the year and the cash balance had been managed in accordance with that Strategy throughout the year. The average cash balance in 2015/16 was £90.9m.

RESOLVED:

That the outturn report on the Pension Fund's cash management in 2015/16 be approved.

88. **GOVERNANCE - PENSION FUND DRAFT ANNUAL REPORT 2015/16**

The Panel and Board considered and noted a report of the Director of Corporate Resources (item 7a in the Minute Book) containing the Pension Fund's Draft Annual Report, including the Pension Fund's Accounts for the year ending 31 March 2016. The Accounts and Annual Report are subject to external audit, which is currently taking place, and approval by the County Council's Audit Committee in September 2016 as part of the approval of the County Council's Annual Report. The Annual Report had been prepared according to the latest statutory guidance produced by CIPFA and has been produced earlier than in previous years as the County Council moves towards a shorter timescale for producing the Pension Fund's final accounts and Annual Report.

89. **GOVERNANCE – LGPS INVESTMENT POOLING SUBMISSION**

The Panel and Board considered and noted a report of the Director of Corporate Resources (item 7b in the Minute Book) containing ACCESS' pooling submission, which was submitted to the Government by its 15 July deadline. The submission was agreed on behalf of Hampshire under the delegated authority of the Director of Corporate Resources provided by the Panel and Board and following an internal training session provided for the Panel and Board on investment pooling.

90. **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 Paragraphs 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.

91. **MINUTES OF PREVIOUS MEETING HELD ON 3 June 2016 (EXEMPT APPENDIX)**

The exempt minutes of the Pension Fund Panel and Board held on 3 June 2016 were confirmed.

92. **PENSION FUND CASH – ANNUAL REPORT FOR 2015/16 – EXEMPT APPENDIX**

The Panel noted an exempt Appendix from the Director of Corporate Resources (Item 10 in the Minute Book) concerning the management of the Pension Fund's cash balance in 2015/16. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

93. **INVESTMENT: ABERDEEN PRIVATE EQUITY FUND LTD**

The Panel and Board considered an exempt report from the Director of Corporate Resources (Item 11 in the Minute Book) concerning the Pension Fund's investment in the Aberdeen Private Equity Fund. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

94. **INVESTMENTS - INVESTMENT UPDATE INCLUDING RECENT PERFORMANCE RETURNS**

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

95. **INVESTMENTS – PROPERTY PORTFOLIO UPDATE**

The Panel and Board considered the exempt report from the Director of Corporate Resources (Item 13 in the Minute Book) updating the Panel

and Board on the progress of Hampshire's property investments.
[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT
INFORMATION]