

AT A MEETING of the PENSION FUND PANEL of the County Council held at The Castle, Winchester on Friday 19 December 2014.

Chairman:
p Councillor M. Kemp-Gee

Councillors:

p C. Carter	p 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)
p Councillor H. Mason (Portsmouth City Council)
a Councillor S. Barnes-Andrews (Southampton City Council)
p Dr C. Allen (pensioners' representative)
p Mr P. Reynolds (employee representative)

Independent Adviser:

p C. Dobson

126 **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.

127 **APOLOGIES FOR ABSENCE**

Councillors Gibson and Barnes-Andrews gave their apologies.

128 **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.

129 **CONFIRMATION OF MINUTES**

The minutes of the meeting held on 7 November 2014 were confirmed.

130 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman asked Dr Allen to update the Panel on a recent Govtoday conference that they both had attended on the future of the LGPS, looking at opportunities for collaboration, cost savings and efficiencies.

The Chairman asked the Panel's Independent Advisor to give the Panel a brief update on the impact that the fall in oil prices was having on economies and the potential impact that deflation could have on the Pension Fund's investments.

The Chairman asked Mr Reynolds to for his views on Pension Boards as he had missed the last Panel meeting when this was discussed. Mr Reynolds informed the Panel that he expected the LGPS Regulations formally introducing Pension Boards to be laid in January 2015.

131 **REVIEW OF THE PENSION FUND'S MEMBERSHIP OF THE LOCAL AUTHORITY PENSION FUND FORUM (LAPFF)**

The Panel received and noted a report of the Director of Corporate Resources (item 5 in the Minute Book) considering the Pension Fund's membership of the LAPFF, which the Panel had agreed to join in December 2013 for a year on a trial basis. The LAPFF now represents 61 LGPS funds and encourages them to take an activist approach to their role as shareholders.

The Panel noted that according to the Fund's Statement of Investment Principles the Pension Fund has delegated responsibility for voting as a shareholder to its investment managers and expects them to take account of social, environmental and ethical considerations when assessing the financial potential and suitability of investments. Therefore the Fund is not deriving the main benefit of its membership of LAPFF in receiving notification of upcoming company shareholder votes.

RESOLVED:

- a) That the Pension Fund does not renew its membership of the LAPFF.
- b) That the remainder of the report was noted.

132 **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.

133 **MINUTES OF PREVIOUS MEETING HELD ON 7 November 2014 (EXEMPT APPENDIX)**

The exempt minutes of the meeting held on 7 November 2014 were confirmed.

134 **INVESTMENT UPDATE**

The Panel received and noted an exempt report from the Director of Corporate Resources (Item 8 in the Minute Book) updating the Panel about the progress of the Pension Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

135 **PROPERTY PORTFOLIO UPDATE**

The Panel received and noted an exempt report from the Director of Corporate Resources (Item 9 in the Minute Book) updating the Panel about the progress of the Pension Fund's property investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]