

AT A MEETING of the PENSION FUND PANEL of the County Council held at The Castle, Winchester on Friday 6 March 2015.

Chairman:
p Councillor M. Kemp-Gee

Councillors:

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

Co-opted members:

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

Independent Adviser:

p C. Dobson

137 **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.

138 **APOLOGIES FOR ABSENCE**

Councillors Mason, Giddings and Tennent gave their apologies.

139 **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.

Dr Allen disclosed to the Panel that he had a material personal investment with Schroders (who were presenting to the Panel on the portfolio that they manage for the Pension Fund under item 14 in Minute Book).

Carolan Dobson notified the Panel that she was a non-executive director of one of Schroders' unit trusts. The Panel agreed that neither Dr Allen's or Carolan Dobson's interests should preclude them from contributing to the Panel's discussion of item 14 in Minute Book.

140 **CONFIRMATION OF MINUTES**

The minutes of the meeting held on 19 December 2014 were confirmed.

141 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman invited members to update the Panel on any training events that they had attended since the last meeting. Cllr Gibson gave the Panel details of training he had attended through his employer on the developments to personal pensions following the recent changes being implemented by Central Government.

142 **INTERNAL AUDIT PROGRESS REPORT**

The Panel received and noted a report of the Director of Corporate Resources (item 5 in the Minute Book) setting out an overview of internal audit work completed in accordance with the approved audit plan.

143 **PANEL TRAINING FORWARD PLAN**

The Panel considered a report of the Director of Corporate Resources (item 6 in the Minute Book) setting out the proposed training arrangements for members of the Pension Fund Panel in 2015/16. In particular members noted the importance of training for Panel members in their role in the governance of the Pension Fund and how the training programme is underpinned by the Training Needs Analyses that the members complete.

The Chairman suggests that Richard Buxton (a former investment manager of the Pension Fund's portfolio managed by Schroders) is invited to present an internal training session to the Panel.

RESOLVED:

- (a) That the 2015/16 training programme and remainder of the report was noted.

144 **REVIEW OF THE PENSION FUND'S STATUTORY STATEMENTS**

The Panel considered a report of the Director of Corporate Resources (item 7 in the Minute Book) providing an annual update of the Pension Fund's Business Plan, Statement of Investment Principles, Governance Policy and Governance Compliance Statements, Communications Policy Statement and Administration Strategy Statement.

RESOLVED:

- (a) That progress on the planned actions in Business Plan for 2014/15 be noted.
- (b) That the Business Plan for 2015/16 be approved with minor amendments.
- (c) That the updated Funding Strategy Statement be approved with minor amendments.
- (d) That the updated Statement of Investment Principles be approved with minor amendments.
- (e) That the updated Governance Policy and Governance Compliance Statements be approved.
- (f) That the updated Communication Policy Statement be approved.
- (g) That the Administration Strategy Statement be approved with a minor amendment.

145 **FINAL GOVERNANCE REGULATIONS**

The Panel considered a report of the Director of Corporate Resources (item 8 in the Minute Book) notifying Panel members of the publication by the Government of final regulations for Local Government Pension Scheme governance, which included the regulations for Local Pension Boards.

Members noted that Hampshire County Council as Administering Authority of the Hampshire Pension Fund had agreed at its Cabinet meeting on 6 February 2015 that following changes made in the final version of the regulations the County Council would explore with the Government the requirements for a Joint Pension Fund Panel and Board within the regulations.

146 **PENSION FUND CASH MONITORING REPORT AND ANNUAL INVESTMENT STRATEGY 2015 /15**

The Panel considered a report of the Director of Corporate Resources

(item 9 in the Minute Book) on the Annual Investment Strategy for 2015/16 for managing the Pension Fund's cash balance. The Annual Investment Strategy had been prepared taking into account advice from the County Council's treasury management advisers, Arlingclose.

RESOLVED:

- (a) That the Annual Investment Strategy for 2015/16 be approved.
- (b) That this Annual Investment Strategy be implemented from the date of this meeting for the remainder of 2014/15.
- (c) That the Director of Corporate Resources be authorised to manage the Pension Fund's cash balance in accordance with the policy set out in the report.

147 **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.

148 **MINUTES OF PREVIOUS MEETING HELD ON 19 December 2014 (EXEMPT APPENDIX)**

The exempt minutes of the meeting held on 19 December 2014 were confirmed.

149 **PENSION FUND CASH MONITORING REPORT AND ANNUAL INVESTMENT STRATEGY 2014/15 (EXEMPT APPENDIX)**

The Panel received and noted an exempt appendix (Item 12 in the Minute Book) to the report from the Director of Corporate Resources on the Annual Investment Strategy for 2015/16. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

150 **PENSION FUND CUSTODIAN PERFORMANCE REPORT**

The Panel received and noted an exempt report from the Director of Corporate Resources (Item 13 in the Minute Book) updating the Panel about the performance of the Fund's custodian, JP Morgan.

[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

151 **INVESTMENT UPDATE**

The Panel received and noted an exempt report from the Director of Corporate Resources (Item 14 in the Minute Book) updating the Panel about the progress of the Pension Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]