

# Minutes

## *PENSION FUND COMMITTEE*

**MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON MONDAY 23 MAY 2016, IN MEZZANINE ROOM 3, COUNTY HALL, AYLESBURY, COMMENCING AT 2.00 PM AND CONCLUDING AT 5.00 PM.**

### **MEMBERS PRESENT**

Mr J Chilver (Chairman), Mr D Martin, Mr R Scott (Vice-Chairman) and Mr J Gladwin

### **OTHERS PRESENT**

Carolan Dobson, Independent Adviser  
Julie Edwards, Pensions and Investments Manager  
Mark Preston, Finance Director  
Nick Sykes, Investment Consultant, Mercer  
Thomas Slaughter, Executive, Grant Thornton Auditors  
Stephen Lee, Investec  
Leslie Ashton, Committee Assistant  
Chris Adams, Buckinghamshire County Council  
Joshua Caughey, Mercer Investment Consulting  
James Hand, Investec

### **AGENDA ITEM**

#### **1. APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP**

Apologies were received from Mr D Carroll, Mr T Egleton, Mr P Hardy, Mr S Lambert and Mr P McDonald.

#### **2. DECLARATIONS OF INTEREST**

Ms C Dobson advised that she was a non-executive Director of the London CIV.

#### **3. MINUTES**

The minutes of the meeting held 4 February 2016 were agreed as an accurate record and signed by the Chairman on the basis that the below amendment would be made.

**ACTION: Committee Assistant to amend Mr N Sykes forename to appear correct on page 1.**

**4. BUCKINGHAMSHIRE PENSION BOARD MINUTES**

The minutes of the Buckinghamshire Pension Board held 16 March 2016 were noted by the Committee.

**5. PENSION FUND EXTERNAL AUDIT PLAN 2015/16**

Mr T Slaughter, Grant Thornton Auditors presented this report. The Committee discussed the significant risks identified as outlined on pages 22 and 23 of the agenda pack. It was explained that the 'management over-ride of controls' had been identified as a risk as a standard procedure and was not necessarily a significant risk to the BCC pension fund.

Mr T Slaughter advised that from an audit perspective Level 3 investments were seen as slightly more risky as they required a significant degree of judgment to reach an appropriate valuation at year end and that the BCC pension fund had a slightly higher proportion in level 3 investments than other Local Authorities.

This report had been presented to the Regulatory and Audit Committee in April where it was noted by that Committee.

Page 27 of the agenda pack displayed the brief timeline for completion of the audit work. Mr T Slaughter advised that the audit of pension fund statements would commence in full on 20 June 2016 with an opinion to be issued on 31 July 2016.

**6. ANNUAL ACCOUNTS**

Ms J Edwards, Pensions and Investments Manager, BCC presented this report highlighting that the net assets of the fund available to fund benefits at 21 March 2016 was just over £2.2 billion and the total membership of the fund as at 31 March 2016 was 65,642.

In response to a Member's question about the significant increase to the number of deferred pensioners since 31 March 2015 (21,791 to 24,362), Ms Edwards explained that as people moved from one employer in the fund to work elsewhere their membership status became deferred. Ms Edwards also explained that the auto-enrolment of new starters impacted the figures and that the bodies were constantly changing and had increased from the previous year.

A Member also questioned the turnover in fixed interest securities.

**ACTION Pensions & Investments Manager to provide a brief analysis and explanation for the increased deferred pensioner figure to the Committee by e-mail.**

**ACTION: Pensions & Investments Manager to find and share previous correspondence from Royal London which covered the high level of turnover in fixed interest securities.**

The draft statement of accounts would be presented to the Regulatory and Audit Committee 25 May 2016 then return as final accounts at the end of July 2016 to be formally signed off by the Regulatory and Audit Committee.

## **RESOLVED**

**The Committee NOTED the Draft Statement of Accounts for the financial year ended 31 March 2016.**

### **7. FORWARD PLAN**

The Committee noted the Forward Plan. Members were informed that the June meeting had been arranged to specifically discuss the stage 2 submission of the LGPS pooling proposal when it was hoped that the final version to be submitted to the Department for Communities and Local Government would be finalised.

### **8. EXCLUSION OF THE PRESS AND PUBLIC**

#### **RESOLVED**

**That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)**

### **9. CONFIDENTIAL MINUTES**

The confidential minutes of the meeting held 4 February 2016 were agreed as an accurate record and signed by the Chairman.

### **10. CONFIDENTIAL BUCKINGHAMSHIRE PENSION BOARD MINUTES**

The confidential minutes of the Buckinghamshire Pension Board held 16 March 2016 were noted by the Committee.

### **11. FUND MANAGER PERFORMANCE**

The Committee discussed the up to date Fund Manager Performance figures and

statistics.

**12. LGPS REFORM UPDATE**

The Committee received an update on the LGPS Reform and appointed representatives to the Shadow Oversight Board and Shadow Operations Group.

**RESOLVED**

**The Committee AGREED that the Chairman of the Pension Fund Committee should represent the Committee on the Shadow Oversight Board.**

**The Committee AGREED that the Pensions & Investments Manager should represent the Buckinghamshire Fund on the Shadow Operations Group.**

**13. FUND MANAGER PRESENTATION**

Representatives of the Investec Fund Management team presented to the Committee.

**14. TRAINING SESSION: FIXED INCOME GROWTH OPPORTUNITIES**

The Committee received detailed information from Mercer around Fixed Income Growth opportunities.

**15. DATE OF NEXT MEETING**

The next meeting will take place on 29 June 2016 at 1 p.m. in Mezzanine room 2, NCO, Aylesbury.

Ms C Dobson and Mr J Gladwin gave their apologies for the above meeting.

**CHAIRMAN**