

Minutes

PENSION FUND COMMITTEE

MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON WEDNESDAY 27 JULY 2016, IN MEZZANINE ROOM 3, COUNTY HALL, AYLESBURY, COMMENCING AT 1.00 PM AND CONCLUDING AT 3.40 PM.

MEMBERS PRESENT

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

OTHERS PRESENT

Carolyn Dobson, Independent Adviser
Julie Edwards, Pensions and Investments Manager
Mark Preston, Finance Director, Business Services Plus
Matthew Passey, Mercer Investment Consulting
Nick Sykes, Investment Consultant, Mercer
Leslie Ashton, Committee Assistant
Thomas Slaughter, Executive, Grant Thornton Auditors
Cheryl Platts, Pensions Communications Officer
Oliver Kratz, Global Thematic Partners
Klaus Tanner, Global Thematic Partners

AGENDA ITEM

1. APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

The Chairman welcomed all to the meeting and introductions were made.

Apologies had been received from Mr P Hardy.

Mr P McDonald was no longer the Milton Keynes Council representative. The Leader of Milton Keynes Council was currently seeking a replacement and would advise the Committee Assistant when a replacement had been found.

Mr D Carroll was no longer the Deputy Police and Crime Commissioner and therefore no longer a Member of the Pension Fund Committee. All invites would be sent to the Police and Crime Commissioner (PCC) until such time that a Deputy was appointed.

ACTION: Committee Assistant to forward all future Committee invites to Mr Anthony Stansfeld, Police and Crime Commissioner

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

The minutes of the meeting held 29 June 2016 were agreed as an accurate record and signed by the Chairman.

4. ANNUAL ACCOUNTS AUDIT

Mr T Slaughter presented the audit findings report and the Committee was provided with a copy of this report along with the Pension Fund Statement of Accounts and Letter of Representation. Key points discussed were as below:

- The reports would be presented to the Regulatory and Audit Committee on 28 July 2016 and be signed shortly after.
- No adjustments were identified which affected the Fund's reported financial position.
- Page 51 - 55 of the agenda pack outlined Audit findings against significant and other risks and the Committee was taken through each.
- Statutory notice letters had not been sent out to a number of new starters over several months. Ms J Edwards confirmed this had now been rectified was related to an issue with the content of the letters which had taken some time to resolve. Printing of the letters was now taking place fortnightly and all outstanding letters had been issued by 18 July 2016.
- Mr N Sykes queried the Interest Rate – Sensitivity Analysis section wording on page 30 of the agenda pack and advised that this was not factually correct. This was similar to wording on the following page referring to currency risk. Ms J Edwards advised that the accounts were presented in the CIPFA standard and Mr T Slaughter added that the wording could be refined however what was included in the accounts met the disclosure requirement.
- The final actuary valuation was due around November time this year.
- The performance management expenses were clarified as being based on a three year average not just an average year on year figure.
- Mr T Slaughter clarified the private equity investments valuation. Fund Managers were written to and requested to confirm their valuation methodology, this was then checked for consistency and asset values and sales were taken into account.

RESOLVED

The Committee NOTED the accounts for the financial year ended 31 March 2016, NOTED Grant Thornton's Audit Findings report and NOTED the Letter of Representation.

5. ANNUAL REPORT 2015/16

Ms C Platts presented this report. The Committee discussed the reports contents and key points discussed were as below:

- The annual report included the draft accounts as discussed above and followed CIPFA guidance. Ms C Platts advised that a traffic light rating system had been included on the risk register and a narrative included on the aging population and employer contributions.
- Ms J Edwards circulated a revised annual report of the Buckinghamshire Pension Fund Board which summarised the activity of the Board and training the Members had undertaken.
- The Chairman questioned the target timeframes on the administration management performance details which could be seen on page 101 of the agenda and asked if these targets set were achievable. Ms J Edwards advised that the team were in crisis with a high workload in 2015/16 and the team had worked extremely hard to bring the majority of tasks up to date aside from outstanding transfer tasks which there was a focus on to clear.
- Mr D Martin suggested focus was placed on ensuring actual death calculations were completed in the 10 working day timeframe. It was confirmed that this timeframe was based from the date of death rather than the date notification had been received although there were often complications whilst processing these tasks which would not be evidenced in the statistics.
- Mr J Gladwin questioned the cause of overpayments as noted on page 100 of the agenda pack. Ms J Edwards advised that in the majority of cases this was when the team had not been notified of deaths and so payments had continued.

RESOLVED

The Committee APPROVED the annual report, subject to the accounts element being signed off by Regulatory and Audit Committee.

6. FORWARD PLAN

The Committee noted the Forward Plan.

Ms J Edwards advised that there may be an additional meeting required in October to cover an update on the full business case of the Brunel Partnership. Formal sign-off from Government was not expected at any point.

Ms J Edwards confirmed that the triennial valuation was provisionally included to be discussed at the December meeting of the Pension Fund Committee.

7. 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)

8. CONFIDENTIAL MINUTES

The confidential minutes of the meeting held 29 June 2016 were agreed as an accurate record and signed by the Chairman.

9. GLOBAL THEMATIC PARTNERS REVIEW

The Committee received a report from Mercer on the Global Thematic Partners review and were taken through its contents by Mr M Passey, Mercer.

10. FUND MANAGER PRESENTATION: GLOBAL THEMATIC PARTNERS

The Committee received a presentation from Mr O Kratz and Mr K Tanner from Global Thematic Partners and were able to question their performance and investment strategies.

11. TRAINING SESSION: INFRASTRUCTURE

Mr N Sykes, Mercer delivered a training session to the Committee on various aspects of infrastructure investment.

12. DATE OF NEXT MEETING

27 September 2016 at 10 a.m. in Mezzanine room 3, NCO, Aylesbury.

CHAIRMAN