

PENSION COMMITTEE

MINUTES of a meeting of the Pension Committee held on Friday 10 February 2017 at the Meeting Room 1&2 - Shire Hall, Gloucester.

PRESENT: Cllr Ray Theodoulou, Cllr Nigel Cooper, Cllr Shaun Parsons, Cllr David Brown, Cllr Colin Hay, Cllr Jasminer Gill.

Substitutes:

Officers in attendance: Jo Walker, Graham Burrow, Mark Spilsbury, Sharon Crane, Steve Tyson, Alan Marshall, Paul Potter

Apologies: Cllr Lynden Stowe, Peter Clark

1. MINUTES –

The minutes of the meeting held on 11 November 2016 were agreed as a correct record.

The minutes of the meeting held on 2 December 2016 were agreed as a correct record.

2. DECLARATIONS OF INTEREST -

No additional declarations were made to those already recorded.

3 PUBLIC QUESTIONS -

No public questions were received.

4 MEMBERS' QUESTIONS -

No Members' questions were received.

5 MARKET VALUATIONS AND QUARTERLY PERFORMANCE REPORT

5.1 Sharon Crane, presented the report outlining that there had been a good result for the end of the calendar year. The markets remained quite volatile with fund performance at 3.5% for the portfolio overall. The best performing was Blackrock Global.

5.2 Over the 12 months period the portfolio had underperformed benchmark and over the rolling three year period, there was again underperformance shown with the returns at 9.9% against 11.2% benchmark since inception.

5.3 The Committee noted the comparison from the end of December against the previous quarter; this included the rebalancing that had taken place to switch an extra £6.8m to Standard Life Equities with the proposal for quarter 1 to switch a similar amount to WAMCO.

5.4 Members commented that while the outlook was volatile and there was risk caused by uncertainty, the performance of the fund had not reflected that level of volatility. There was some discussion around the fear of uncertainty.

5.5 Members commented about the performance of Standard Life.

6 FUNDING STRATEGY STATEMENT

6.1 Graham Burrow introduced the Funding Strategy Statement(FSS), stating that at the November meeting the Committee had considered the draft statement. Since then it had been out for consultation. In addition a meeting had been held with employers to discuss valuation results in early December where they also had the opportunity to ask questions relating to the FSS. Following the 6 week consultation period there had been no responses from employers on the content of the FSS.

6.2 In response to a question on how Brunel would affect the strategy it was explained that the extent and principles of the strategy would still apply and that if a review was needed after the transition to Brunel, then that could be carried out.

6.3 There was some discussion around the lack of feedback on the strategy.. It was explained that this was similar in previous years. It was felt that if employers were confident the fund was being appropriately managed then they would be unlikely to make comments.

6.4 One member commented on a ruling regarding Pensions in the supreme court. This specifically related to the access to the scheme of a partner where a nomination form had not been signed. Officers would go back to Hymans Robertson to better understand the implications and size of the risk. It was suggested that this related to the impact on fund liabilities and the impact on resourcing the administration. A report would be received by the Committee at the next meeting.

ACTION **Graham Burrow**

6.5 Members commented that it was important that the Funding Strategy Statement was kept under regular review.

It was resolved that:

The Committee agreed the Funding Strategy Statement

7 TRAINING UPDATE

7.1 Graham Burrow reported back on the training day on 11 January 2017 where it was noted that there had been good attendance. Members recognised the importance of regular group training, but also opportunities for individual training.

7.2 Steve Tyson would stay at the end of Committee meeting where members requested 'one to ones' on any particular areas.

7.3 There was some discussion around what training should be provided to Pension Committee members following the Election in May 2017, particularly focussed on any new members. The form and content of these discussions to fit into the Member Induction programme would be developed. This would include the LGA training course sessions available to members, details of how Brunel worked and the role and responsibility of the Committee (including 'admissions agreements').

ACTION Jo Walker/Graham Burrow/ Mark Spilsbury

8 EXCLUSION OF THE PRESS AND PUBLIC

It was resolved

That in accordance with Section 100 A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following agenda items, because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 & 5 of Part 1 of Schedule 12 A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

9 INDEPENDENT ADVISOR BRIEFING

9.1 Steve Tyson, Independent Adviser provided members with a briefing which included the market background, future outlook and current investment performance.

10 INVESTMENT STRATEGY STATEMENT AND STRATEGIC ASSET ALLOCATION

10.1 Mark Spilsbury introduced the report and emphasised the importance of the Committee setting the asset allocation. Paul Potter, Hymans Robertson, would go through the detail of the report and get the committees views on the draft

Minutes subject to their acceptance as a correct record at the next meeting

recommendations. He emphasised that detailed discussions had been had with officers. The report would be received by the Committee in March and would also be considered by the Pension Board.

10.2 Cllr Ray Theodoulou asked that officers put together options based on the proposals for the next meeting for the Committee to consider.

ACTION Graham Burrow/Mark Spilsbury

10.3 Members commented that when consulting with employers on the strategy that they be asked specific questions. It was explained that a letter would be written to accompany the consultation.

ACTION Graham Burrow/Mark Spilsbury

10.4 The Committee agreed the draft Strategic Asset Allocation and draft investment strategy statement, as a basis for consultation, in the context that both would be submitted to the committee at its meeting in March 2017.

11 BRUNEL PARTNERSHIP UPDATE

11.1 Mark Spilsbury provided members with the latest update and timescales involved.

12 PENSION ADMINISTRATION REPORT

12.1 Mark Spilsbury provided an update on the administration report and benchmarking information. This was based on November 2016 CIPFA figures and members were referred to the one page summary.

13 VALUATION UPDATE

13.1 Graham Burrow updated on the 2016 valuation process.

14 ADMISSION BODIES REQUEST

RESOLVED

That the requests for admission to the Fund be approved.

15 EXEMPT MINUTES

Minutes subject to their acceptance as a correct record at the next meeting

15.1 The exempt minutes of the meeting held on 11 November 2016 were agreed as a correct record and signed by the Chairman.

15.2 The exempt minutes of the meeting held on 2 December 2016 were agreed as a correct record and signed by the Chairman.

15.3 Members were updated in relation to a matter on the meeting held on 11 November 2016.

CHAIRMAN

Meeting concluded at 12:50pm