

INVESTMENT AND PENSION FUND COMMITTEE

12 June 2015

Present:-

Devon County Council:-

Councillors Gilbert (Chairman), Hannon, Hill, Hosking and Radford

Other Employers

Ms Healy

Union and Retired Members: Non-Voting Observers:-

Mr Franceschini and Mr Lomax

Apologies:-

Councillor Edgell (Devon County Council)
Councillors Parker-Delaz-Ajete and Fox (Plymouth City Council)
Councillors Edwards and Hicks (LGA Devon)
Ms Rimron (Union and Retired Members)

Also in Attendance

Mr Bowman (Pension Board Fund Member Representative)

***79**

Minutes

RESOLVED that the minutes of the meeting held on 27 February 2015 be signed as a correct record.

***80**

Annual Audit Report 2014/15 and Internal Audit Plan 2015/16

The Committee considered the Report of the County Treasurer (CT/15/43) on the Annual Internal Audit Report 2014/15 and the Internal Audit Plan 2015/16.

Internal Audit was able to provide reasonable assurance on the adequacy and effectiveness of the Devon Pension Fund's internal control environment during 2014/15. The Internal Audit Plan for 2015/16 allowed for up to 40 days of internal audit support for the Pension Fund and 45 days of internal audit support for Peninsula Pensions.

The County Treasurer confirmed that a more detailed report examining areas where controls could be improved and actions agreed with management, would be reviewed by the Pension Board.

The Head of Devon Audit Partnership confirmed that the Pension Fund's performance over a three year period had been used in calculating the number of audit days required.

It was **MOVED** by Councillor Hannon, **SECONDED** by Ms Healy and

RESOLVED

- (a) that the Annual Internal Audit Report for 2014/15 be accepted;
- (b) that the Internal Audit Plan for 2015/16 be approved;
- (c) that the Assistant County Treasurer be authorised to execute the Service Level Agreement relating to the Internal Audit Plan;
- (d) that Members of the Committee be provided for information, with the Agenda and Reports of the Pension Board.

***81** **Statement of Investment Principles**

The Committee considered the Report of the County Treasurer (CT/15/38) outlining the proposed changes to the Statement of Investment Principles, reflecting the creation of the Pension Board and the revised strategic asset allocation.

In response to Members questions the County Treasurer advised that:

- the change to adopt the upper limit in relation to a single insurance contract would need to be long term;
- ethical or local investment should only be considered where the Pension Fund's duty to provide the best return on investment was not compromised.

It was **MOVED** by Councillor Hannon, **SECONDED** by Councillor Radford and

RESOLVED

- (a) that the revised Statement of Principles be approved and adopted;
- (b) that the County Treasurer circulate a briefing note to Members of the Committee, outlining the Pension Fund's approach to ethical and local investment options, to assist Members of the Committee in responding to enquiries on this matter from other elected Members and the public.

***82** **Training Plan 2015/16**

The Committee considered the Report of the County Treasurer (CT/15/39) outlining the training to be provided over the next year which would ensure that both the Investment & Pension Fund Committee and the Pension Board had the knowledge and skills required in accordance with the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills.

The Chairman emphasised the importance of Members attending training to ensure that they were fully equipped to consider the business of the Committee, and urged all Members of the Committee to make attending these sessions a priority

It was **MOVED** by Ms Healy, **SECONDED** by Councillor Hannon and

RESOLVED the 2015/16 Training Plan be approved and adopted.

***83 Investment Management Report**

The Committee considered the Report of the County Treasurer (CT/15/40) on the current Pension Fund value and asset allocation against target, Fund performance and Treasury management stewardship 2014/15, acknowledging a positive benchmark return over the last quarter bringing the annual return closer to the benchmark. This resulted in an annual return of +10% against the benchmark of +11%. The longer term rolling 3 year and 5 year return were both showing a return of 0.3% below the benchmark.

It was **MOVED** by Councillor Hannon, **SECONDED** by Councillor Radford and

RESOLVED that the Report, including compliance with the 2014/15 Treasury Management Strategy, be noted.

***84 Dates of Future Meetings**

2015

Friday 18 September

Friday 20 November

2016

Friday 26 February

***85 Exclusion of Press and Public**

RESOLVED that the press and public be excluded from the meeting for the following items of business under Section 100(A)(4) of the Local Government Act, 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act, namely information relating to financial or business affairs of of another person, other than that of the County Council and disclosure of which would be likely to inhibit the free and frank provision of advice and exchange of views for the purposes of deliberation, in accordance with Section 36 of the Freedom of Information Act 2000, by virtue of the fact that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

***86 Investment Management Review**

The Committee considered the Report of the County Treasurer (CT/15/41).

It was **MOVED** by Councillor Hannon, **SECONDED** by Ms Healy and

RESOLVED that the commissioning of a review of the Pension Fund's investment strategy be approved.

***87 Investment Advisor Arrangements**

The Committee considered the Report of the County Treasurer (CT/15/42).

It was **MOVED** by Councillor Hannon, **SECONDED** by Councillor Radford and

RESOLVED that the current arrangement in respect of the Independent Advisor be extended for a further year, and the position be reviewed again in June 2016.

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INVESTMENT AND PENSION FUND COMMITTEE
12/6/15

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00am and finished at 10.56am.

The Minutes of the Committee are published on the County Council's Website at:
<http://www.devon.gov.uk/dcc/committee/minqifs.html>