

INVESTMENT AND PENSION FUND COMMITTEE

14 September 2018

Present:-

Devon County Council

Councillors R Bloxham (Chair), Y Atkinson, C Channon, R Edgell and R Hosking

Unitary and District Councils

Councillors L Parker-Delaz-Ajete (Plymouth City Council) and J O'Dwyer (Torbay Council)

Other Employer

D Healy

Unison and Retired Members: Non-Voting Observers

C Lomax and J Rimron

Apologies: -

Councillor A Connett, Councillor P Edwards and R Franceschini

* 64

Minutes

RESOLVED that the Minutes of the meeting held on 15 June 2018 be signed as a correct record.

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Items Requiring Urgent Attention

There was no item raised as a matter of urgency.

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Devon Pension Board

The Committee received the minutes of the Board held on 23 April 2018 and noted that issues raised relating to the risk register, investment strategy and training plan had been addressed in reports on the agenda at this and the previous meeting.

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Brunel Oversight Board

The Committee received the Minutes of the Brunel Oversight Board meeting held on 18 July 2018 and noted that the Business Plan, staffing position and resourcing remained under review.

* 68

Pension Fund Annual Report and Accounts 2017/18

The Committee considered the Report of the County Treasurer (CT/18/64) on the Pension Fund Annual Report and Accounts for 2017/18 which contained the statement of accounts together with other information about the Fund's performance during 2017/18. The Statement of Accounts had been audited and approved by the Council's External Auditors and a copy of the Audit Findings Report was also attached to the Report.

A representative of Grant Thornton, the External Auditors attended the meeting at the Committee's invitation and answered Members' questions relating to the positive findings, the good standards achieved and reflected in the Accounts with reliable, accurate and timely information.

Members commended the Officers from Peninsula Pensions and the Council's Investment Team for their work and the positive audit findings.

It was **MOVED** by Councillor Atkinson, **SECONDED** by Councillor Parker-Delaz-Ajete and **RESOLVED** that the Pension Fund Annual Report and Accounts for 2017/18 be approved.

* **69** **Pension Fund Risk Register**

The Committee considered the Report of the County Treasurer (CT/18/66) on the Risk Register (attached at Appendix 1 to the Report) which highlighted the key risks in relation to the Pension Fund, the current processes in place to mitigate risk, and the planned improvements to provide further assurance. It incorporated the risk register of both the Investment Team and Peninsula Pensions.

Members referred to the uncertainties relating to 'Brexit' reflected in the Register. Members also noted recent serious data security breaches of major companies and asked that a further review should be undertaken by Officers in relation to risks associated by any IT breach of the Peninsula Pensions data.

It was **MOVED** by Councillor Bloxham, **SECONDED** by Councillor O'Dwyer and

RESOLVED that, subject to a review of IT security in relation to Peninsula Pensions, the Pension Fund Risk Register and additional action proposed be approved.

* **70** **Investment Management Report**

The Committee considered the Report of the County Treasurer (CT/18/65) on the Fund value and asset allocation, performance against the benchmark, budget forecast monitoring and cash management. The Committee also received the Local Authority Pension Fund Forum (of which the Devon Fund was a Member) Quarterly Engagement Report detailing its engagement activity with companies.

The Fund value at 30 June 2018 stood at £4,239.6 million, an increase of around £153 million over the quarter.

Members referred to relative global equity investment and weightings and the approach to infrastructure and local venture investments, which would be reviewed by Brunel.

It was **MOVED** by Councillor Bloxham, **SECONDED** by Councillor Parker-Delaz-Ajete and

RESOLVED

(a) that the Investment Management Report be noted; and

(b) that compliance with the 2018/19 Treasury Management Strategy be noted.

* **71** **Pension Board and Investment and Pension Fund Membership**

The Committee considered the Report of the County Treasurer on the Pension Board Membership and Employer and Fund Member representatives and the appointment process regarding vacancies/replacements to be carried out early in the new year.

It was **MOVED** by Councillor Bloxham, **SECONDED** by Councillor Channon and

RESOLVED that the appointment process to fill places on the Pension Board and the place for the Other Employer representative on the Investment and Pension Fund Committee from May 2019 be noted.

* **72** **Applications for Admitted Body Status**

The Committee noted the following applications for admitted body status which had been approved since the last meeting of the Committee:

(a) Delt - Print Services, Plymouth City Council transferred their print and document service to DELT. Two scheme members had transferred on 1 July 2018; and

(b) Delt - Payroll Services, Plymouth City Council transferred their payroll service to DELT on 1 May 2018, 21 scheme members had been involved in this transfer.

* **73** **Training and Engagement Events**

In accordance with the Annual Training Plan approved at the last meeting the Committee noted the following training and engagement events for Committee and Pension Board members:

(a) Devon Pension Fund Training Day – Thursday 18th October, 10am to 4pm at the Buckereil Lodge Hotel, Exeter; and

(b) Brunel Pension Partnership Engagement Event – Wednesday 7th November 10am to 2pm at Sandy Park, Exeter.

* **74** **Dates of Future Meetings**

Friday, 16 November 2018 and Friday 22 February 2019 at 10.30am

* **75** **Exclusion of the 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, information relating to the financial or business affairs of an individual other than the County Council and, 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.

* **76** **Investment Mandate Review**

(An item taken under Section 100A (4) of the Local Government Act 1972 during which the press and public were excluded, no representations having been received to such consideration under Regulation 5(5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012).

The Committee noted the Report of the County Treasurer (CT/18/68) on the performance of the emerging markets mandate, and the action that had been taken since the last meeting of the Committee by the County Treasurer in consultation with the Chair.

* **77** **Brunel Pension Partnership - Reserved Matters and Transition of Assets**

(An item taken under Section 100A (4) of the Local Government Act 1972 during which the press and public were excluded, no representations having been received to such consideration under Regulation 5(5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012).

The Committee considered the Report of the County Treasurer (CT/18/69) on current progress in the establishment of Brunel's investment portfolios, including the reserved matters

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requests issued, progress on private markets considering the position with Aviva's mandate, and the transition of the Fund's passive equity assets.

It was **MOVED** by Councillor Bloxham, **SECONDED** by Councillor O'Dwyer and

RESOLVED that the reserved matters requests determined over the last three months, progress on the transition of assets to the Brunel Pension Partnership Ltd, and the novation of the current property mandate contract from Aviva Investors to La Salle Investment be noted.

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

The Meeting started at 10.30 am and finished at 11.52 am