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AT A MEETING of the Hampshire Pension Fund Panel and Board of HAMPSHIRE COUNTY COUNCIL held at Wellington Room, EII South, Winchester on Friday, 14th December, 2018

Chairman:
p Councillor M. Kemp-Gee

Elected members of the Administering Authority (Councillors):

p C. Carter	p A. Joy
p A. Dowden	p P. Latham
p A. Gibson	p J. Glen
p B. Tennent	p T. Thacker
p D. Mellor	

Employer Representatives (Co-opted members):

p Councillor M. Chaloner (Southampton City Council)
a Councillor J. Smith (Portsmouth City Council)
a Councillor T. Cartwright (Fareham Borough Council)
p Mr D. Robbins (Churchers College)

Scheme Member Representatives (Co-opted members):

p Dr C. Allen (pensioners' representative)
p Mr N. Wood (scheme members representative)
p Mrs V. Arrowsmith (deferred members' representative)
p Mrs S. Manchester (substitute scheme member representative)

Independent Adviser:

p C. Dobson

BROADCASTING ANNOUNCEMENT

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

127. APOLOGIES FOR ABSENCE

Cllrs Cartwright and Smith sent their apologies.

128. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part

5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

129. CONFIRMATION OF MINUTES (NON-EXEMPT)

The minutes of the Pension Fund Panel and Board held on 15 November 2018 were confirmed.

130. CHAIRMAN'S ANNOUNCEMENTS

The Chairman thanked the committee and officers for their hard work throughout the past year and highlighted to the committee the imminent consultations in relation to the Pension Fund on new Pooling Guidelines and the relationship between LPGS funds and their Administering Authorities. The committee also thanked the Chairman for his leadership of their activities during the year.

131. GOVERNANCE - INTERNAL AUDIT PROGRESS REPORT

The Panel and Board received and noted a report from the Director of Corporate Resources (Item 5 in the Minute Book) on the progress of the delivery of Internal Audit's annual workplan. The Director reported that 80% of the internal audit work for the year has been delivered. There were no completed internal audit reports that had concluded there were limited or no assurance with regard to the internal controls in place.

132. GOVERNANCE - ADMINISTRATION PERFORMANCE UPDATE

The Panel and Board received a report from the Director of Corporate Resources (Item 6 in the Minute Book) on the administration of the Pension Fund and an update to the Fund's Communication Strategy. Pensions Services met its service standards for the first 2 quarters of 2018/19 with the exception of 6 divorce estimate cases which missed the 15 day service level agreement by between 1 and 2 days. In addition to the casework, 57,877 annual benefit statements were produced for active members by the statutory deadline of 31 August, covering 99.27% of the membership.

The Director reported a general improvement in the timeliness of annual returns received from the Fund's employers by Pensions Services, which are due by 30 April each year.

Amendments to the Pension Fund's Communication Strategy were presented that take account of greater online communication with scheme members. Pension Services also received positive feedback from the employers that attended the Fund's Annual Employers Meeting in October 2018.

RESOLVED:

(a) The updated Communication Policy Statement was approved.

(b) That the performance information for the first two quarters of 2018/19 was noted.

133. GOVERNANCE - REVIEW OF THE PENSION FUND'S STATUTORY

STATEMENTS

The Panel and Board received a report from the Director of Corporate Resources (Item 6 in the Minute Book) to review the Pension Fund's Business Plan, Investment Strategy Statement, Funding Strategy Statement, Governance Policy and Governance Compliance Statement and Administration Strategy Statement.

The Director reported that the Fund's Business Plan has been updated for the Pension Fund continuing to play an active part in investment pooling and responding to any relevant consultations or requests for information from the LPGS Scheme Advisory Board.

The Pension Fund's Investment Strategy Statement has been amended to reflect the recent changes agreed by the Panel and Board having taken investment advice from the consultants Hymans Robertson.

Minor changes have been made to the Pension Fund's Governance Policy to update the Pension Fund Panel and Board's decision making role in relation to investment pooling.

RESOLVED:

- (a) Progress on the Business Plan's actions were noted and the updated Business Plan was approved.
- (b) The updated Investment Strategy Statement was approved.
- (c) The updated Governance Policy and Governance Compliance Statements were approved.
- (d) The Administration Strategy Statement was approved.

134. **INVESTMENTS: PENSION FUND CASH MONITORING AND ANNUAL INVESTMENT STRATEGY 2019/20**

The Panel and Board considered a report of the Director of Corporate Resources (item 9 in the Minute Book) on the Pension Fund's cash balances and the Annual Investment Strategy for those cash balances for 2019/20. The Annual Investment Strategy had been prepared taking into account advice from the County Council's treasury management advisers, Arlingclose.

RESOLVED:

- (a) That the Annual Investment Strategy for 2019/20 be approved.
- (b) That the Annual Investment Strategy be implemented from the date of this meeting for the remainder of 2018/19.
- (c) That the Director of Corporate Resources be authorised to manage the Fund's cash balances in accordance with the policy set out in the report.

135. **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED:

That the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

136. **CONFIRMATION OF THE EXEMPT MINUTES OF THE MEETING ON 15 NOVEMBER 2018**

The exempt minutes of the Pension Fund Panel and Board held on 15 November 2018 were confirmed.

137. **INVESTMENTS - CASH INVESTMENT STRATEGY - EXEMPT APPENDIX**

The Panel and Board considered the exempt appendix from the Director of Corporate Resources (Item 11 in the Minute Book) supporting the Pension Fund's Annual Cash Investment Strategy.

138. **GOVERNANCE: DRAFT ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY**

The Panel and Board received an exempt report from the Director of Corporate Resources (Item 12 in the Minute Book) proposing changes to the Pension Fund's Environmental, Social and Governance Policy. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

139. **INVESTMENT - INVESTMENT UPDATE**

The Panel and Board received an exempt report from the Director of Corporate Resources (Item 13 in the Minute Book) updating the Panel and Board on the performance of the Pension Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

Chairman,

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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