

PENSION COMMITTEE

MINUTES of a meeting of the Pension Committee held at County Hall, Lewes on 8 September 2016.

PRESENT Councillors Richard Stogdon (Chair) Councillors
Frank Carstairs, Bob Standley and David Tutt

LEAD MEMBER Councillor David Elkin

ALSO PRESENT Marion Kelly, Chief Finance Officer
Brian Smith, Regional Operations Manager
Wendy Neller, Pensions Strategy and Governance Manager
John Shepherd, Finance Manager (Pension Fund)
Jason Bailey, Pension Services Manager
William Marshall, Hymans Robertson
Paul Potter, Hymans Robertson
William Bourne, Independent Adviser, LAPFF
Tessa Younger, Engagement Services Manager, LAPFF
Lara Blecher, Engagement Executive
Iain Stewart, Newton
Harvey Winder, Democratic Services Officer
Julia Hilton, Petitioner
Arnold Simanowitz, Petitioner

20 MINUTES

20.1 The Committee RESOLVED to agree the minutes of the meeting held on 18 July 2016 as a correct record.

21 APOLOGIES FOR ABSENCE

21.1 Apologies for absence were received from Cllr Michael Wincott.

22 DISCLOSURE OF INTERESTS

22.1 There were none.

23 URGENT ITEMS

23.1 There were no urgent items.

24 PENSION BOARD MINUTES

24.1 The Committee considered the draft minutes of the Pension Board meeting held on 4 August 2016.

24.2 The Committee RESOLVED to note the draft minutes subject to the addition of Cllr Richard Stogdon to the list of attendees of the meeting.

25 FUND PERFORMANCE - NEWTON

25.1 The Committee considered a presentation from the fund manager Newton on their fund performance.

26 QUARTERLY PERFORMANCE REPORT - HYMANS ROBERTSON

26.1 The Committee considered reports by Hymans Robertson on:

- The performance of fund managers during the second quarter of 2016.
- A proposed statement of investment beliefs for the Committee
- An update on the East Sussex Pension Fund's private markets programme
- A potential business plan for reviewing the Funds' investment arrangements.

26.2 The Committee RESOLVED to:

- 1) agree the proposed statement of investment beliefs;
- 2) agree to continue to commit to new private equity funds in order to maintain the target allocation; and
- 3) agree the business plan for reviewing the Fund's investment arrangements.

27 ENVIRONMENTAL, SOCIAL, GOVERNANCE AND INVESTMENT

27.1 The Committee considered presentations by Hymans Robertson on how Environmental, Social, and Governance (ESG) factors effect investment decisions; and by the Local Authority Pension Fund Forum (LAPFF) on its approach towards engagement with investee companies.

28 PETITION - DIVEST EAST SUSSEX PENSION FUND FROM FOSSIL FUELS

28.1 The Committee considered a report by the Chief Finance Officer regarding a petition proposing the divestment of East Sussex Pension Fund (ESPF) from fossil fuels.

28.2 Julia Hilton attended the meeting on behalf of the lead petitioner and spoke in support of the petition. The Committee also considered written comments by Cllr Tania Charman.

28.3 The Committee RESOLVED to agree that the Fund should continue to seek to use its influence as a corporate investor to positively influence companies' behaviour and reserve the right to apply ethical or environmental criteria on a case by case basis where relevant and appropriate, with particular emphasis on obtaining further information on the long term financial return on fossil fuel companies.

29 STATEMENT OF INVESTMENT PRINCIPLES

29.1 The Committee considered a report on the Statement of Investment Principles for the East Sussex Pension Fund which has been updated as required by regulations to reflect the changes made during the last 12 months.

29.2 The Committee RESOLVED to agree the revised Statement of Investment Principles.

30a OFFICERS' REPORT - BUSINESS OPERATIONS

30a.1 The Committee considered a report by the Chief Operating Officer providing an update on current administration themes in relation to the service provided to the Pension Fund by Orbis Business Operations.

30a.2 The Committee RESOLVED to:

- 1) Note the report and its appendices;
- 2) Request that the proposed new Key Performance Indicators (KPIs) “employer survey satisfaction” and “member survey satisfaction” be given targets of 90%; and
- 3) Request that the KPI table provides an indication of how much targets have been missed by; and
- 4) Request that the Committee be provided with a detailed report as to the current status of the recommendations from the audit report of the Pensions Fund Processes and System.

30b OFFICERS' REPORT - GENERAL UPDATE

30b.1 The Committee considered a report by the Chief Finance Officer providing a general update on matters related to the Committee’s activity.

30b.2 The Committee RESOLVED to note the update.

31 PENSION COMMITTEE FORWARD PLAN

31.1 The Committee considered a report by the Chief Finance Officer setting out the Committee’s proposed Forward Plan for 2016/17.

31. 2 The Committee RESOLVED to: 1) note the report and its appendix; and 2) request additional training on Environmental, Social, and Governance (ESG) issues.

The meeting ended at 2.11 pm.

Councillor Richard Stogdon
Chair