

PENSION COMMITTEE

MINUTES of a meeting of the Pension Committee held at County Hall, Lewes on 25 February 2019.

PRESENT Councillors Richard Stogdon (Chair), Simon Elford,
Gerard Fox, David Tutt and Trevor Webb

ALSO PRESENT

Richard Harbord, Independent Chair
William Marshall, Hymans Robertson
Ben Fox, Hymans Robertson
William Bourne, Independent Adviser
Kevin Foster, Chief Operating Officer
Ola Owolabi, Head of Pensions
Wendy Neller, Pensions Strategy and Governance Manager
Russell Wood, Principal Pensions Officer
Harvey Winder, Democratic Services Officer

59 MINUTES

59.1 The Committee RESOLVED to agree the minutes of the meeting held on 26 November 2018.

60 APOLOGIES FOR ABSENCE

60.1 There were no apologies for absence.

61 DISCLOSURE OF INTERESTS

61.1 Cllr Fox declared a personal interest as the trustee of a small endowment fund.

62 URGENT ITEMS

62.1 There were no urgent items.

63 PENSION BOARD MINUTES

63.1 The Committee considered the draft minutes of the Pension Board meeting held on 4 February.

63.2 The Committee RESOLVED to:

1) recommend that the Governance Committee consider a report at its 5 March meeting setting out the risk generated by the proposed reappointments to the Pension Board of not appointing four of the Board members and an Independent Chair before the end of their current term of office on 31 March; the associated risk of losing trained Pension Board members if they are not re-appointed; and recommending that Board succession planning in the future involves

appointing in a staggered way to avoid the need to reappoint members in a single tranche and to maintain knowledge within the Board ; and

2) Thank the Board for their work over the previous four years.

64 QUARTERLY PERFORMANCE REPORT - HYMANS ROBERTSON

64.1 The Committee considered a quarterly performance report by the East Sussex Pension Fund's actuary, Hyman's Robertson.

64.2 The Committee RESOLVED to note the report.

65 FUND PERFORMANCE - SCHRODER

65.1 The Committee considered a presentation by Schroder, an investment fund manager of the East Sussex Pension Fund.

66 INVESTMENT STRATEGY STATEMENT

66.1 The Committee considered report recommending the approval of a revised Investment Strategy Statement (ISS).

66.2 The Committee considered a presentation on the East Sussex Pension Fund (ESPF) equity portfolio, including discussion about the Fund's current approach as a responsible investor and the potential for sub-funds within ACCESS that reflect the Fund's commitment as a responsible investor.

66.3 The Committee RESOLVED to:

- 1) approve the revised ISS;
- 2) approve the commitment of £60m to M&G's Real Estate Debt VI Fund ("RED VI"); and
- 3) approve the additional commitment to Pantheon of £40m.

67 EXTERNAL AUDIT PLAN FOR THE EAST SUSSEX PENSION FUND 2018/19

67.1 The Committee considered a report on the External Audit Plan for the East Sussex Pension Fund 2018/19.

67.2 The Committee RESOLVED to note the report.

68 EAST SUSSEX PENSION FUND 2018/19 BUDGET MONITORING AND 2019/20 BUDGET REPORT

68.1 The Committee considered a report on the East Sussex Pension Fund Budget monitoring for 2018/19 and the 2019/20 budget report.

68.2 The Committee RESOLVED to:

- 1) note the 2018/19 projected outturn; and
- 2) approve the revenue budget for 2019/20.

69 FUNDING STRATEGY STATEMENT

69.1 The Committee considered a report on a new version of the East Sussex Pension Fund's Funding Strategy Statement.

69.2 The Committee RESOLVED to approve the revised Funding Strategy Statement (FSS) as set out in paragraph 3.4 of the report.

70 OFFICERS' REPORT - GOVERNANCE AND PENSIONS ADMINISTRATION

70.1 The Committee considered a general update on matters relating to the Committee activities including Pensions Administration.

70.2 The Committee RESOLVED to:

- 1) note the report;
- 2) request confirmation via email the potential extent of Guaranteed Minimum Pension (GMP) Reconciliation liabilities as soon as practicable to understand the Fund's financial position on GMP before the deadline of April 2019 and confirmation that all applicable queries were submitted to the HMRC within HMRC deadlines;
- 3) request details on the amount of liability other Local Government Pension Scheme Fund's have faced following the completion of the GMP process; and
- 4) request that a copy of the Gannt chart or Microsoft project plan being used for the Administration System Procurement Plan is circulated by email; and
- 5) request an update on the progress of the Administration System Procurement Plan by email.

71 FORWARD PLAN

71.1 The Committee considered its forward plan.

71.2 The Committee RESOLVED to note the report.

72 EXCLUSION OF THE PUBLIC AND PRESS

72.1 The Committee RESOLVED to exclude the public and press from the meeting for the remaining agenda item on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

73 LOCAL GOVERNMENT PENSION SCHEME (LGPS) POOLING - ACCESS UPDATE

73.1 The Committee considered a report providing the Committee with an update on the activities undertaken by the ACCESS Pool group and the Ministry of Housing, Communities and Local Government's (MHCLG) draft statutory guidance on asset pooling

73.2 The Committee RESOLVED to:

- 1) note the report;
- 2) note the MHCLG statutory guidance on asset pooling in the Local Government Pension Scheme;
- 3) delegate authority to the Chair of the Committee to sign-up to the ACCESS Pool Joint Committee response to the MHCLG consultation in conjunction with the other 10 ACCESS Chairs.

The meeting ended at 2.25 pm.

Councillor Richard Stogdon (Chair)
Chair