

PENSION COMMITTEE

MINUTES of a meeting of the Pension Committee held at County Hall, Lewes on 23 September 2019.

PRESENT Councillors Gerard Fox (Chair) Councillors Simon Elford,
Nigel Enever and David Tutt

ALSO PRESENT

William Marshall, Hymans Robertson
Paul Potter, Hymans Robertson
William Bourne, Independent Adviser
Kevin Foster, Chief Operating Officer (for items 12 and 20 -
see minutes 33 and 40)
Ian Gutsell, Chief Finance Officer
Michelle King, Interim Head of Pensions
Wendy Neller, Pensions Strategy and Governance Manager
Russell Wood, Principal Pensions Officer
Harvey Winder, Democratic Services Officer

22 MINUTES

22.1 The minutes of the meeting held on 10 July 2019 were agreed as a correct record.

23 APOLOGIES FOR ABSENCE

23.1 Apologies for absence were received from Cllr Trevor Webb.

24 DISCLOSURE OF INTERESTS

24.1 There were no disclosures of interest.

25 URGENT ITEMS

25.1 There were no urgent items.

26 PENSION BOARD SUMMARY OF DISCUSSION

26.1 The Committee RESOLVED to note the Pension Board summary of discussion.

27 QUARTERLY PERFORMANCE REPORT - HYMANS ROBERTSON

27.1 The Committee considered the Quarterly Performance Report of investment managers.

27.2 The Committee RESOLVED to note the report.

28 FUND PERFORMANCE - NEWTON

28.1 The Committee heard a presentation from the investment manager Newton.

29 TRIENNIAL VALUATION REPORT - HYMANS ROBERTSON

29.1 The Committee considered a report providing an update on the progress of the triennial valuation.

29.2 The Committee RESOLVED to:

1. note the progress of the actuarial valuation;
2. agree the background to measuring the funding level alongside initial whole fund valuation results;
3. agree the policy areas within the Funding Strategy Statement (FSS) that are under review alongside the valuation;
4. agree the next steps in the valuation in relation to setting employer contribution rates.

30 PENSION FUND POLICIES AND STRATEGIES - STATEMENT OF INVESTMENT BELIEFS

30.1 The Committee considered a report containing an updated draft of the East Sussex Pension Fund's Statement of Investment Beliefs.

30.2 The Committee RESOLVED to:

- 1) note the report; and
- 2) request that a revised Statement of Investment Beliefs is considered at a future meeting.

31 PENSION FUND POLICIES AND STRATEGIES - GOVERNANCE COMPLIANCE STATEMENT

31.1 The Committee considered a report containing an updated draft of the East Sussex Pension Fund's Governance Compliance Statement.

31.2 The Committee RESOLVED to agree the updated Governance Compliance Statement.

32 LOCAL GOVERNMENT PENSION SCHEME (LGPS) REGULATORY UPDATES

32.1 The Committee considered a report providing an update on the current regulatory environment, and consultations that could impact the Local Government Pension Scheme (LGPS).

32.1 The Committee RESOLVED to note the report.

33 PENSION ADMINISTRATION UPDATES

33.1 The Committee considered a report providing an update on matters relating to Pensions Administration activities.

33.2 The Committee RESOLVED to note the report.

34 GENERAL UPDATE AND FORWARD PLAN

34.1 The Committee considered a report providing a general update on matters relating to the Committee activities.

34.2 The Committee RESOLVED to note the report.

35 EXCLUSION OF THE PUBLIC AND PRESS

35.1 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).

36 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POSITION REPORT - HYMANS ROBERTSON

36.1 The Committee considered a report on the Fund's ESG position and consider potential future actions.

36.2 The Committee RESOLVED to:

- 1) note the fund's exposure to fossil fuel companies is 4% and predominantly through passive equity mandates; and
- 2) request a future report from Hymans Robertson on exploring:
 - possibilities for rebalancing the passive-active mix of equities;
 - Collaboration within the ACCESS Pool to help the potential of developing ESG investments within the fund; and
 - potential 'sustainable' or 'positive impact' active equity managers.

37 DIVERSIFIED GROWTH FUND - HYMANS ROBERTSON

37.1 The Committee considered a report on the diversified growth fund investment managers.

37.2 The Committee RESOLVED to note the report.

38 STRATEGY REVIEW DAY SUMMARY - HYMANS ROBERTSON

38.1 The Committee considered a report summarising the discussion of the Strategy Review Day Summary.

38.2 The Committee RESOLVED to note the report.

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

39.1 The Committee considered an update on the activities undertaken by the ACCESS Pool group.

39.2 The Committee RESOLVED to note the report.

40 ANNUAL BENEFIT STATEMENT REVIEW

40.1 The Committee considered a report on the End of Year and Annual Benefit Statement Review 2019.

40.2 The Committee RESOLVED to note the report.

The meeting ended at 1.40 pm.

Councillor Gerard Fox (Chair)