

Minutes of the Pension Fund Investment Sub-Committee meeting held on 10 September 2018

Present:

Members

Councillors Bill Gifford (Vice-Chair), Peter Gilbert (substitute for Wallace Redford), John Horner, Bob Stevens (Chair), and Alan Webb

Officers

Aneeta Dhoot – Senior Finance Officer
Sukhdev Singh – Senior Finance Manager
Chris Norton – Strategic Finance Manager
Jane Pollard – Legal Service Manager
Michael Nicolaou – Interim Treasury Manager
Shirley Round - Interim Democratic Services Officer

Invitees

Emma Garrett – Hymans Robertson
Peter Jones – Independent Investment Adviser
Paul Potter – Hymans Robertson
Karen Shackleton – Independent Investment Adviser
Richard Warden – Hymans Robertson

Observers

Councillor Keith Bray

1. General

(1) Apologies for absence

Councillor Wallace Redford (substitute Councillor Gilbert)

(2) Members Disclosures of Pecuniary and Non-Pecuniary Interests

None

(3) Minutes of the previous meetings held on 11 June 2018

The minutes of the meetings held on 11 June 2018 were agreed as true and correct record and were signed by the Chair.

2. Forward Plan

Chris Norton provided the draft forward plan for the Pension Fund Investment Sub-Committee and advised that it would give provide advance notice of items coming up for the committee's consideration. The intention is to use this as a guide but remain flexible as developments arise. The proposed plan would be presented at each meeting for review and amendment.

Resolved

The Pension Fund Investment Sub-Committee noted the Forward Plan as presented and agreed to it becoming a standard item on the agenda.

3. Investment Performance

Chris Norton – Strategic Finance Manager introduced the report and informed the Sub-Committee that the overall fund value was £2,124.9M as at 30 June 2018 an increase of 4.34% when compared to the previous quarter. The fund had performed well but overall slightly below the benchmark of 4.5%.

The Sub-committee raised concern regarding the potential for a fall in equities and were advised that whilst possible, at this time there was no cause for a change in approach. Discussion also took place in relation to the MFS under performance in the last year this was attributed to market performance rather than management changes at MFS. The Sub-committee were advised that pulling funds away from MFS was not being considered in the short term. Although it was acknowledged that performance over the last 12 months was very disappointing MFS were ahead of the benchmark over the three year period. Members were advised that property was a diverse area of investment and portfolios were managed to maximise investments.

Resolved

That the Sub-Committee note the fund value and investment performance for the first quarter of 2018/19 to 30 June 2018.

4. Any other items

None

5. Reports Containing Confidential or Exempt Information

Resolved:

‘That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972’.

6. Exempt Minutes of the Meeting held on 11 June 2018

Resolved:

The Pension Investment Fund Sub-Committee exempt minutes from the meeting on 11 June 2018 were agreed as true and correct record and were signed by the Chair.

7. Hymans Investment Fund Report

The Sub-Committee was provided with the Quarterly Funding and Performance update for 30 June 2018. Following discussion and comments made the members were content with the performance information as provided in the exempt report.

Resolved:

That the Pension Fund Investment Sub-Committee note the Quarterly Funding and Performance Update for 30 June 2018

8. Border to Coast – Budget and Update

The Sub-Committee was asked to approve the budget decisions relating to the Border to Coast Pension Partnership and a decision making framework for the delegation of practical management in its regard.

Resolved:

That the Sub-Committee agreed to the recommendations as set out within the exempt minutes.

9. Private Equity Update

The Sub-Committee was provided with information to consider on re-investing in the existing Private Equity Fund or investment in an alternative Private Equity Fund at a future date.

Resolved:

That the Sub-Committee agree to the recommendations as set out within the exempt minutes.

10. Global Equity Fund

The Sub-Committee was provided with information for consideration on existing and alternative Global Equity Fund provision.

Resolved:

That the Sub-Committee note the report presented and that a further more detailed report setting out all the options for consideration be prepared for the next meeting of the Pension Fund Investment Sub-Committee.

11. Infrastructure Fund

The Sub-Committee was provided with information to consider on reinvesting in the existing Infrastructure Fund or to investment in an alternative Fund at a future date.

Resolved:

That the Sub-Committee agreed to the recommendations as set out within the exempt minutes

The meeting rose at 11.45am

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Chair