

Decisions of the Pension Fund Committee

21 July 2015

Members Present:-

Councillor Mark Shooter (Chairman)

Councillor John Marshall (Vice-Chairman)

Councillor Andreas Ioannidis

Councillor Arjun Mittra

Councillor Jim Tierney

Councillor Hugh Rayner

Councillor Peter Zinkin

1. MINUTES

RESOLVED - That the minutes of the meeting held on 27 May be approved as a correct record.

2. ABSENCE OF MEMBERS

There were none.

3. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

Member	Agenda Item	Interest declared
Councillor Arjun Mittra	Item 8 – Barnet Council Pension Fund Performance for Quarter January to March 2015	Non Disclosable Pecuniary Interest by virtue of having small shareholdings in a number of companies that the fund had investments in.
Councillor Mark Shooter		Non Disclosable Pecuniary Interest by virtue of having small shareholdings in a number of companies that the fund had investments in.
Councillor Hugh Rayner		Non Disclosable Pecuniary Interest by virtue of having small shareholdings in a number of companies that the fund had investments in.
Councillor Peter Zinkin		Non Disclosable Pecuniary Interest by virtue of having small shareholdings in a number of companies that the fund had investments in.
Councillor John Marshall		Non Disclosable Pecuniary Interest by virtue of having small shareholdings in a number of companies that the fund had investments in.

4. REPORT OF THE MONITORING OFFICER (IF ANY)

There was none.

5. PUBLIC QUESTION AND COMMENTS (IF ANY)

The Committee noted the details of the submitted public questions and the public answers which were provided with the agenda papers for the meeting. Responses to the supplementary public questions were given at the meeting.

There were no public comments.

6. MEMBERS' ITEMS (IF ANY)

There were none.

7. UPDATE ON ADMITTED BODY ORGANISATIONS

The Committee considered the report.

The Committee;

RESOLVED – to note the update to the issues in respect of admitted body organisations within the Pension Fund.

8. BARNET COUNCIL PENSION FUND PERFORMANCE FOR QUARTER JANUARY TO MARCH 2015

The Committee considered the report and supplementary information.

The Committee;

RESOLVED – to note the performance of the Pension Fund for the quarter to 31 March 2015.

9. PENSION FUND ANNUAL REPORT AND EXTERNAL AUDITOR'S REPORT UNDER INTERNATIONAL STANDARD ON AUDITING (ISA) 260 FOR THE YEAR 2014/15

Representative from Grant Thornton UK LLP presented the Pension Fund Annual Report and External Auditor's Report under International Standard on Auditing (ISA) 260 for the year 2014/15.

The Committee considered the report and supplementary information.

The Committee;

RESOLVED –

1. To note the audit approach set out in Appendix B.
2. To approve the Annual Report and Pension Fund Accounts 2014/15.

3. To note the matters raised by the external auditor relating to detailed aspects of the 2014/15 accounts audit, including the pension fund accounts and officers responses to matters raised.

10. LOCAL PENSION BOARD REPORT

The Committee considered the report.

The Committee;

RESOLVED –note the proposed workplan and approve the Local Pension Board budget for 2015-16

11. REVIEW OF THE INVESTMENT STRATEGY AND WORK PLAN

A Representative from Hymans Robertson LLP, the newly appointed independent investment advisor, presented the Initial review of the pension fund asset allocation.

The Committee considered the report and supplementary information. The Chairman invited Members to indicate whether they had any questions regarding the information contained in the exempt report, which would require the Committee to go into private session. The questions were answered in the private session.

The Chairman moved a motion that was duly seconded to amend the recommendation as follows.

- To move 10% or 15% of the fund out of Corporate Bonds currently managed Newton Investment Management and Legal and General Investment Management. The committee agreed to move 15% of the fund, with the timing to be delegated to the s151 Officer, in consultation with the Chair of the Pension Fund Committee, following consultation with fund managers.
- The proceeds to be invested in Schroder Strategic Bond Fund. This would be subject to a due diligence meeting between Schroder Investment Management and a working party of the Pension Fund comprising of Councillors Shooter, Marshall, Zinkin and Mitra. Following the meeting the working party would report back to the Chief Operating officer, the s151 Officer Strategic Bond Fund to execute the decision of the committee.
- To move 20% of the Fund out of Diversified Growth Funds (10% from each of Schroder Investment Management and Newton Investment Management). This will be implemented by moving 1/12th of 20% each month for 12 months, subject to redemption dates, starting as soon as practical.
- These proceeds will be invested in equities in Global Passive Funds to be managed by Legal and General Investment Management. This will be split between a global market cap fund and a global RAFI fund. One currency hedged fund and the other unhedged.
- Pension Fund Committee agreed to delegate the execution of these decisions to Section 151 Officer in Consultation with the Chair of the Pension Fund Committee.

The Committee unanimously agreed the motion; the motion was therefore carried.

The Committee;

RESOLVED –

1. To move 15% of the fund out of Corporate Bonds currently managed Newton Investment Management and Legal and General Investment Management with the timing to be delegated to the s151 Officer, in consultation with the Chair of the Pension Fund Committee, following consultation with fund managers
2. That the proceeds of the Corporate Bonds to be invested in Schroder Strategic Bond Fund, subject to a due diligence meeting between Schroder Investment Management and the Pension Fund working party, who will report back to the Section 151 Officer.
3. To move 20% of the Fund out of Diversified Growth Funds (10% from each of Schroder Investment Management and Newton Investment Management). This will be implemented by moving 1/12th of 20% each month for 12 months, subject to redemption dates, starting as soon as practical.
4. These proceeds of the Diversified Growth Funds will be invested in equities in Global Passive Funds to be managed by Legal and General Investment Management. This will be split between a global market cap fund and a global RAFI fund. One currency hedged fund and the other unhedged.
5. To delegate the execution of these decisions to the Section 151 Officer in Consultation with the Chair of the Pension Fund Committee.

12. PENSION FUND COMMITTEE WORK PROGRAMME

The Committee noted the work programme.

13. ANY ITEM(S) THAT THE CHAIRMAN DECIDES IS URGENT

There were none.

14. MOTION TO EXCLUDE THE PRESS AND PUBLIC

The Committee;

RESOLVED – that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act (as amended).

15. REVIEW OF THE INVESTMENT STRATEGY AND WORK PLAN

The Committee;

RESOLVED - that the information contained in the exempt report be noted.

16. ANY ITEM(S) THAT THE CHAIRMAN DECIDES IS URGENT

There were none.

The meeting finished at 8.45 pm