

Decisions of the Pension Fund Committee

22 October 2015

Members Present:-

Councillor Mark Shooter (Chairman)
Councillor John Marshall (Vice-Chairman)

Councillor Andreas Ioannidis Councillor Arjun Mitra
Councillor Jim Tierney Councillor Hugh Rayner
Councillor Peter Zinkin

Also in attendance:
David Woodstock (Middlesex University)

1. MINUTES

The Committee **RESOLVED** that the minutes of the meeting held on 21 July 2015 be approved as a correct record subject to the following amendments:

Minute 3: Councillor John Marshall contributed to the Local Government Pension Scheme (LGPS) when councillors were allowed to join.

2. ABSENCE OF MEMBERS

There were none.

3. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

Member	Agenda Item	Interest declared
Councillor Arjun Mitra	Item 9 – Barnet Council Pension Fund Performance for Quarter April to June 2015	Non Disclosable Pecuniary Interest by virtue of having shareholdings in a number of companies that the fund had investments in.
Councillor Mark Shooter		Non Disclosable Pecuniary Interest by virtue of having shareholdings in a number of companies that the fund had investments in.
Councillor Hugh Rayner		Non Disclosable Pecuniary Interest by virtue of having shareholdings in a number of companies that the fund had investments in.
Councillor Peter Zinkin		Non Disclosable Pecuniary Interest by virtue of having shareholdings in a number of companies that the fund had investments in.

Councillor John Marshall		Non Disclosable Pecuniary Interest by virtue of having shareholdings in a number of companies that the fund had investments in, and that he now draws a pension from the Local Government Pension Scheme, having reached 75.
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4. PUBLIC QUESTION AND COMMENTS (IF ANY)

There were none.

5. REPORT OF THE MONITORING OFFICER (IF ANY)

There was none.

6. MEMBERS' ITEMS (IF ANY)

There were none.

7. UPDATE ON ADMITTED BODY ORGANISATIONS ISSUES AND MONITORING REPORT

The Committee considered the report.

The Committee were unhappy that the spreadsheet was incomplete in that it did not include details of all the bondsmen and asked for the next report to include these details.

The Committee

RESOLVED – to note the information in Appendix 1.

8. LOCAL PENSION BOARD REPORT

The Committee considered the report.

The Committee

RESOLVED to note the recruitment, appointment and work the Local Pension Board.

9. BARNET COUNCIL PENSION FUND PERFORMANCE FOR QUARTER APRIL TO JUNE 2015

The Committee considered the report and an updated supplementary paper from WM Performance Services. The Committee also considered presentations from Phil Spencer and David Walker from Hyman Robertson LLP, and Lynn Coventry from WM Company Ltd.

The Committee

RESOLVED to instruct the Chief Operating Officer to address any issues.

10. UPDATE ON COLLECTIVE INVESTMENT VEHICLE

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

The Committee

RESOLVED to

1. note the progress update on starting up the Collective Investment Vehicle (CIV);
2. agree that the Chief Operating Officer sign the Shareholders' Agreement on behalf of the Council and the resolutions approving the Articles of Association of the CIV and the reclassification of shares in the CIV as set out in exempt Appendices 1 and 2;
3. delegate authority to the Chief Operating Officer in consultation with the Chairman of the Pensions Fund Committee to invest sums required for regulatory capital to the London CIV to meet the requirements for Financial Conduct Authority (FCA) authorisation. The anticipated level of investment £150,000;
4. agree that where circumstances arise and the Committee is not available for consultation, to delegate to the Chief Operating Officer, in consultation with the Chairman of the Pensions Fund Committee, the decision to agree to the transition of Pension Fund assets to the London CIV where the Fund has a pre-existing relationship with the investment manager and where the transfer of such assets is financially advantageous to the Pension Fund;
5. delegate to the Chief Operating Officer in consultation with the Chairman of the Pension Fund Committee the authority to seal deeds of adherence.

11. REVIEW OF PENSION FUND ASSET ALLOCATION

Phil Spencer and David Walker from Hymans Robertson LLP presented the review of the pension fund asset allocation.

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

The Committee

RESOLVED:

1. To note the findings set out in the investment strategy report and instruct the Chief Operating Officer and Chief Finance Officer to address any issues.
2. To note the recommendation of the pension fund investment strategy sub group, following its due diligence meeting with Schroder Investment Management, to endorse the transfer of initially 10% of the fund out of Corporate Bonds currently managed by Newton Investment Management with the sale proceeds to be invested in the Schroder Strategic Bond Fund.

3. To adopt an investment strategy based on 36% overseas equity, 21.5% diversified growth, 12% corporate bonds, 0.5% cash; 20% 'multi asset credit; and 10% illiquid alternatives.
4. That the Head of Treasury, in consultation with Hymans Robertson LLP, will produce a work plan for the next meeting of the Committee setting out the steps to be taken to achieve the strategy.
5. To increase the move of the fund out of Corporate Bonds from 15% to 20%.
6. That 10% of the proceeds of the Corporate Bonds be invested in the Schroder Strategic Bond Fund with the Investment Advisors to recommend additional fund managers for the Committee to select to invest the balance of 10%.

12. COMMITTEE FORWARD WORK PROGRAMME

The Committee note the Forward Work Programme. The Committee also agreed that the date of the next meeting would be **3 February 2016**.

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. EXEMPT - UPDATE ON COLLECTIVE INVESTMENT VEHICLE APPENDICES

The Committee

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

16. EXEMPT - REVIEW OF PENSION FUND ASSET ALLOCATION APPENDIX

The Committee

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

The meeting finished at 9.18 pm