

Notice of Meeting

Surrey Pension Fund Board



Date & time
Thursday, 15 May
2014 at 9.30 am

Place
Ashcombe Suite,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact
Cheryl Hardman
Room 122, County Hall
Tel 020 8541 9075

Chief Executive
David McNulty

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Cheryl Hardman on 020 8541 9075.

Elected Members

Ms Denise Le Gal (Chairman), Mr Nick Skellett CBE (Vice-Chairman), Mr W D Barker OBE, Mr Tim Evans, Mr John Orrick and Mr Stuart Selleck

Co-opted Members:

Mr Tony Elias (District Representative), Judith Glover (Borough/District Councils), Ian Perkin (Office of the Surrey Police and Crime Commissioner) and Philip Walker (Employees)

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING [14 FEBRUARY 2014]

(Pages 1
- 10)

To agree the minutes as a true record of the meeting.

3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (*9 May 2014*).
2. The deadline for public questions is seven days before the meeting (*8 May 2014*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 ACTION TRACKING

(Pages
11 - 14)

An action tracker is attached, detailing actions from previous meetings. The Board is asked to review progress on the item listed.

6 MANAGER ISSUES AND INVESTMENT PERFORMANCE

(Pages
15 - 36)

This report is a summary of all manager issues that need to be brought to the attention of the Pension Fund Board, as well as manager investment performance.

7 PRIVATE EQUITY INVESTMENT PERFORMANCE REVIEW

(Pages
37 - 44)

The Surrey Pension Fund has a commitment to invest 5% of the fund in private equity. This is achieved by investing in funds of funds and directly managed funds, managed by a number of private equity specialists.

The Pension Fund Board reviews the private equity strategy annually. This report is the 2013/14 review.

8 PENSION FUND BUSINESS PLAN 2013/14: OUTTURN REPORT AND FINAL 2014/15 PLAN (Pages 45 - 74)

The 2001 Myners Report recommended that local authority pension funds approve an annual business plan in respect of the objectives required for the ensuing year. Business planning is regarded as an important tool, assisting in the identification of how service delivery can be maximised within resource constraints. This report sets out the outturn of the annual business plan for 2013/14.

9 ACTUARIAL VALUATION 2013: OUTCOME (Pages 75 - 156)

Report setting out the final outcome of the 2013 triennial actuarial valuation in respect of the Surrey County Council Pension Fund.

10 PENSION FUND RISK REGISTER (Pages 157 - 162)

Surrey County Council, as administering authority for the Surrey Pension Fund, is responsible for the delivery of benefit promises made to members of the Surrey Pension Fund. It achieves this by setting objectives and goals with varying timeframes. Risks lie in failing to meet the intended goals.

Risks that are established as an issue must be identified and evaluated via a risk register. The risks must be prioritised with existing controls or new controls implemented to mitigate the risks. This should be recorded in a risk register, which needs monitoring on a quarterly basis.

11 REVISED STATEMENT OF INVESTMENT PRINCIPLES (Pages 163 - 178)

With adjustments to governance practices within the Pension Fund, it is necessary to approve a revised Statement of Investment Principles (SIP).

12 KEY PERFORMANCE INDICATORS (Pages 179 - 192)

In line with best practice, Pension Fund Board members will be supplied with Pension Fund key performance indicators (KPIs) on a quarterly basis, covering investment and administration practices.

13 PENSION FUND ADMINISTRATION SERVICE LEVEL AGREEMENT (Pages 193 - 198)

A service level agreement between the County Council as Administering Authority for the Surrey Pension Fund and the Pensions Administration Team is set out for the Board to approve.

14 CORPORATE GOVERNANCE SHARE VOTING (Pages 199 - 214)

With the adoption of a share voting policy by the Pension Fund Board, this

report provides an assessment of the need for change of the existing Responsible Investment and Stewardship policy and a summary of the Fund's share voting process in Q4 2013/14.

15 LGPS REFORM: OPPORTUNITIES FOR COLLABORATION, COST SAVINGS AND EFFICIENCIES (Pages 215 - 244)

On 21 June 2013, the Department for Communities and Local Government (DCLG) issued a call for evidence on the future structure of the Local Government Pension Scheme. A document was submitted on behalf of the Pension Fund Board, in consultation with the Chairman of the Pension Fund Board. On 1 May 2014, the Government published a further consultation document, which acknowledges the initiatives put in place by many administering authorities with regard to collaboration and the set up of collective investment vehicles.

16 NATIONAL CHANGES TO THE LGPS (Pages 245 - 252)

On 1 May 2014, a consultation was published by the Government following the Call for Evidence on the future structure of the LGPS, which was launched on 21 June 2013. The document reflects certain initiatives in terms of collaboration by various LGPS administering authorities that have been announced and implemented.

17 INVESTMENT STRATEGY REVIEW (Pages 253 - 306)

Following the actuarial valuation, Mercer has been requested to conduct an investment strategy review of the Surrey Pension Fund.

18 EXCLUSION OF THE PUBLIC

Recommendation: That under Section 100(A) 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 under the paragraph 3 of Part 1 of Schedule 12A of the Act.

**PART 2
IN PRIVATE**

19 STANDARD LIFE GFS FUND (GLOBAL FOCUSED STRATEGIES) (Pages 307 - 340)

The Pension Fund Board is invited to consider making an allocation to Standard Life's Global Focused Strategies Fund (GFS), which has recently been launched.

Confidential: Not for publication under Paragraph 3
Information relating to the financial or business affairs of any particular person (including the authority holding that information)

20 PUBLICITY FOR PART TWO ITEMS

To consider whether the item considered under Part 2 of the agenda should be made available to the Press and public.

21 DATE OF NEXT MEETING

The next meeting of the Surrey Pension Fund Board will be on 19 September 2014.

David McNulty
Chief Executive

Published: 7 May 2014

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Thank you for your co-operation