

Notice of Meeting

Surrey Pension Fund Committee

**Date & time**

Friday, 18
September 2015 at
11.00 am

Place

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

Contact

Cheryl Hardman
Room 122, County Hall
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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 Alan Young (Vice-Chairman), Mr W D Barker OBE, Mr Tim Evans, Mr Stuart Selleck and Mrs Hazel Watson

Co-opted Members:

Mr Tony Elias (Borough/District Representative), Ian Perkin (Office of the Surrey Police and Crime Commissioner), District Councillor Peter Stanyard (Borough/District representative) and Philip Walker (Employees)

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING: 23 JULY 2015

(Pages 1
- 4)

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 (*14 September 2015*).
2. The deadline for public questions is seven days before the meeting (*11 September 2015*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 ACTION TRACKING

(Pages 5
- 8)

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

6 CHANCELLOR'S BUDGET: UPDATE

(Pages 9
- 26)

The Chancellor of the Exchequer presented his budget to the House of Commons on 8 July 2015. This paper contains a summary of the implications for the Local Government Pension Scheme (LGPS).

7 MANAGER ISSUES AND INVESTMENT PERFORMANCE

(Pages
27 - 54)

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

8	UNITISATION OF ASSETS	(Pages 55 - 62)
	The report explains the need for an alternative, more sophisticated, robust allocation of fund assets to scheme employers.	
9	KEY PERFORMANCE INDICATORS AND ADMINISTRATION UPDATE	(Pages 63 - 68)
	In line with best practice, Surrey Pension Fund Committee members will be supplied with Pension Fund key performance indicators (KPIs) on a quarterly basis, covering investment and administration practices. This paper also includes an update on administration issues.	
10	SURREY PENSION FUND ACCOUNTS 2014/15	(Pages 69 - 144)
	This report presents the audited financial statements of the Pension Fund for the year ended 31 March 2015, with respect to the County Council's obligations as the administering authority under the Local Government Pension Scheme (LGPS) Regulations.	
	The external auditor (Grant Thornton) has issued an unqualified opinion on the accounts and this is outlined in the Audit Findings for Surrey Pension Fund Report.	
11	REVISED STATEMENT OF INVESTMENT PRINCIPLES	(Pages 145 - 164)
	With adjustments to asset allocation within the Pension Fund following the appointment of a multi asset credit manager, it is necessary for the Pension Fund Committee to approve a revised Statement of Investment Principles (SIP).	
12	PENSION FUND RISK REGISTER	(Pages 165 - 170)
	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 should be monitored on a quarterly basis.	
13	CORPORATE GOVERNANCE SHARE VOTING	(Pages 171 - 184)
	This report provides a summary of the Fund's share voting process in Q1 2015/16.	
14	LOCAL PENSION BOARD	(Pages 185 - 202)
	The report provides an update on the operations of the Surrey Local Pension Board and a recommendation for the Pension Fund Committee to approve amendments to the terms of reference of the Surrey Local Pension Board.	

15 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 relevant paragraphs of Part 1 of Schedule 12A of the Act.

PART TWO IN PRIVATE

16 PENSION FUND COST BASE: DEEP DIVE REVIEW

(Pages
203 -
214)

The report sets out the results of a deep dive review into the cost base of the pension fund.

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)

17 PRIVATE EQUITY INVESTMENT PERFORMANCE REVIEW

(Pages
215 -
244)

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 Surrey Pension Fund Committee reviews the private equity strategy. This report is a review of the investment performance of the private equity portfolio and a comparison of the cost effectiveness of investing in a Fund of Funds with investment in other private equity opportunities.

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Information relating to the financial or business affairs of any particular person (including the authority holding that information)

18 PUBLICITY FOR PART TWO ITEMS

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

19 DATE OF NEXT MEETING

The next meeting of the Surrey Pension Fund Board will be on 13 November 2015.

**David McNulty
Chief Executive**

Published: 10 September 2015

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