

Notice of Meeting

Surrey Pension Fund Committee

**Date & time**

Friday, 14
September 2018 at
10.00 am

Place

Committee Room C,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact

Sharmina Ullah
Room 122, County Hall
Tel 020 8213 2838

Chief Executive

Joanna Killian



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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 Sharmina Ullah on 020 8213 2838.

Elected Members

Mr Tim Evans (Chairman), Mr Ben Carasco (Vice-Chairman), Ms Ayesha Azad, Mr John Beckett (Ewell), Mr David Mansfield and Mrs Hazel Watson

Co-opted Members:

Margaret Janes (Employers), Councillor Tony Elias (Borough/District representative), Councillor Ruth Mitchell (Borough/District representative) and Philip Walker (Employees)

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING: 8 JUNE 2018

(Pages 1
- 20)

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

3 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

TRAINING FROM LOCAL AUTHORITY PENSION FUND FORUM

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 (*7 September 2018*).
2. The deadline for public questions is seven days before the meeting (*6 September 2018*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

The Committee has received 3 public questions, questions will be tabled at the meeting alongside the responses.

- 5 ACTION TRACKER AND FORWARD PLAN** (Pages 21 - 24)
- The Committee is asked to monitor progress of actions from previous meetings and to review the Committee's forward work programme.
- 6 INVESTMENT MANAGER ISSUES, PERFORMANCE AND ASSET/LIABILITIES UPDATE** (Pages 25 - 50)
- Purpose of the report:** This report is a summary of all manager issues that need to be brought to attention of the Pension Fund Committee, as well as an update on investment performance and the values of assets and liabilities.
- 7 PRIVATE EQUITY INVESTMENT: PERFORMANCE REVIEW** (Pages 51 - 72)
- Purpose of the report:** 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 direct funds, managed by a number of private equity specialists.
- The Pension Fund Committee reviews the private equity strategy. This report is a review of the investment performance of the private equity portfolio.
- 8 CORPORATE GOVERNANCE SHARE VOTING** (Pages 73 - 88)
- Purpose of the report:** This report provides a summary of the Fund's share voting process in Q1 of 2018/19 (1 April 2018 to 30 June 2018). The report also includes a class action against BHP who is a firm Surrey had investment in.
- 9 CASHFLOW ANALYSIS** (Pages 89 - 92)
- Purpose of the report:** A cash-flow analysis allows the Fund to ascertain a projection as to when benefit payments may exceed income. This information can influence both the investment and funding strategy.
- 10 VALUATION REPORT 2019** (Pages 93 - 106)
- Purpose of the report:** This report provides an introduction to the triennial valuation including a draft project plan from the Fund actuary, Hymans Robertson.
- 11 GOVERNANCE REVIEW** (Pages 107 - 110)
- Purpose of the report:** As part of the governance and oversight of the pension fund, a regular review and update to the governance framework, policies and procedures is essential to ensure that the Fund is compliant with latest legislation, regulations and good practice.

There have been significant developments in the LGPS over the past three years, which make a review of the governance of the Fund necessary and appropriate.

This report sets out the scope and timetable for a governance review which, if approved by the Committee, will be jointly undertaken by officers and appointed specialist advisors.

12 ANNUAL REPORT/ STATEMENT OF ACCOUNTS (Pages 111 - 318)

Purpose of the report: The Pension Fund Committee role is to approve the Annual report which contains the audited statement of accounts together with other information about the Fund's performance during 2017/18. The annual report is included in Annex 1.

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 (Annex 2).

13 LOCAL PENSION BOARD REPORT (Pages 319 - 342)

Purpose of the report: This report is a summary of administration and governance issues reviewed by the Local Pension Board at its meeting 25 July 2018 that need to be brought to the attention of the Pension Fund Committee.

14 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 PRIVATE

15 NATIONAL POOLING UPDATE (Pages 343 - 352)

Purpose of the report: The Border to Coast Pension Partnership (BCPP) ambition is to establish a fully regulated asset management company that is ready to accept the transition of assets, as required by government. The working timeline is expected to commence in transitioning Surrey Pension Fund assets from quarter four in 2018.

16 PUBLICITY OF PART 2 ITEMS

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

17 DATE OF NEXT MEETING

The next meeting of the Surrey Pension Fund Committee will be on 16 November 2018.

Joanna Killian
Chief Executive

Published: Thursday 6 September 2018

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