

Notice of Meeting

Surrey Pension Fund Committee

**Date & time**

Friday, 13
September 2019 at
10.00 am

Place

Ashcombe Suite,
County Hall, Penrhyn
Road, Kingston upon
Thames, KT1 2DN

Contact

Ben Cullimore
Room 122, County Hall
020 8213 2782
ben.cullimore@surreycc.gov.uk

Chief Executive

Joanna Killian



We're on Twitter:
[@SCCdemocracy](https://twitter.com/SCCdemocracy)

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language, please either call 020 8541 9122, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email ben.cullimore@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Ben Cullimore on 020 8213 2782.

Elected Members:

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

Co-opted Members:

Borough Councillor Ruth Mitchell (Hersham), District Councillor Tony Elias (Bletchingley and Nutfield), Margaret Janes (Employers) and Philip Walker (Employees)

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

To receive any apologies for absence and substitutions.

2 MINUTES OF THE PREVIOUS MEETING: 7 JUNE 2019

(Pages 1
- 16)

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

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Members' questions is 12.00pm four working days before the meeting (9 September 2019).
2. The deadline for public questions is seven days before the meeting (6 September 2019).
3. The deadline for petitions was 14 days before the meeting and none have been received.

5 COMPANY ENGAGEMENT & VOTING

(Pages
17 - 38)

This report is a summary of various Environmental Social & Governance (ESG) issues that the LAPFF, Robeco and Surrey Pension Fund have been involved in, for the attention of the Pension Fund Committee.

6 DRAFT ANNUAL REPORT & AUDITED STATEMENT OF ACCOUNTS

(Pages
39 - 178)

The Pension Fund Committee's role is to approve the Annual Report, which contains the audited statement of accounts together with other

information about the Fund's performance during 2018/19. The Annual Report is included as Annex 1.

The external auditor (Grant Thornton) has issued an unqualified opinion on the accounts and this is outlined in the External Audit Findings Report (Annex 2).

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| 7 | LOCAL PENSION BOARD REPORT | (Pages
179 -
190) |
| | This report is a summary of administration and governance issues reviewed by the Local Pension Board at its meeting of 18 July 2019 that need to be brought to the attention of the Pension Fund Committee. | |
| 8 | GOVERNANCE COMPLIANCE STATEMENT | (Pages
191 -
194) |
| | Local authority pension funds are required to publish and keep under review a Governance Compliance Statement. The Governance Compliance Statement of the Surrey Pension Fund is comprised from the Compliance to Statutory Guidance Statement and a Governance Policy Statement. | |
| | The Governance Compliance Statement was last reviewed by the Pension Fund Committee at its meeting of 22 May 2015. This paper notes any changes to the Governance Compliance Statement since the last review. | |
| 9 | MINISTRY OF HOUSING, COMMUNITIES & LOCAL GOVERNMENT (MHCLG) - CONSULTATION ON CHANGES TO THE LOCAL VALUATION CYCLE AND THE MANAGEMENT OF EMPLOYER RISK | (Pages
195 -
208) |
| | The Secretary of State for the Ministry for Housing, Communities and Local Government (MHCLG) consultation on proposed changes to the LGPS Regulations in respect of the local valuation cycle and the management of employer risk. | |
| 10 | SCHEME ADVISORY BOARD REVIEW OF GOVERNANCE IN THE LGPS | (Pages
209 -
212) |
| | In January 2019, the Scheme Advisory Board (SAB) appointed Hymans Robertson (Hymans) to facilitate a review of governance structures for the LGPS. This paper provides details of the survey issued by Hymans and the subsequent report "Good Governance in the LGPS", published in July 2019. Any changes to the LGPS governance will have an impact on the Surrey Fund. | |
| 11 | SURREY PENSION FUND LOGO | (Pages
213 -
218) |
| | The Surrey Pension Fund Committee approved its new Mission Statement on 7 June 2019 and the Fund thereafter reviewed and redesigned its logo to better represent its new Mission Statement. | |
| 12 | 2019 VALUATION UPDATE | (Pages
219 -
240) |
| | To provide members with an update on the delivery of the 2019 actuarial valuation of the Pension Fund. | |
| 13 | CASHFLOW ANALYSIS | (Pages
241 - |

A cash-flow analysis allows the Surrey Pension Fund to ascertain a projection as to when benefit payments may exceed income. This information can influence both the investment and funding strategy. 244)

14 INVESTMENT STRATEGY REVIEW (Pages 245 - 298)

The Pension Fund continually reviews its current Investment Strategy, in line with current progress made within BCPP's asset offerings, as well as having reviewed its current Fund Managers' performance returns, since inception. This paper develops on the work presented to the Pension Fund Committee at its meeting of 7 June 2019 and includes a review of the downside equity protection strategy.

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

15 INVESTMENT MANAGER ISSUES (Pages 299 - 330)

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 an update on investment performance and the values of assets and liabilities.

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16 BORDER TO COAST UPDATE (Pages 331 - 380)

The Border to Coast Pension Partnership (BCPP) is now an established fully regulated asset management company when the authorised contractual scheme (ACS) went "live" on 26 July 2018. The Surrey Pension Fund started transitioning assets in quarter four of 2018 and has continued this through 2019.

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17 DATE OF NEXT MEETING

The next meeting of the Surrey Pension Fund Committee will be on 13 December 2019.

Joanna Killian
Chief Executive

Published: Thursday, 5 September 2019

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