

Minutes of the meeting of the Essex Pension Fund Investment Steering Committee (ISC) held in Committee Room 2, on 17 October 2018

1. Membership, Apologies and Declarations of Interest.

The report of the Membership, Apologies and Declarations of Interest were received.

Membership Present:

Essex County Council

Cllr S Barker	(Chairman)
Cllr M Platt	(Vice Chairman)
Cllr A Goggin	
Cllr C Pond	Left at 2:50pm
Cllr C Souter	
Cllr L Scordis	

Scheme Member Representatives

Sandra Child (UNISON)	(Observer)
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The following officers and advisors were also present in support:

Kevin McDonald	Director for Essex Pension Fund
Jody Evans	Head of Essex Pension Fund
Samantha Andrews	Investment Manager
Amanda Crawford	Compliance Manager
Helen Pennock	Compliance Analyst
Mark Stevens	Independent Advisor
Matt Woodman	Hymans Robertson
John Dickson	Hymans Robertson
Jessica Hynes	Mercer Sentinel (presentation only)

The following Essex Pension Fund Advisory Board (PAB) members were present as observers of the meeting:

Paul Hewitt	Scheme Member Representative
Andrew Coburn	Scheme Member Representative
Debs Hurst	Scheme Member Representative

Members noted that the meeting would be recorded to assist with the minutes for the meeting.

The Chairman welcomed PAB observers Paul Hewitt, Andrew Coburn and Debs Hurst.

Opening Remarks

The Chairman notified the Committee that emails have been distributed by the Compliance Manager to notify members of the training (CIPFA and Pension Regulator Modules) they are required to complete on a two-year rolling programme.

The Chairman notified the Committee that a business case is going forward in November for Essex County Council to improve the guest Wi-Fi within County Hall to enable non-Essex CC Members of Boards and Committees to view the meeting packs online to help enforce the paperless policy.

Resolved:

The Committee noted the update.

Apologies for Absence

Apologies were received from Cllr A Hedley (Essex CC), Cllr M Maddocks (Essex CC), Cllr A Erskine (Essex CC) and Cllr C Riley (Castle Point Borough Council).

It was noted that PAB members Mark Paget, Nicola Mark and Cllr Walsh were unable to attend.

Declarations of Interest

Declarations were received from Cllr S Barker who stated they were in receipt of an Essex LGPS pension and that her son was also in receipt of an LGPS Essex pension. Cllr A Goggin declared his wife, sister and brother-in-law were in receipt of an Essex LGPS pension.

2. Minutes

Minutes of the meeting of the ISC held on 18 July 2018 were approved as a correct record and signed by the Chairman.

The Chairman asked for an update on the following items within the minutes:

- Item 13 – the Director for Essex Pension Fund informed the Committee that the due diligence in relating to AVIVA and LaSalle was completed and the consent letter has been signed.

Resolved:

The Committee noted the update.

3. Urgent Part I Business

The Chairman informed the Committee that the Essex Pension Fund were Highly Commended in the Fund of the Year category at September 2018's Local Authority Pension Funds (LAPF) Awards.

Resolved:

The Committee noted the update.

Exclusion of the Public and Press

That, having reached the view that, in each case, the public interest in maintaining the exemption (and discussing the matter in private) outweighed the public interest in disclosing the information, the public (including the press) be excluded from the meeting during consideration of the following items of business on the grounds that they involved the likely disclosure of exempt information as specified in paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972.

Resolved:

The Chairman brought to the attention the above statement.

The Chairman recommended item 7 be taken prior to item 4.

7. Structural Reform of Local Government Pension Scheme (LGPS) Pooling**a) Quarterly Joint Committee Update**

The Director for Essex Pension Fund gave an update on Pooling since the last Committee meeting.

A presentation was delivered highlighting the themes from paper 7. The latest developments in respect of the structural reform of the LGPS were outlined and it was noted that, during August 2018, the Financial Conduct Authority (FCA) approved the Authorised Contractual Scheme (ACS) and one sub-fund. The first sub-fund would go live end October 2018.

The Director for Essex Pension Fund notified the Committee of the different phases and tranches of the process. An update was also provided in relation to the ACCESS Support Unit (ASU) recruitment.

Resolved:

The Committee noted the content of the report.

b) Securities Lending

The Chairman welcomed and introduced Jessica Hynes from Mercer Sentinel who provided the Committee with a presentation in relation to Securities Lending.

Resolved:

The Committee noted the presentation.

Jessica Hynes then left the meeting.

4. Current Equity Portfolio Structure Training

The Committee received a training presentation from Matt Woodman from Hymans Robertson whereby an overview of the Essex Pension Fund's current equity portfolio structure was provided.

Resolved:

The Committee noted the presentation.

5. Equity Portfolio Structure Review

The Committee received a paper and presentation from Matt Woodman from Hymans Robertson. The Committee were asked to agree:

- the revised equity structure;
- the rebalancing of the Baillie Gifford Long Term Global Growth (BGLTGG) portfolio back down to 7%.
- the transfer of the remaining BGLTGG balance to the ACCESS pool sub fund.
- To allocate the proceeds of rebalancing BGLTGG (approx. £100m.) to the M&G active bond mandate.
- To delegate to Officers, in conjunction with Advisers, responsibility to implement the necessary arrangements.

Resolved:

The Committee agreed:

- the revised equity structure;
- the rebalancing of the Baillie Gifford Long Term Global Growth (BGLTGG) portfolio back down to 7%.
- the transfer of the remaining BGLTGG balance to the ACCESS pool sub fund.
- To allocate the proceeds of rebalancing BGLTGG (approx. £100m.) to the M&G active bond mandate.
- To delegate to Officers, in conjunction with Advisers, responsibility to implement the necessary arrangements.

6. Global Property Manager Selection

The Committee received a paper and presentation from Matt Woodman from Hymans Robertson. The Committee were asked to agree:

- the mandate criteria as detailed within the report.

Resolved:

The Committee agreed the mandate criteria as detailed within the report.

8. Urgent Exempt Business

None.

9. Schedule of Future meetings

The Committee confirmed the schedule of meetings for the municipal year 2018/19.

Investment Steering Committee

28 November 2018

20 February 2019

27 March 2019

Pension Strategy Board

19 December 2018 – 9.30am

6 March 2019

Pension Advisory Board

16 January 2019 – 1.00pm

10. Closing Remarks

The Chairman also mentioned that interviews would take place shortly for an Independent Governance & Administration Adviser (IGAA) as the current contract was coming to an end.

The Chairman reaffirmed that the next PSB would take place on Wednesday 19 December 2018 at the earlier start time of 9.30am.

The Chairman reaffirmed that the next ISC would take place on Wednesday 28 November 2018 at 1pm.

There being no further business the meeting closed at 3.30pm.

Chairman
28 November 2018