

## Minutes of the meeting of the Essex Pension Fund Investment Steering Committee (ISC) held in Committee Room 2, on 26 June 2019

### 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 C Souter	
Cllr L Scordis	
Cllr A Hedley	
Cllr A Goggin	

left 3:12pm  
arrived 1:22pm  
  
left 1:27pm

##### **Scheme Employer Representatives**

Cllr C Riley	(Observer)
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##### **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
Alessandra Santiago	Hymans Robertson

Tom Prew	Stewart Investors (Presentation only)
Jimmy Burns	Stewart Investors (Presentation only)

Mike Thomas	M&G Investments (Presentation only)
Richard Ryan	M&G Investments (Presentation only)

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

#### **Opening Remarks**

The Chairman welcomed the Committee.

### **Apologies for Absence**

It was noted that Cllr Maddocks and Cllr Erskine, along with PAB members Nicola Mark, Paul Hewitt, James Durrant, Debs Hurst and Andrew Coburn were unable to attend the meeting.

Cllr Goggin gave his apologies for his early departure.

### **Declarations of Interest**

Declarations were received from Cllr S Barker who stated she was in receipt of an Essex LGPS pension and that her son was also a member of the Essex LGPS pension scheme. Cllr A Hedley stated that he was in receipt of an Aviva Group pension. Cllr A Goggin stated his wife, sister and brother-in-law were in receipt of an Essex LGPS pension and Cllr C Riley declared he was also in receipt of an Essex LGPS Pension.

#### **Resolved:**

The Committee noted the report.

### **2. Appointment of Chairman**

It was noted that on 14 May 2019, Cllr Susan Barker was formally reappointed at the Annual Meeting of Essex County Council, Chairman of the Essex Pension Fund Strategy Board and the Essex Pension Fund Investment Steering Committee.

#### **Resolved:**

The Committee the update.

### **3. Appointment of Vice Chairman**

It was agreed that Cllr M Platt be reappointed as Deputy Chairman.

#### **Resolved:**

The Committee noted the update.

### **4. ISC Terms of Reference (TOR)**

The Director for Essex Pension Fund presented the current unchanged TOR for noting.

#### **Resolved:**

The Committee noted the report.

### **5. ISC Revised TOR**

The Director for Essex Pension Fund provided the Committee with a revised TOR and explained that it had been reviewed in consultation with the Fund's

Independent Governance & Administration Advisor (IGAA) and the Director of Legal & Assurance (Monitoring Officer) for ECC.

The Committee asked for clarification within clause 4b in relation to pooling. It was agreed the TOR at clause 4b be amended to include 'in relation to'.

**Resolved:**

The Committee agreed for the amendment to be made for onward transition to the PSB for formal agreement.

**6. Minutes**

Minutes of the meeting of the ISC held on 27 March 2019 were approved as a correct record and signed by the Chairman.

**7. Schedule of Meetings**

The Committee received a presentation from the Director for Essex Pension Fund detailing the planned Committee and Board meetings for the municipal year.

The Director for Essex Pension Fund also notified the Committee of the events/conferences that were on the horizon during 2019/20.

Investment Steering Committee

17 July 2019 – 1.00pm  
9 & 10 October 2019 – Baillie Gifford Conference (Edinburgh)  
27 November 2019 – 1.00pm  
19 February 2020 – 1.00pm  
25 March 2020 – 1.00pm

Pension Strategy Board

3 July 2019 – 1.00pm  
11 September 2019 – 1.00pm  
18 December 2019 – 1.00pm  
4 March 2020 – 1.00pm

**Resolved:**

The Committee noted the schedule of meetings for 2019/20.

**8. Baillie Gifford 3 Day Event October 2019**

The Committee received a report and presentation from the Director for Essex Pension Fund detailing the travel arrangements and itinerary for the event in Edinburgh.

**Resolved:**

The Committee noted the report and update.

**9. Capital Markets Outlook Q1 2019**

Hymans Robertson provided the Committee with a report and update in relation to GDP growth, global bond markets and interest/inflation rates.

**Resolved:**

The Committee noted the report and update.

**10. Urgent Part I Business**

No matters arising.

**Exclusion of the Public and Press**

That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.

**Resolved:**

The Chairman brought to the attention the above statement and the Committee agreed to proceed.

**11. PART TWO Minutes of ISC meeting 27 March 2019**

Part Two Minutes of the meeting of the ISC held on 27 March 2019 were approved as a correct record and signed by the Chairman.

**12. Investment Tables Quarter end 31 March 2019**

The Committee received a report from the Director for Essex Pension Fund in consultation with the Independent Investment Adviser, which provided details of the Fund's investment performance for the quarter ended 31 March 2019.

Since the decrease in the value of the Fund reported at the last meeting, the value has since increased to just over £7bn at end 31 March 2019. In addition, it was explained that this value had increased further to an all-time high of £7.2bn to date.

**Resolved:**

The Committee agreed that:

- officers in consultation with advisers undertake a review of the investment tables format, presentation and content to incorporate: the revised changes in strategic asset allocation; the migration of assets into the ACCESS Pool and appropriateness of benchmarks; and
- the report would be noted.

### **13. Strategy Implementation Tracker**

The Committee received a report and presentation on the progress made to date.

**Resolved:**

The Committee noted:

- the content of the report; and
- the progress made to date.

### **14. Structural Reform of the LGPS – Pooling Quarterly Update of ACCESS Joint Committee (AJC)**

The Committee received a report and presentation from the Director for Essex Pension Fund.

**Resolved:**

The Committee noted:

- Minister of Housing, Communities and Local Government (MHCLG) consultation on the draft investment pooling guidance and ACCESS response;
- launch of tranche 2 sub funds;
- progress to date of Phase 1 tranche 3 and Phase 2 sub-fund seeding arrangements;
- progress to date in respect of pooling ACCESS illiquid assets;
- progress and timeline for completing Phase 3 governance deliverables;
- progress of the permanent ACCESS Support Unit;
- successful appointment of the ACCESS Support Officer and Technical Lead Officers;
- engagement with S151 Officers;
- contract management update;
- the communication plan key ACCESS messages;
- 2018/19 budget forecast against business plan deliverables and approval of the 2019/20 budget and business plan for recommendation back to individual ACCESS authorities; and
- Agenda of 18 March 2019 AJC.

### **15. Investment Manager Update**

#### **15a. Traffic Light Report**

The Committee received a report and presentation from Hymans Robertson which summarised the current views of Hymans Robertson on some of the Fund's managers.

**Resolved:**

The Committee noted the report and update.

**15b. ISC Briefing Notes on Managers Presenting**

The Committee received a report from Hymans Robertson in relation to presenters Stewart Investors and M&G Investments.

**Resolved:**

The Committee noted the report.

**16. Investment Manager Presentation – Stewart Investors**

The Chairman welcomed and introduced Tom Prew and Jimmy Burns from Stewart Investors who provided the Committee with a presentation in relation to the Global Emerging Markets (GEM).

**Resolved:**

The Committee noted the presentation.

Tom Prew and Jimmy Burns then left the meeting.

**17. Investment Manager Presentation – M&G Investments**

The Chairman welcomed and introduced Mike Thomas and Richard Ryan from M&G Investments who provided the Committee with a presentation in relation to the Bonds.

**Resolved:**

The Committee noted the presentation.

Mike Thomas and Richard Ryan then left the meeting.

**18. Urgent Exempt Business**

No matters arising.

**19. Closing Remarks**

There being no further business the meeting closed at 3:35pm.

**Chairman**  
**17 July 2019**