

NORTHUMBERLAND

Northumberland County Council

Your Ref:
Our Ref:
Enquiries to: Nichola Turnbull
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Date: 24 August 2017

Dear Sir or Madam,

Your attendance is requested at a meeting of the **PENSION FUND PANEL** to be held in Committee Room 2, County Hall, Morpeth on **Monday, 4 September 2017** at **9.30 a.m.**

Yours faithfully,



Interim Chief Executive

To the members of the Pension Fund Panel

Daljit Lally, Interim Chief Executive

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AGENDA

PART I

It is expected that the matters included in this part of the agenda will be dealt with in public.

1. APOLOGIES FOR ABSENCE

2. MINUTES

- (a) Minutes of the meeting of the Pension Fund Panel, held on Friday, 7 July 2017, as circulated, to be confirmed as a true record, and signed by the Chairman.
- (b) Minutes of the LGPS Local Pension Board, held on Monday, 17 July 2017, as circulated, *to be received for information*.

3. DISCLOSURES OF INTEREST

Unless already entered in the Council's Register of Members' interests, members are required to disclose any personal interest, (which includes any disclosable pecuniary interest), they may have in any of the items included on the agenda for the meeting in accordance with the Code of Conduct adopted by the Council on 4 July 2012, and are reminded that if they have any personal interests of a prejudicial nature (as defined under paragraph 17 of the Code of Conduct) they must not participate in any discussion or vote on the matter and must leave the room.

N.B. Any member needing clarification must contact the Legal Services Manager, Liam Henry, on telephone 01670 623324. Please refer to the guidance on disclosures at the rear of this agenda letter.

4. REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

The Panel is invited to consider the following reports, enclosed as Appendix A:-

1. Northumberland County Council Pension Fund draft Annual Report and Accounts for 2016/2017

The purpose of this report is to present the Northumberland County Council Pension Fund draft Annual Report and Accounts for the year to 31 March 2017 to the panel.

2. External Audit of Northumberland County Council Pension Fund Panel 2016/2017 Accounts

The purpose of this report is to provide information to the Panel about the external auditors' draft Audit Results Report (i.e. the audit findings) which is enclosed with these papers.

3. Conflicts of Interest Policy for NCC Pension Fund and individual declarations of interests

This report provides the Fund's Conflicts of Interest Policy which applies to Pension Fund Panel and Local Pension Board members and key officers involved in administering the LGPS, and requests that new Panel members complete a declaration of interests, and existing Panel and Board members review their current individual declarations.

4. Recent actions taken by the Pensions Regulator

The purpose of this report is to provide information to the Panel regarding recent actions taken by the Pensions Regulator to ensure pension schemes are compliant with their legal obligations.

5. Proposed changes to the State Pension Age

This report provides information to the Panel about the Government's plans to accelerate the previously proposed increase in the State Pension Age and the likely impact on future employer contribution rates payable.

6. Implications of the Brewster decision for the LGPS

This report provides information to the Panel about the implications of the LGPS of the Supreme Court's ruling earlier this year in the Brewster case.

7. Outcomes of the July 2017 meeting of the NCC LGPS Local Pension Board

This report provides information to the Panel about the outcomes and proposals of the meeting of NCC's LGPS Local Pension Board held on 17 July 2017.

8. Reporting breaches: progress and quarterly monitoring report

This report provides information about the breaches of the law which have occurred in the quarter to 20 June 2017

9. Key Performance Indicators (KPI's) for LGPS administration

The purpose of this report is to provide information to the Panel about the KPI's in the quarter to 30 June 2017.

10. FCA's report on the UK asset management Industry

This report provides information about the Financial Conduct Authority's (FCA) final report, published in June 2017, on the UK asset management industry.

11. Scheme Advisory Board's consultation on academies in the LGPS

The purpose of this report is to provide details of the LGPS Scheme Advisory Board (SAB) consultation, "*LGPS - Academies Objective*", and the proposed response from NCC Pension Fund.

12. Implementation of the Markets in Financial Instruments Directive (MiFID II)

The report outlines the impact of the implementation of MiFID II and the risk to NCC Pension Fund's investment strategy of the Fund being reclassified as retail client on 03 January 2018, and recommends that the Panel agree, where necessary, that electrons for professional client status should be made, as soon as practical.

13. Training needs analysis

The purpose of this report is to introduce a formal training needs analysis procedure for NCC Pension Fund, to be completed annually by Panel and Board members.

14. Fund Performance and total Fund value

The purpose of this report is to provide information to the Panel about the Fund performance in the quarter to 30 June 2017 and the total Fund value at that date.

5. URGENT BUSINESS (IF ANY)

To consider such other business as, in the opinion of the Chairman, should, by reason of special circumstances, be considered as a matter of urgency.

PART II

It is expected that matters included in this part of the Agenda will be dealt with in private. Reports referred to are enclosed for members and officers only, coloured pink and marked "Not for Publication".

6. EXCLUSION OF PRESS AND PUBLIC

Members of the Pension Fund Panel are invited to consider passing the following resolution:

- (a) That under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items on the Agenda as they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the 1972 Act, and
- (b) That the public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:-

Agenda Item	Paragraph of Part I of Schedule 12A
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Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

AND

The public interest in seeking this exemption outweighs the public interest in disclosure because:-

- (i) it contains information that, if in the public domain, could affect the preferential rates the Fund is charged;
- (ii) because the information would not be provided at future meetings if it were considered in public; and
- (iii) because the industry standard is to keep this information confidential.

7. REPORTS OF THE CHIEF EXECUTIVE

The Panel is invited to consider the following reports, enclosed as Appendix B:-

1. Current estimated funding position for Northumberland County Council Pension Fund

The purpose of this report is to present the latest quarterly update on the actuarial funding position for the Pension Fund as a whole to Panel members.

2. Shared pensions administration service with Tyne and Wear Pension Fund

The purpose of this report is to provide an update on progress towards a shared pensions administration service with Tyne and Wear Pension Fund.

3. Border to Coast Pensions Partnership (BCPP) pooling arrangement

This report updates the Panel on progress by BCPP collaboration of funds in establishing the BCPP Pool entity and its governance arrangements, together with commentary on the implications for NCC Pension Fund, where known.

4. Aon Hewitt's review of NCC's breaches recording procedures

This report provides information about a review of NCC Pension Fund's current and future breaches recording procedures which was undertaken by Aon Hewitt in August 2017.

5. Transaction Costs

The purpose of this report is to provide Panel members with information about the transaction costs incurred by the fund managers in quarter to 30 June 2017

6. Mercer's ratings of NCCPF's investment managers

The purpose of this report is to provide Panel members with the Mercer's ratings of all of the Funds investment managers.

IF YOU HAVE AN INTEREST AT THIS MEETING, PLEASE:

- Declare it and give details of its nature before the matter is discussion or as soon as it becomes apparent to you.
- Complete this sheet and pass it to the Democratic Services Officer.

Name (please print):
Meeting:
Date:
Item to which your interest relates:
Nature of Registerable Personal Interest i.e either disclosable pecuniary interest (as defined by Annex 2 to Code of Conduct or other interest (as defined by Annex 3 to Code of Conduct) (please give details):
Nature of Non-registerable Personal Interest (please give details):
Are you intending to withdraw from the meeting?

1. Registerable Personal Interests – You may have a Registerable Personal Interest if the issue being discussed in the meeting:

- a) relates to any Disclosable Pecuniary Interest (as defined by Annex 1 to the Code of Conduct); or
- b) any other interest (as defined by Annex 2 to the Code of Conduct)

The following interests are Disclosable Pecuniary Interests if they are an interest of either you or your spouse or civil partner:

(1) Employment, Office, Companies, Profession or vocation; (2) Sponsorship; (3) Contracts with the Council; (4) Land in the County; (5) Licences in the County; (6) Corporate Tenancies with the Council; or (7) Securities - interests in Companies trading with the Council.

The following are other Registerable Personal Interests:

(1) any body of which you are a member (or in a position of general control or management) to which you are appointed or nominated by the Council; (2) any body which (i) exercises functions of a public nature or (ii) has charitable purposes or (iii) one of whose principal purpose includes the influence of public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management); or (3) any person from whom you have received within the previous three years a gift or hospitality with an estimated value of more than £50 which is attributable to your position as an elected or co-opted member of the Council.

2. Non-registerable personal interests - You may have a non-registerable personal interest when you attend a meeting of the Council or Cabinet, or one of their committees or sub-committees, and you are, or ought reasonably to be, aware that a decision in relation to an item of business which is to be transacted might reasonably be regarded as affecting your well being or financial position, or the well being or financial position of a person described below to a greater extent than most inhabitants of the area affected by the decision.

The persons referred to above are: (a) a member of your family; (b) any person with whom you have a close association; or (c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or company of which they are a director or shareholder.

3. Non-participation in Council Business

When you attend a meeting of the Council or Cabinet, or one of their committees or sub-committees, and you are aware that the criteria set out below are satisfied in relation to any matter to be considered, or being considered at that meeting, you must : (a) Declare that fact to the meeting; (b) Not participate (or further participate) in any discussion of the matter at the meeting; (c) Not participate in any vote (or further vote) taken on the matter at the meeting; and (d) Leave the room whilst the matter is being discussed.

The criteria for the purposes of the above paragraph are that: (a) You have a registerable or non-registerable personal interest in the matter which is such that a member of the public knowing the relevant facts would reasonably think it so significant that it is likely to prejudice your judgement of the public interest; **and either** (b) the matter will affect the financial position of yourself or one of the persons or bodies referred to above or in any of your register entries; **or** (c) the matter concerns a request for any permission, licence, consent or registration sought by yourself or any of the persons referred to above or in any of your register entries.

This guidance is not a complete statement of the rules on declaration of interests which are contained in the Members' Code of Conduct. If in any doubt, please consult the Monitoring Officer or relevant Democratic Services Officer before the meeting.