

NORTHUMBERLAND COUNTY COUNCIL

PENSION FUND PANEL

At a meeting of the **Pension Fund Panel** held at County Hall, Morpeth on Friday, 6 October 2017 at 9.30 a.m.

PRESENT

Councillor J.G. Watson
(Chair, in the Chair)

MEMBERS

Dunn, L.	Robinson, M.
Kennedy, D. (from 9.37 am)	Swithenbank, I.C.F.

TRADE UNION REPRESENTATIVES

Culling, A.	Storey, I.
-------------	------------

OBSERVER REPRESENTATIVES

Dick, Ms. S.	Employees / Pensioner Representative
--------------	---

PENSION FUND PANEL ADVISER MEMBER

Mrs. S. Greenwood	Mercer Ltd
-------------------	------------

OFFICERS IN ATTENDANCE

Mrs. C. Gorman	Principal Accountant (Pensions) - Project Officer
Mr. C. Johnson	Senior Accountant (Pensions)
Mr. A. Lister	Principal Accountant (Pensions)
Ms. N. Turnbull	Democratic Services Officer

ALSO PRESENT AS OBSERVERS

J.P. Clark	LGPS Pension Board Member
G.F. Moore	Chair of LGPS Pension Board
Cllr B Pidcock	LGPS Pension Board Member

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Bawn and Ms. Adams (Employers Representative).

2. DISCLOSURE OF MEMBERS’ INTERESTS

The Local Government Pension Scheme is a national pension scheme set by central Government and the terms and conditions apply equally to all Scheme members. Panel members and attendees cannot influence the terms and conditions of the Scheme that apply to them, and they do not set the regulatory framework which governs it.

Membership of the Scheme does not represent a personal interest for Panel members, observers or officers in attendance.

3. EXCLUSION OF PRESS AND PUBLIC

RESOLVED that

- (a) under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item 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 as indicated below:

Agenda Items	Paragraph of Part I of Schedule 12A
5-8	3
	Information relating to the financial or business affairs of a particular person (including the Authority holding that information).

AND

- (b) 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.

4. REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

The Panel considered the following report, which were not reproduced, are coloured pink and marked “Not For Publication”, a copy of which is filed with the signed minutes as Appendix A:-

(1) Information about the purpose of the meeting and the investment managers presenting

The report provided information about the purpose of the meeting and NCC Pension Fund’s infrastructure managers (i.e. Antin and GIP), who were attending the meeting to give presentations.

Investments in private equity fund of funds, property funds and infrastructure funds are all long term and illiquid. Currently, the Fund had a 5% target allocation to each of those three asset classes, with around 4% currently invested in infrastructure.

Antin and GIP had been asked for their views on MiFID II and on the impact of pooling and their responses were set out in the report.

It was not expected that the Border to Coast Pensions Partnership (BCPP) infrastructure sub-fund would open until January 2019 at the earliest and therefore it was agreed that it would be practical to consider further infrastructure investments by the Fund to maintain the current 5% allocation. Enquiries would also be made with other BCCP funds to ascertain whether any would be considering further investments in this asset class within the next six to twelve months, with a view to collaborating prior to pooling and potentially gaining leverage on fees.

RESOLVED that:

1. The report be received.
2. A further commitment to infrastructure investment be considered by the Panel once BCPP partner funds’ intentions for investing in infrastructure within the next twelve months have been clarified.

5. URGENT BUSINESS

A brief update on BCPP Ltd. was given by the Principal Accountant (Pensions) - Project Officer regarding recruitment to senior posts, selection of premises, TUPE transfer of internally managed staff, further recruitment of additional staff and various ongoing procurement exercises. A copy of the update is enclosed with the minutes.

Councillor Pidcock expressed concern regarding the salaries of the senior posts and the non-executive directors of BCPP Ltd. It was reported that

considerable debate had taken place at the BCPP Joint Committee (and its predecessor body, the Member Steering Group) regarding the appropriate level of remuneration and the salary levels had been set with reference to the market rates for such posts in the investment industry.

RESOLVED that the update be received.

6. MERCER'S REPORT ON NCCPF INFRASTRUCTURE INVESTMENT MANAGERS

The Panel considered a report from Susan Greenwood, of Mercer Ltd, which provided information about infrastructure as an asset class, how LGPS pooling would affect the UK Market and Mercer's views and ratings of NCC Pension Fund's infrastructure investment managers, Antin and GIP, prior to their presentations.

RESOLVED that the report be received.

7. PRESENTATION BY GIP

The Panel received a presentation from Michael McGhee and Joe Blum of Global Infrastructure Partners (GIP).

RESOLVED that the presentation be received.

8. PRESENTATION BY ANTIN

The Panel received a presentation from Mauricio Bolana and Ed Crowe of Antin Infrastructure Partners.

RESOLVED that the presentation be received.

CHAIR _____

DATE _____