



Northumberland County Council

Your ref:

Our ref:

Enquiries to: Nichola Turnbull

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Tel direct: (01670) 622617

Date: 15 November 2018

Dear Sir or Madam,

Your attendance is requested at a meeting of the **PENSION FUND PANEL** to be held in **Committee Room 1**, County Hall, Morpeth on **Friday, 23 November 2018** at **9.30 a.m.**

Yours faithfully,

Daljit Lally
Chief Executive

To members of the Pension Fund Panel



Daljit Lally, 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

Minutes of the meeting of the Pension Fund Panel, held on Friday, 5 October 2018, as circulated, to be confirmed as a true record, and signed by the Chair.

3. DISCLOSURE OF MEMBERS' INTERESTS

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 Conduct) they must not participate in any discussion or vote on the matter and must leave the room

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

4. REPORTS OF THE SERVICE DIRECTOR - FINANCE

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

1. Northumberland County Council Pension Fund's Procedure for Reporting Breaches of the Law

To request the adoption of the updated "Procedure for Reporting Breaches of the Law for the LGPS administered by Northumberland County Council".

2. The Pensions Regulator's annual return and survey

To provide information about the Pensions Regulator's 2018 annual Scheme Return, and the 2018 annual Governance and Administration Survey.

3. Training needs analysis

To inform Panel members of the requirement to complete a formal training needs analysis annually, and to enclose a questionnaire for use in this process.

4. October 2018 Budget

To provide information about the 29 October 2018 Budget, and proposed changes of relevance to LGPS administering authorities.

5. Recent news stories about LGPS administering authorities

To provide information and comment on recent news stories regarding three LGPS administering authorities.

6. MHCLG statistical release 2017/18

To provide information to the Panel about the MHCLG statistical release on LGPS funds in England and Wales in 2017/18, and compare Northumberland County Council Pension Fund information with that of other funds.

7. PIRC Local Authority Performance Analytics

To provide the PIRC Local Authority Performance Analytics annual reports for 2016/17 and 2017/18.

8. NCC LGPS: the Pensions Regulator's Code compliance checklist

To provide information about NCCPF's third assessment against the standards set out in the Pensions Regulator's Code of Practice number 14.

9. Outcomes of the November 2018 meeting of the NCC LGPS Local Pension Board

To provide information to the Panel about outcomes and proposals from the meeting of NCC's LGPS Local Pension Board held on 8 November 2018.

10. Action Plan 2018 for NCC Pension Fund: quarterly monitoring

To monitor progress against the NCCPF Action Plan 2018.

11. Recording breaches: progress and quarterly monitoring report

To provide information about breaches of the law which have occurred in and before the quarter to 30 September 2018.

12. Key Performance Indicators (KPIs) for LGPS administration

To provide information about the Fund's KPIs in the quarter to 30 September 2018.

13. Tyne and Wear Pension Fund's quarterly regulatory report

To provide information to the Panel about Tyne and Wear Pension Fund's quarterly regulatory reports, which are provided to South Tyneside Council's Pensions Committee to keep members up to date with relevant LGPS regulatory changes.

14. Fund performance and total Fund value

To provide information about NCC Pension Fund's performance in the quarter to 30 September 2018 and the total Fund value at that date.

5. URGENT BUSINESS (IF ANY)

To consider such other business as, in the opinion of the Chair, 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

The Committee is 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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7-9	3 Information relating to the financial or business affairs of any particular person (including the Authority holding that information).
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AND The public interest in maintaining 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 SERVICE DIRECTOR - FINANCE

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

1. Current estimated funding position for NCCPF

To present the latest quarterly update on the actuarial funding position for the NCC Pension Fund as a whole to Panel members.

2. Section 13 Report

To provide information about the Section 13 Report, published in September 2018, which reviewed the 31 March 2016 actuarial valuations of LGPS funds in England and Wales, measuring progress since the earlier valuations at 31 March 2013.

3. Panel decision to allocate 5% of Fund value to cash

To provide information about the equity market volatility following the Panel meeting held on 5 October when officers worked towards *but did not then execute* the decision to allocate 5% to cash, and requests that the Panel reconsiders that decision.

4. NCCPF's exposure to UK equity markets

To provide information about NCCPF's exposure to UK equity markets and asks Panel members to consider whether to take steps to reduce the allocation.

5. Wellington: changes to Multi Sector Credit fund

To update Panel members on the changes to the terms of the investment in the Wellington Multi Sector Credit fund which will take effect from 1 January 2019.

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

To update the Panel on progress made by BCPP Ltd to date, and the implications for NCCPF.

7. Review of PIRC's appointment

To review PIRC's appointment as provider of share voting advice to NCCPF and considers the impact of terminating that appointment on the authority's regulatory obligation to exercise share voting rights.

8. Transaction costs

To provide Panel members with information about the transaction costs incurred by the fund managers in the quarter to 30 September 2018.

9. Presentation at the meeting by Wellington

To provide information to the Panel about Wellington, the Fund's active corporate bond manager.

10. Mercer's ratings of NCCPF's investment managers and currency hedging update

To provide Panel members with the Mercer's ratings of the Fund's investment managers and the currency hedging update.

11. Portfolio Evaluation's report on NCCPF's private equity investments

This report provides performance information for NCCPF's private equity investments, calculated by Portfolio Evaluation, the Fund's independent performance measurement service provider.

8. MERCER'S REPORTS ON INVESTMENT MANAGERS AND CURRENCY HEDGING UPDATE

To receive a report from Susan Greenwood.

9. WELLINGTON

To receive a presentation from Paul Skinner, Nicola Staunton and Emma Thorne.

IF YOU HAVE AN INTEREST AT THIS MEETING, PLEASE:

- Declare it and give details of its nature before the matter is discussed 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.