

AGENDA

Meeting: Investment Sub-Committee
Place: Kennet Room, County Hall
Date: Wednesday 21 February 2018
Time: 10.30 am

Please direct any enquiries on this Agenda to Libby Johnstone, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718214 or email libby.johnstone@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225) 713114/713115.

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Chairman's Briefing:	Date	Time	Place
	21 February	10am	Kennet Room

Membership:

Cllr Tony Deane	Cllr Gordon King
Cllr Roy While	Cllr Steve Weisinger

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Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

For extended details on meeting procedure, submission and scope of questions and other matters, please consult [Part 4 of the council's constitution](#).

The full constitution can be found at [this link](#).

For assistance on these and other matters please contact the officer named above for details

PART 1

Items to be considered when the meeting is open to the public

1 **Welcome** **10:30am**

To welcome Committee members and to note the attendance of any non-members of the Sub-Committee.

2 **Apologies**

To receive any apologies for absence or substitutions for the meeting.

3 **Minutes** (*Pages 7 - 10*)

To consider the Part 1 (public) minutes of the meeting held on 8 November 2017.

4 **Declarations of Interest**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

5 **Chairman's Announcements**

To receive any announcements through the Chairman.

6 **Public Participation and Councillors Questions**

The Council welcomes contributions from members of the public.

Statements

If you would like to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. Up to 3 speakers are permitted to speak for up to 3 minutes each on any agenda item. Please contact the officer named above for any further clarification.

Questions

To receive any questions from members of the public or members of the Council received in accordance with the constitution. Those wishing to ask questions are required to give notice of any such questions in writing to the officer named above (acting on behalf of the Corporate Director), no later than 5pm on Wednesday 14 February 2018 in order to be guaranteed a written response prior to the meeting. Any question received between the above deadline, and no later than 5pm two clear working days before the meeting, may only receive a verbal response at the meeting.

Please contact the officer named on the first page of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

Details of any questions received will be circulated to Committee members prior to the meeting and made available at the meeting and on the Council's website.

7 **Date of next meeting**

The next ordinary meeting of the Sub-Committee will be held on 7 June 2018.

8 **Urgent items**

Any other items of business which, in the opinion of the Chairman, should be considered as a matter of urgency. Urgent items of a confidential nature may be considered under Part II of this agenda.

9 **Exclusion of the public**

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 10 – 16 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

PART 2

Items during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed.

10 **Investment Quarterly Progress Report** *(Pages 11 - 42)* **10:40am**

Confidential reports, including one from Mercer, update the Sub Committee on the performance of the Fund's investments as to the end of December 2017.

11 **Wiltshire Pension Fund Flight Path** *(Pages 43 - 46)* **11:00am**

A confidential report is attached for members to consider.

12 **Risk Management Framework** *(Pages 47 - 58)* **11:15am**

A confidential Mercer report is attached for members to consider, alongside a verbal report at the meeting.

13 **Pensions & Investments Research Consultants Ltd Presentation** *(Pages 59 - 86)* **12:00pm**

To receive a presentation from Janice Hayward, Client Services

Director, and Alan MacDougall, Managing Director.

Topics to be considered:

- What PIRC does for the Fund now, with a focus on the Stewardship Code and Investment Strategy Statement
- Looking forward: Administering Authorities, Pooling and ESG Matters
- The Discharging of Investment Responsibilities under Pooling
- Responsibilities and Oversight Activities an AA needs to ensure are resourced and managed (in their role as AA and 'client' of an LGPS Pool Company).

Background PIRC papers are attached, for information.

14 **Equity Portfolio- Carbon Footprint Analysis** (Pages 87 - 104) **12:30pm**

To consider a carbon footprinting analysis undertaken by Mercer on behalf of the Fund. The analysis was conducted using MSCI ESG Analytics and focusses on the listed equity portfolios and relevant benchmarks.

15 **Brunel Pension Partnership Update** **12:50pm**

A verbal update from the Investments Manager on the implementation of investment pooling.

16 **Minutes** (Pages 105 - 110) **1:00pm**

To confirm the Part 2 (confidential) minutes of the meeting held on 8 November 2017.

Close 1:00pm

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INVESTMENT SUB-COMMITTEE

PART 1 MINUTES OF THE INVESTMENT SUB-COMMITTEE MEETING HELD ON 8 NOVEMBER 2017 AT KENNET ROOM, COUNTY HALL.

Present:

Cllr Tony Deane (Chairman), Cllr Gordon King and Cllr Roy While

Also Present:

Jim Edney, Joanne Holden, Cllr Philip Whitehead and Nick Weaver

36 Membership

There were no changes to the membership of the Sub Committee.

37 Attendance of non-members of the Sub-Committee

Philip Whitehead (Cabinet Member for Finance), Shruti Moraes, Chris Ashton and Nick Weaver, Pension Fund Officers, were in attendance.

The Chairman welcomed Nick Weaver as the Interim Head of Pensions.

38 Apologies

Apologies for absence were received from Cllr Steve Weisinger and Mike Pankiewicz.

39 Minutes

Resolved:

To confirm the minutes of the meeting held on 13 November 2017.

40 Declarations of Interest

David Anthony declared an interest in item 13, Brunel Pension Partnership update, as he was soon to be employed by the company. Cllr Roy While declared himself a member of the Wiltshire Pension Fund.

41 Chairman's Announcements

The Chairman reminded the Sub-Committee that recruitment was underway for a new Investment Manager and Head of Pensions Administration and Relations, interviews were to be held in the coming weeks.

Officers were thanked for their hard work to support the production of the 2016-17 Annual Report and for organising an Investment Training Away Day for Committee and Board members.

42 Public Participation and Councillors Questions

There were no members of the public present.

43 Date of next meeting

The next scheduled meeting was for 21 February 2018, however members were advised this date may be pushed back.

44 Urgent items

The Chairman highlighted the Fund had experienced a significant increase in assets over the last year and questioned why this had not reduced liabilities by a similar amount. Members discussed the change to the base rate for interest and it was explained that short term interest rate changes did not have much impact upon the Fund since this was already factored into the Valuation. The Fund's advisors explained there were different methods used by actuaries to value liabilities. Members noted the costs of LGPS schemes benefits were high.

Resolved:

To note the update provided by the Chairman and advisors.

45 Exclusion of the public

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 46-52 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

46 **Review of the Investment Away Day**

Discussion on the Investment Away Day was brought forward on the agenda.

Resolved:

To note future investment issues for the Committee to consider.

To endorse the use of Equity Protection strategies to the Wiltshire Pension Fund Committee and to recommend allowing officers to consider options and progress between meetings as appropriate.

To recommend a paper on Liability Driven Investing (LDI) outlining the actions, timelines and costs required to update the Flight Path and consider LDI options is brought to the next meeting of the Committee with a recommendation to allow further work to be progressed.

47 **Investment Quarterly Progress Report**

Confidential reports, including one from Mercer, were circulated updating the Committee on the performance of the Fund's investments as to the end of September 2017.

Resolved:

To note the updates provided by officers and Members.

48 **Brunel Pension Partnership Update**

The Head of Pensions provided an update on the establishment of Brunel Pension Partnership.

Resolved:

To note the update on the progress of Brunel Pension Partnership

49 **CBRE- Review of 2016-17 and Plans for the Future**

Representatives from CBRE updated the Sub Committee on the performance of its mandate and plans for the future.

Resolved:

To note the update and presentation from CBRE.

50 **Partners- Review of 2016-17 and Plans for the Future**

Representatives from Partners updated the Sub Committee on the performance of its mandate and plans for the future.

Resolved:

To note the update and presentation from Partners.

51 **M&G Review of 2016-17 and Plans for the Future**

Representatives from M&G updated the Sub Committee on the performance of its mandate and plans for the future.

Resolved:

To note the update and presentation from M&G.

52 **Minutes**

Resolved:

To confirm the Part 2 minutes of the Investment Sub Committee meeting held on 13 September 2017.

(Duration of meeting: 1.30 - 5.15 pm)

The Officer who has produced these minutes is Libby Johnstone, of Democratic Services, direct line 01225 718214, e-mail libby.johnstone@wiltshire.gov.uk

Press enquiries to Communications, direct line (01225) 713114/713115

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