

**Minutes of a meeting of the Local Pension Committee held at County Hall,  
Glenfield on Friday, 6 September 2019.**

**PRESENT:**

Leicestershire County Council

Mr. P. C. Osborne CC (Chairman)  
Mrs. H. Fryer CC  
Mr. D. Harrison CC  
Dr. S. Hill CC

Leicester City Council

Cllr. R. Govind

University Representative

Mr. Z. Limbada

Staff Representatives

Mr. R. Bone

Mr. N. Booth

31. Chairman's Announcements.

The Chairman reported with great sadness the death of County Councillor and Vice-Chairman of the Council, Mr David Jennings CC who died on the 30<sup>th</sup> August 2019 aged 72.

David had served on many Committee's since his election in 1992, including as Chairman of the Local Pension Board since its inception in 2015.

Members joined the Chairman in standing in silent tribute to the memory of Mr David Jennings.

32. Minutes.

The minutes of the meeting held on 5 July 2019 were taken as read, confirmed and signed.

33. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

34. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

35. Urgent Items.

There were no urgent items for consideration.

36. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. No declarations were made.

37. Club Vita

The Committee received a presentation from Club Vita which detailed how its longevity analysis was used as part of the Leicestershire Pension Fund's triennial valuation. A copy of the presentation is filed with these minutes.

It was noted that Club Vita provided a bespoke set of assumptions specifically tailored to fit the membership profile of the Leicestershire Fund. The assumptions were continually updated to take allowance of changes in longevity, based on the actual experience of the Fund.

Arising from the presentation the following points were noted:-

- i) Club Vita used detailed data on lifestyle, affluence, ill-health retirement and occupation to provide an objective view on longevity trends.
- ii) The 2016 Club Vita analysis had been between a 1-2% variance of predicted versus the actual death rate, evidencing how accurate the data was for predicting mortality. If the prediction had not been accurate the methodology would be changed.
- iii) The approximate change in liability for the Fund using the latest VitaCurves data, that spanned from 2015-17 had changed by -1.3% which was similar across other schemes. This was as a result of higher than expected mortality rates, resulting in reduced liabilities.
- iv) There was not a definitive reason for the slowdown of longevity improvement, however members noted that Fund members classed as 'comfortable' pensioners (based on lifestyle factors) may continue to experience higher improvements than other pensioners.

RESOLVED:

That the presentation be noted.

38. Summary Valuation of Pension Fund Investments and Performance of Individual Managers

The Committee considered a report of the Director of Corporate Resources the purpose of which was to present a summary valuation of the Fund's investments as at 30 June 2019. A copy of the report is filed with these minutes, marked '7'.

Members welcomed the latest performance data of the fund, which showed that the majority of its investments had made a positive return over the three year period. Arising from the discussion the following points were noted:-

- i) The continuing uncertainty over the UK's departure from the EU had resulted in the reduction of the valuation of sterling, which is beneficial for the Fund's overseas holdings. However, some of the benefit is lost due to the currency hedging arrangements this is in place to mitigate some of the currency risk rather than for performance.
- ii) LGPS Central's view on markets set out in its Tactical Asset Allocation report did not impact Leicestershire Fund's current strategic position. The Fund's annual strategy review in January would consider Central's views.
- iii) It was noted that Central Bank intervention had played a significant part in the disappointing performance of the Fund's currency overlay programme. The allocation had previously been reviewed by the Investment Subcommittee and would be reconsidered on an on-going basis.

RESOLVED:

That the report be noted.

#### 39. Pension Fund Administration - Current Developments

The Committee received a report from the Director of Corporate Resources on the current developments in relation to the administration of the Fund. A copy of the report is filed with these minutes, marked '8'.

Members noted that the effect of the McCloud ruling on the Fund was currently unknown. The Fund would continue to work with the actuary to consider the financial impact.

Whilst there remained in the region of 450 outstanding annual benefit statements for 2018/19, it was a significant improvement on previous years' performance as a result of enhanced data collection methods. Members noted that most outstanding queries were from the City Council and would not have a wider impact on the Fund.

RESOLVED:

That the report be noted.

#### 40. Risk Management and Internal Controls.

The Committee received a report from the Director of Corporate Resources on the revised risk register and the work to develop a training policy for members of the Committee and Board. A copy of the report is filed with these minutes, marked '9'.

Members noted that the effect of the Guaranteed Minimum Pension (GMP) was varied across the country, and for the Leicestershire Pension Fund it was considered immaterial. McCloud was considered a far bigger risk, hence its inclusion on the risk register as a potentially significant financial and administrative impact.

RESOLVED:

- a) That the revised risk register of the Pension Fund be approved.

- b) That the Committee notes the work being undertaken to develop training for members of the Committee and Local Pension Board.

41. Dates of Future Meetings.

The Committee noted the dates of the future meetings of the Local Pension Committee:-

8 November 2019  
 24 January 2020  
 28 February 2020  
 19 June 2020  
 11 September 2020  
 27 November 2020

42. Exclusion of the Press and Public.

RESOLVED:

That under Section 100(A) of the Local Government Act 1972 the public be excluded from the meeting for the remaining items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Act.

43. Presentation by LGPS Central

The Committee considered an exempt presentation by LGPS Central, a copy of which is filed with these minutes. The presentation was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the presentation be noted.

44. LGPS Central - Leicestershire Property Portfolio

The Committee considered an exempt report by LGPS Central, a copy of which marked '14' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

45. LGPS Central - Targeted Return Portfolio

The Committee considered an exempt report by LGPS Central, a copy of which marked '15' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

46. LGPS Central - Fixed Income Portfolio.

The Committee considered an exempt report by LGPS Central, a copy of which marked '16' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

47. Ashmore Quarterly Report

The Committee considered an exempt report by Ashmore, a copy of which marked '17' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

48. Aspect Capital Quarterly Report

The Committee considered an exempt report by Aspect, a copy of which marked '18' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

49. IFM Investors Quarterly Report

The Committee considered an exempt report by IFM, a copy of which marked '19' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

50. Kames Capital Quarterly Report

The Committee considered an exempt report by Kames, a copy of which marked '20' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

51. JP Morgan Quarterly Report

The Committee considered an exempt report by JP Morgan, a copy of which marked '21' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

52. KKR Quarterly Report

The Committee considered an exempt report by KKR, a copy of which marked '22' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(!) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

53. LaSalle Quarterly Report

The Committee considered an exempt report by LaSalle, a copy of which marked '23' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(!) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

54. Macquarie Quarterly Report

The Committee considered an exempt report by Macquarie, a copy of which marked '24' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(!) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

55. Millennium Global Quarterly Report

The Committee considered an exempt report by Millennium, a copy of which marked '25' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(!) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

56. Pictet Quarterly Report

The Committee considered an exempt report by Pictet, a copy of which marked '26' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(!) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

57. Legal and General Investment Manager Quarterly Report

The Committee considered an exempt report by Legal and General, a copy of which marked '27' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(!) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

58. Stafford Timberland Quarterly Report

The Committee considered an exempt report by Stafford Timberland, a copy of which marked '28' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(!) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

59. Ruffer Quarterly Report

The Committee considered an exempt report by Ruffer, a copy of which marked '29' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(!) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

9.30 – 12.15  
06 September 2019

CHAIRMAN