

TEESSIDE PENSION FUND & INVESTMENT PANEL

A meeting of the Teesside Pension Fund & Investment Panel was held on 9 February 2016.

PRESENT: Councillors S E Bloundele (Chair); Councillor J Rostron (Vice Chair): R Brady, J G Cole, G Purvis, J Rathmell and A Shan

Other Local Authority Members:

Councillor J Lindridge - Hartlepool Council
Councillor N Bendelow - Redcar and Cleveland Council
Councillor J Beall - Stockton Council

ALSO IN ATTENDANCE: Employers' Representative: Peter Fleck
Investment Advisors: F Green and P Moon
Unison: A Watson

OFFICERS: P Campbell and B Carr

APOLOGIES FOR ABSENCE: Councillor D P Coupe, Councillor J Culley, Councillor N Hussain, Councillor D McCabe.

DECLARATIONS OF INTERESTS

Name of Member	Type of Interest	Item/Nature of Interest
Councillor J Beall	Non-Pecuniary	Member of Teesside Pension Fund
Councillor B Brady	Non-Pecuniary	Member of Teesside Pension Fund
Mr P Fleck	Non-Pecuniary	Member of Teesside Pension Fund
Councillor J Rostron	Non-Pecuniary	Member of Teesside Pension Fund

1 **EXCLUSION OF PRESS AND PUBLIC**

ORDERED that the press and public be excluded from the meeting for the following item on the grounds that, if present, there would be disclosure to them of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

A Member queried with regard to the reasons why the report was exempt. The Chair advised that the report contained commercially sensitive information and could have possible implications for staff.

NOTED

2 **LGPS INVESTMENT REFORM - POOLING ASSETS**

The Chief Finance Officer submitted an exempt report, the purpose of which was to follow up the report on LGPS Investment Reform presented at the previous meeting of the Teesside Pension Fund and Investment Panel held on 9 December 2015, and provide Members with the details of the options available in respect of the collective investment (Pools).

The report set out the anticipated costs associated with setting up the new Pool and the DLG criteria in respect of the Pools. A summary of the future risks and uncertainties that had been identified so far was provided at Paragraph 5 of the report.

The timetable in respect of the arrangements for the setting up of the Pools was included at Paragraph 6 of the report. A summary of the existing pools was provided at Paragraph 7.

The criteria for Evaluation included:

- Size and Scale;
- Governance;
- Asset Allocation;
- Cost; and
- Performance.

A Table detailing the name of the Fund, the Funding Ratio, the Management Style, the Size and the percentage Performance of each Fund over a 1 year, 3 year, 5 year and 10 year period was included at 8.7.5 of the report.

An analysis of the DLG criteria in respect of the each of the Pools was included at Paragraph 9 of the report.

Members discussed the options available for pooling and selected a first and second choice, after taking into consideration the risks and benefits to Teesside Pension Fund if the Fund was to enter into a pooling arrangement in respect of each individual Pool.

ORDERED as follows:

1. That the Head of Investments and Treasury Management be authorised to commence negotiations with the First choice of Pool as selected by all of the Members of the Teesside Pension Fund and Investment Panel (with a possible view to retaining a base in Teesside). Should the negotiations be unsuccessful with the first choice Pool, that the Chair of the TPFIP be authorised to instruct the Head of Investments and Treasury Management to commence negotiations with the Panel's Second Choice of Pool.
2. That the Chair be given delegated authority to make the final decision with regard to the Final choice of pool but that this decision be communicated to all Members of the TPFIP.
3. That authority be given to the Head of Investments and Treasury Management to inform the Department for Communities and Local Government (DCLG) how the Fund would meet the criteria for investment and reform and submit a joint response with the other partners of the chosen pool.
4. That an initial start-up budget of £100,000 be approved to assist with various consultancy fees needed in the near term to assess the correct set up and structure of the new pool.