

Pension Fund Committee

Minutes of a meeting held at Town Hall,
Bournemouth, on 28 January 2016.

Present:

John Beesley (Bournemouth Borough Council) (Chairman)
Andrew Canning, Mike Lovell, Peter Wharf (Dorset County Council), May Haines (Borough of Poole), John Lofts (District Council Representative) and Johnny Stephens (Scheme Member Representative).

Officer Attendance:

Nick Buckland (Chief Treasury and Pensions Manager) and David Wilkes (Finance Manager - Treasury and Investments).

Manager, Adviser and Others Attendance:

Alan Saunders (Independent Adviser), Rob Roriston and Jeff Morley (Local Pension Board).

(Note: These minutes have been prepared by officers as a record of the meeting and of any decisions reached. They are to be considered and confirmed at the next meeting of the Committee to be held on **1 March 2016**.)

Apologies for Absence

1. Apologies for absence were received from Mike Byatt, Ronald Coatsworth (Dorset County Council) and Richard Bates (Fund Administrator).

Code of Conduct

2. There were no declarations by members of any disclosable pecuniary interests under the Code of Conduct.

Mr Neil Sorton

3. The Chairman reported the recent death of Neil Sorton, the Committee's previous Chairman. He praised Mr Sorton's courage and fortitude and described him as a real gentleman. Those present stood for a minute's silence.

Minutes

4. The minutes of the meeting held on 26 November 2015 were confirmed and signed.

Matters Arising

Minute 85 – Funding Update Report

5.1 The Chief Treasury and Pensions Manager reported that there was a meeting with the Fund Actuary on 2 February 2016 to agree a timeline for the next actuarial valuation. He would request that this timeline included a training session for members of the Committee.

Minute 89.5 – Fund Administrator's Report

5.2 The Chief Treasury and Pensions Manager reported that the Global Equity Managers transition took place on 17 December 2015, with approximately £30M returned to cash after the new managers had been funded. The Independent Adviser asked how the actual cost of transition compared to the expected cost. The Finance Manager (Treasury and Investments) replied that the transition manager, LGIM, had prepared a post-trade report which would be shared with the Independent Adviser.

Minute 91.6 – Fund Administrator’s Report

5.3 The Committee were informed that planning permission for the proposed development of 270 Cambridge Science Park had not yet been agreed by Cambridge County Council. Officers had asked CBRE, the Fund’s property manager, about the impact of the fall in oil prices on the property owned in Aberdeen by the Fund. CBRE had informed them that the property was 50% let to Scottish Ministers until 2029 with the remaining 50% subject to a rent guarantee which expired later this year, and that the valuation of the property would be adversely affected until the oil price recovered or the Aberdeen market adjusted to the new market conditions.

Minute 94.2 – UK Equity Portfolio

5.4 The under-performance by one of the Fund’s UK Equities managers, Standard Life, was highlighted. It was agreed that officers would produce a report for the Committee to discuss at its next meeting on 1 March 2016. A member asked if the Fund’s currency hedging strategy could also be discussed at the next meeting, given the additional uncertainties created by the forthcoming UK referendum on EU membership.

Public ParticipationPublic Speaking

6.1 There were no public questions received at the meeting in accordance with Standing Order 21 (1).

6.2 There were no public statements received at the meeting in accordance with Standing Order 21 (2).

Petitions

7. There were no petitions received in accordance with the County Council’s petition scheme at this meeting.

Dates of Futures MeetingsResolved

8. That meetings be held on the following dates:

1 March 2016	County Hall, Dorchester
21/22 June 2016	London (to be confirmed)
8 September 2016	County Hall, Dorchester
23/24 November 2016	London (to be confirmed)

Questions from Members of the Committee

9. No questions were asked by members under Standing Order 20 (2).

Exempt Business**Exclusion of the Public**Resolved

10. That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the business specified in minutes 11.1 to 12.2 because it was likely that if members of the public were present there would be disclosure to them of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing that information.

LGPS – Investment Reform and Pooling

11.1 The Committee considered an exempt report by the Pension Fund Administrator that set out the proposed response to the Government’s requirements for

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LGPS funds to pool investments, and addressed the issues contained within the consultation on the changes to the LGPS investment regulations. Members of the Committee discussed the report and a number of questions were raised.

11.2 The Chairman thanked officers for the significant amount of additional work they had undertaken, in conjunction with officers from the other Project Brunel funds, to reach this stage.

Resolved

12.1 That the proposed response to the Government's requirement to pool investments be agreed.

12.2 That a copy of the Fund's draft response to the Government's consultation on changes to the LGPS investment regulations be circulated to Committee members.

Meeting Duration 2.05pm to 3.40pm