

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COUNTY HALL, LLANDRINDOD WELLS ON 21ST MAY 2009**

PRESENT: County Councillor A.G. Thomas (Chairman)
County Councillors S.R.M. Baynes, W.A. Fitzpatrick, W.B. Thomas and G.P. Vaughan.

In attendance: Sion Cole and Rachel Hammond of Hewitts

1.	ELECTION OF VICE-CHAIRMAN	PICI - 2009
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RESOLVED that County Councillor **S.R.M. Baynes** be elected Vice-Chairman of the Pensions and Investment Committee for the ensuing year.

2.	APOLOGIES	PIC2 - 2009
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There were no apologies for absence.

3.	DECLARATIONS OF INTEREST	PIC3 – 2009
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There were no declarations of interest.

4.	MINUTES	PIC4 - 2009
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The Chairman was authorised to sign as a correct record the minutes of the meeting of the Pensions and Investment Advisory Panel held on 27th March 2009.

5.	MEDIUM TERM ASSET ALLOCATION	PIC5 - 2009
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The Committee considered a report by Hewitt Associates Limited (Hewitts) which recommended changes to the balance of the investment portfolio of the Powys County Council Pension Fund and offered to produce a Medium Term Asset Allocation Strategy for the Fund (copy filed with the signed minutes).

RESOLVED

- (a) that Hewitts be commissioned to prepare a Medium Term Asset Allocation Strategy;
- (b) that the Chief Finance Officer be authorised to agree a fee for the above work between £15,000 and £25,000;
- (c) that a meeting of the Committee be arranged in approximately one month's time to consider adoption of the strategy produced by Hewitts.

6.	QUARTERLY UPDATE	PIC6 - 2009
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The Committee received an Investment Performance Review Report for the first quarter of 2009 prepared by Hewitts (copy filed with the signed minutes).

Mr. Cole advised the Committee that it would be advantageous to set up a currency hedging programme for overseas equities held by the Fund.

RESOLVED to take Mr. Cole's advice on the establishment of a currency hedging programme for overseas equities.

7.	POST TRANSITION REPORT	PIC7 - 2009
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The Committee received a post transition report from Hewitts which confirmed the successful completion of the transfer of assets to Barclays Global Investors from Goldman Sachs Asset Management, Alliance Bernstein and Western Asset Management.

The Chief Finance Officer thanked Ms. Hammond for her work on this project.

8.	JP MORGAN CUSTODY COSTS / POSSIBILITY OF MOVING WESTERN ASSETS AND AXA ROSENBERG INTO POOLED ARRANGEMENTS	PIC8 - 2009
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The Committee was advised that custody costs paid to JP Morgan could be reduced if investments with Western Assets and AXA Rosenberg were pooled.

The consultants from Hewitts were requested to produce a paper for the next meeting.

9.	EMPLOYEE AND OUTSIDE BODY EMPLOYER REPRESENTATION	PIC9 - 2009
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The Committee was advised that the membership of the new committee included one employee representative and one representative of the 18 non-Powys County Council employers (e.g. Brecon Beacons National Park, BUPA, Coleg Powys, individual Town Councils). These two representatives would not have voting rights.

RESOLVED

- (a) that, subject to the Head of Legal, Scrutiny and Democratic Services agreeing that this course of action is appropriate, the Trades Unions be requested through the JCNC to nominate one Scheme member to serve on the Committee for a period of 12 months;**
- (b) that the portfolio holder for Human Resources be requested to find an appropriate way of consulting all members of staff on the future appointment of Scheme members;**
- (c) that the non-Powys County Council employers be invited to attend a meeting at which one representative would be chosen to serve on the Committee (the Chairman and the Chief Finance Officer also to attend);**

10.	ITEMS FOR FUTURE MEETINGS	
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It would be necessary to revisit the Constitution in respect of the approval of the Pension Fund Accounts in future.

This year the Annual Accounts of the Fund would be brought to the Committee for information.

An additional meeting would be required after the end of June to agree the recommendation of Hewitts on the Medium Term Asset Allocation Strategy. Meeting dates for the next 12 months would be set at this meeting.

A.G. THOMAS
Chairman

2009-05-21 Pensions and Investment Committee
10 a.m. – 12.30 p.m.