

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COUNTY HALL, LLANDRINDOD WELLS ON 25TH FEBRUARY 2010**

PRESENT: County Councillor A.G. Thomas (Chairman)
County Councillors S.R.M. Baynes, W.A. Fitzpatrick and W.B. Thomas.
County Councillor E.T. Morgan (outside employers' representative)
Gareth Jones (employees representative)

In attendance: Sion Cole and Rachel Hammond of Hewitts

1.	APOLOGIES	PIC1 - 2010
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Apologies for absence were received from County Councillor G.P. Vaughan, who had just undergone a hip replacement operation.

It was agreed that the Chairman should send a letter to Councillor Vaughan on behalf of the Committee.

2.	MINUTES	PIC2 - 2010
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The Chairman was authorised to sign as a correct record the minutes of meetings of the Pensions and Investment Committee held on 25th September, 23rd and 27th November 2009.

3.	DECLARATIONS OF INTEREST	PIC3 – 2010
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The Chairman, Councillor E.T. Morgan and Gareth Jones declared personal interests in all items on the agenda as members of the Powys Pension Scheme. As these interests were not prejudicial they took part in consideration of all business placed before the Committee.

4.	WALES AUDIT OFFICE – PENSION FUND ANNUAL AUDIT LETTER	PIC4 - 2010
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The Committee received the Powys Pension Fund Annual Audit Letter which was presented by Mike Jones.

RESOLVED

- (a) that the Committee will determine the level of assurance it wishes to receive each year from the fund managers;**
- (b) that the Committee will then evaluate whether that level has been attained and assess whether further discussion is needed with fund managers;**
- (c) that confirmation from admitted bodies that the correct rates are applied will be sought annually before the accounts are prepared.**

5.	QUARTERLY RESULTS	PIC5 - 2010
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The Committee received an Investment Performance Review Report for the three and twelve months to 31st December 2009 (copy filed with the signed minutes).

RESOLVED that in order to make performance assessment more transparent there should be two tables setting out performance in the executive summary – one table setting out representative benchmark returns and one table for those benchmark returns that are not representative of the fund manager’s portfolio.

6.	MEDIUM TERM ASSET ALLOCATION UPDATE	PIC6 - 2010
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The Committee received a short paper setting out the opportunities implemented so far and reasons behind the actions.

7.	UPDATE OF MANAGER SELECTIONS: GLOBAL EQUITY, CURRENCY AND HEDGE FUNDS	PIC7 - 2010
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The Committee received an oral update and noted that up to four days would be needed in June or July to deal with the appointments.

10.	GOVERNANCE COMPLIANCE STATEMENT	PIC10 - 2010
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The Committee received the LGPS Governance Compliance Statement for the Powys Pension Fund (revised October 2009). It was noted that the scheme was fully compliant in all except two areas:

Co-opted members do not have voting rights. As Powys County Council is responsible for the Fund, it is considered appropriate that only Members appointed by the County Council have voting rights.

There was no annual meeting of Pension Fund members although there was an annual meeting of outside body employers.

11.	LGPS ETC. AMENDMENTS	PIC11 - 2010
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The Committee received for information the report of the Head of Finance which explained the provisions of the Local Government Pension Scheme (Miscellaneous) Regulations 2009 which had come into force on 31st December 2010.

12.	PROPOSED LGPS AMENDMENTS - CONSULTATION	PIC12 - 2010
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The Committee considered the report of the Head of Finance upon the Draft Local Government Pension Scheme (Miscellaneous) Regulations 2010.

RESOLVED that the amendments proposed in the Draft Local Government Pension Scheme (Miscellaneous) Regulations 2010 be supported (with some reservations relating to proposed amendments to the Ill Health Provisions) and that the proposed response be endorsed.

13.	LGPS ETC. AMENDMENTS (INVESTMENTS) & STRATEGY FOR CASH	PIC13 - 2010
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The Committee considered the report of the Head of Finance and noted that the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which came into operation on 1st January 2010, introduced the requirement that from 1st April 2011 administering authorities must hold all monies for the purpose of the pension fund in a separate account with a 'deposit-taker'. Members were advised that arrangements had been made with the Council's bankers, HSBC to open a new account for the Pension Fund on 1st April 2010.

With effect from 1st April 2010 the proposed strategy for Pension Fund cash would be that a maximum of £2M would be held for cashflow purposes in an interest bearing account with HSBC.

RESOLVED that the proposal to hold a maximum of £2M in an interest bearing account with HSBC for cashflow purposes be approved.

14.	STATEMENT OF INVESTMENT PRINCIPLES	PIC14 - 2010
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The Committee received and endorsed the Statement of Investment Principles which the Pension Fund was required to publish.

13.	FUNDING UPDATE	PIC13 - 2010
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The Committee received from the actuary an approximate funding update for the Powys County Council Pension Fund.

8.	ACCESS TO INFORMATION	PIC8 - 2010
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RESOLVED to exclude the public for the following item of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

9.	AXA ROSENBERG	PIC9 - 2010
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The Committee received a presentation by Helen Roughsedge of AXA Rosenberg upon the portfolio manager's performance over the past 18 months.

After the representatives of AXA Rosenberg had left the meeting the Committee discussed the performance of this company and it was

RESOLVED

- (a) that AXA Rosenberg be dismissed as fund managers and the funds they currently manage be divided equally between the equity fund managers to be engaged shortly;**

- (b) that until final decisions are made on the engagement of other fund managers AXA Rosenberg be requested to actively manage the funds they currently hold;**
- (c) that until final decisions are made on the engagement of the other fund managers AXA Rosenberg will reduce their fees to half of the original amount.**
- (d) that AXA Rosenberg be informed immediately of the Committee's decision.**

A.G. THOMAS
Chairman

2010-02-25 Pensions and Investment Committee
10 a.m. -1.08 p.m.