

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

PRESENT: County Councillor S.R.M. Baynes (Chairman)
County Councillors Miss M.J.B. Davies, E.A. Jones, A.G. Thomas and G.P. Vaughan.
Mr. Gareth Jones (staff representative)

1.	APOLOGIES	PIC62 - 2010
-----------	------------------	---------------------

Apologies for absence were received from County Councillor E.T. Morgan.

2.	DECLARATIONS OF INTEREST	PIC63 – 2010
-----------	---------------------------------	---------------------

County Councillors E.A. Jones, E.T. Morgan and A.G. Thomas declared personal interests as members of the Powys Pension Scheme. These interests were not prejudicial and all three members took a full part in the meeting.

3.	MINUTES	PIC64 - 2010
-----------	----------------	---------------------

The Chairman was authorised to sign as a correct record the minutes of the meeting held on 27th September 2010 subject to it being recorded that County Councillor E.A. Jones declared a personal but non-prejudicial interest as a Member of the Powys Pension Scheme.

4.	ACCESS TO INFORMATION	PIC65 - 2010
-----------	------------------------------	---------------------

RESOLVED to exclude the public for the six following items 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).

5.	ACTUARIAL VALUATION	PIC66 - 2010
-----------	----------------------------	---------------------

The Committee received an Actuarial Update from Chris Archer and Alex Foster of Hewitts.

6.	CURRENCY AND HEDGE FUND OF FUNDS TRANSITION REPORT	PIC67 - 2010
-----------	---	---------------------

The Committee received a report from Deon Dreyer of Hewitts which confirmed the successful restructuring of the Fund to include investments in Currency and Hedge Fund of Funds.

7.	LONG TERM STRATEGIC ALLOCATION PROPOSAL	PIC68 - 2010
-----------	--	---------------------

The Committee received a report from Deon Dreyer setting out how the recent transitions could be incorporated within the long term strategic allocation of the fund.

RESOLVED that the return seeking/matching split be amended to 70:30 as detailed in Solution 2 in the report.

8.	MEDIUM TERM ASSET ALLOCATION PROPOSAL	PIC69 - 2010
-----------	--	---------------------

The Committee received a report from Deon Dreyer which proposed a new Medium Term Asset Allocation project.

RESOLVED

- (a) **that the Medium Term Asset Allocation project (1 January 2011 to 1 January 2014) should now include all the Fund's assets with the exception of Private Equity and that the proposed benchmark based on a 70:30 split between return seeking and matching assets be adopted;**
- (b) **that the Strategic Director, Finance and Infrastructure be authorised to negotiate and agree fees for this service.**

9.	WESTERN – POOLED V SEGREGATED MANDATE	PIC70 - 2010
-----------	--	---------------------

The Committee received an oral report from Rachel Hammond upon advice received on the merits of pooled versus segregated funds.

RESOLVED that the fund continues on a segregated basis for the time being.

10.	QUARTERLY PERFORMANCE ANALYSIS	PIC71 - 2010
------------	---------------------------------------	---------------------

The Committee received from Hewitts the Investment Performance Review for the third quarter of 2010.

11.	COMPREHENSIVE SPENDING REVIEW	PIC72 - 2010
------------	--------------------------------------	---------------------

The Committee received the report of the Strategic Director, Finance & Infrastructure (copy filed with the signed minutes).

It was noted that the government would speed up the pace of State Pension Age equalisation for women and that the State Pension Age would increase to 66 for both men and women from December 2018 to April 2020. The Spending Review also accepted the interim findings of the Hutton Commission (on pensions provision in the public sector).

12.	LOCAL GOVERNMENT PENSION SCHEME (MISCELLANEOUS) REGULATIONS 2010	PIC73 - 2010
------------	---	---------------------

The Committee received the report of the Strategic Director, Finance & Infrastructure (copy filed with the signed minutes).

The Local Government Pension Scheme (Miscellaneous) Regulations 2010, which came into operation on 30th September 2010, amended previous regulations. The effect of these amendments was explained in the report.

13.	RESTRICTIONS ON PENSIONS TAX RELIEF	PIC74 - 2010
------------	--	---------------------

The Committee received the report of the Strategic Director, Finance & Infrastructure (copy filed with the signed minutes).

It was noted that HMRC and HM Treasury had published proposals for the restriction of tax relief on pensions to be effective from 6th April 2011.

14.	INTERNAL CONTROLS OF PENSION FUND MANAGERS (SA70 REVIEW)	PIC75 - 2010
------------	---	---------------------

The Committee considered the report of the Strategic Director, Finance & Infrastructure (copy filed with the signed minutes).

Each of the Pension Fund managers was required by financial regulations to have an annual independent auditor's report on the adequacy of the internal controls. It was recommended that a mechanism be set in place to monitor and if necessary act upon each audit report.

RESOLVED

- (a) that the minimum requirement of each report should be as stated in paragraph 2.1 of the report;**
- (b) that managers are asked to appear before Committee should the minimum criteria as set out in the report not be met or other reassurance gained;**
- (c) that Member should be advised if any part of a manager's organisation is not covered by an audit option.**

15.	DRAFT REPORT ON THE DESIRABILITY OF AMALGAMATING WELSH LOCAL GOVERNMENT PENSION FUNDS	
------------	--	--

The Committee received an oral report by the Strategic Director, Finance & Infrastructure in which he advised Members that the eight Welsh Pension Fund Treasurers were working together to decide whether it would be advantageous to amalgamate some of the eight Local Government Pension Funds in Wales and had commissioned a report from Price Waterhouse Coopers.

RESOLVED that the Strategic Director be authorised to continue looking at the options available.

CLLR. G.P. VAUGHAN
Chairman