

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE  
HELD AT COUNTY HALL, LLANDRINDOD WELLS  
ON FRIDAY 11<sup>TH</sup> JULY 2014**

**PRESENT:** County Councillor A.G. Thomas (Chairman)

County Councillors E.A. Jones, T.G. Turner and G.P. Vaughan

Gareth Jones (Co-opted Member)

In attendance: Sion Cole and Richard Antrobus of Aon Hewitts.

<b>1.</b>	<b>APOLOGIES</b>	<b>PIC18 – 2014</b>
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Apologies for absence were received from County Councillor P.J. Ashton and from Councillor A.M.C. Weale.

<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>	<b>PIC19 – 2014</b>
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All members present declared interests as members of the Local Government Pension Scheme.

<b>3.</b>	<b>MINUTES</b>	<b>PIC20 – 2014</b>
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The Chairman was authorised to sign the minutes of the meetings held on 13<sup>th</sup> February, 24<sup>th</sup> March and 14<sup>th</sup> May 2014 as correct records.

<b>4.</b>	<b>2013 ACTUARIAL VALUATION</b>	<b>PIC21 – 2014</b>
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The Committee received the Pension Fund valuation report for the three years ending 31<sup>st</sup> March 2013.

<b>RESOLVED</b>	<b>Reason for Decision:</b>
<b>That the report be noted</b>	<b>As per report</b>

<b>5.</b>	<b>2014 BUDGET</b>	<b>PIC22 – 2014</b>
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The Committee received the report of the Strategic Director Resources on proposals to reform defined contribution pensions announced as part of the Budget.

<b>RESOLVED</b>	<b>Reason for Decision:</b>
<b>That the report be noted</b>	<b>As per report</b>

<b>6.</b>	<b>CONSULTATION – LGPS GOVERNANCE ARRANGEMENTS</b>	<b>PIC23 – 2014</b>
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Draft regulations had been issued on proposals to change governance arrangements for the Local Government Pension Scheme. Included in the draft regulations was a proposal that each administering authority establish a local pension board comprising equal numbers of employer and scheme member representatives by 1<sup>st</sup> April 2015.

<b>RESOLVED</b>	<b>Reason for Decision:</b>
<b>That authority be delegated to the Chair and Vice Chair in consultation with the Strategic Director Resources to respond to the consultation.</b>	<b>As per report.</b>

<b>7.</b>	<b>PENSION FUND ACCOUNTS 2013/14</b>	<b>PIC24 – 2014</b>
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The Committee received the Pension Fund Accounts for 2013/14. During the period of the last triennial valuation ending March 2013 the funding level had increased from 71% to 79%. In the last year the value of the Fund had increased by £20m to £445.581m.

<b>RESOLVED</b>	<b>Reason for Decision:</b>
<b>That the Pension Fund Accounts for 2013/14 be received and approved.</b>	<b>As per report.</b>

<b>8.</b>	<b>STATEMENT OF INVESTMENT PRINCIPLES</b>	<b>PIC25 – 2014</b>
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The Committee received the Statement of Investment principles.

<b>RESOLVED</b>	<b>Reason for Decision</b>
<b>That the Statement of Investment Principles be approved.</b>	<b>As per report.</b>

<b>9.</b>	<b>CONFIDENTIAL MATTERS</b>	<b>PIC26 – 2014</b>
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**RESOLVED to exclude the public for the following items 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).**

<b>10.</b>	<b>QUARTERLY INVESTMENT REPORT</b>	<b>PIC27 – 2014</b>
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The Committee received the Aon Hewitt report for the quarter to 31<sup>st</sup> March 2014. The Fund had grown in value from £439.5m to £445.1m and stood at £450.6m as at 31<sup>st</sup> May 2014. During the quarter equities had been volatile but properties had performed well. Aon Hewitts continued to rate all of the fund managers as either a buy or a hold.

11.	<b>MEDIUM TERM ASSET ALLOCATION UPDATE</b>	<b>PIC29 – 2014</b>
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The Fund performance for the period when the MTAA had been in place had been 8.5% against the benchmark of 8.4%, increasing the value of the Fund by £4.9m.

12.	<b>GAM HEDGE FUND MANAGERS</b>	<b>PIC28 – 2014</b>
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David Smith, Chief Investment Director, and Mary Murphy, Client Manager, of GAM spoke to the Committee on the performance of the funds under their control, the challenging environment and the steps they had taken to adapt the portfolio.

13.	<b>UPDATES FROM AON HEWITT</b>	<b>PIC30 – 2014</b>
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**Property Update**

The Committee was advised that £6m had been invested with Schrodgers.

**Glitnir Bond**

Aon Hewitt were in the process of confirming that the bond had been transferred back.

**FACTA**

The Foreign Account Tax Compliance Act was US legislation which required all Fund managers to confirm that they were in compliance or face a 30% tax.

A.G. THOMAS  
CHAIR