

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COUNTY HALL, LLANDRINDOD WELLS
ON FRIDAY 11TH 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.

1.	APOLOGIES	PIC18 – 2014
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Apologies for absence were received from County Councillors P.J. Ashton and T.G. Turner, and from Councillor A.M.C. Weale.

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

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

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

RESOLVED	Reason for Decision:
That the report be noted	As per report

5.	2014 BUDGET	PIC22 – 2014
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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.

RESOLVED	Reason for Decision:
That the report be noted	As per report

6.	CONSULTATION – LGPS GOVERNANCE ARRANGEMENTS	PIC23 – 2014
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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 1st April 2015.

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

7.	PENSION FUND ACCOUNTS 2013/14	PIC24 – 2014
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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.

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

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

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

9.	CONFIDENTIAL MATTERS	PIC26 – 2014
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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).

10.	QUARTERLY INVESTMENT REPORT	PIC27 – 2014
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The Committee received the Aon Hewitt report for the quarter to 31st March 2014. The Fund had grown in value from £439.5m to £445.1m and stood at £450.6m as at 31st 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.	MEDIUM TERM ASSET ALLOCATION UPDATE	PIC29 – 2014
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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.	GAM HEDGE FUND MANAGERS	PIC28 – 2014
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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.	UPDATES FROM AON HEWITT	PIC30 – 2014
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Property Update

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

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