



Buckinghamshire County Council

Minutes

PENSION FUND COMMITTEE

MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON THURSDAY 23 OCTOBER 2008, IN MEZZANINE ROOM 3, COUNTY HALL, AYLESBURY, COMMENCING AT 9.30 AM AND CONCLUDING AT 12.55 PM.

MEMBERS PRESENT

Mr S Crooks, Mr P Gerrella, Mr P Hardy (Vice-Chairman), Mr C Jones and Mr D Meacock

OFFICERS PRESENT

Harriet Anthony, Mercer Investment Consulting
Carolán Dobson, Independent Adviser
Julie Edwards, Treasury Manager (Finance)
Maureen Keyworth, Democratic Services Officer
Anwen Owens, Mercer Investment Consulting
Clive Palfreyman, Assistant Head of Finance (Corporate Financial Services)

AGENDA ITEM

1. APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Apologies were received from Frank Downes, Trevor Egleton and Don Phillips.

The Chairman introduced and welcomed Carolán Dobson, who was appointed as Adviser to the Pension Fund Committee. Carolán gave a brief resume of her background.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

The minutes of the meeting held on 11 September 2008 were confirmed.

4. TRAINING FEEDBACK

The Assistant Head of Finance reported on the training day at Morley. The morning session was presented by Mercer Investment Consultants and gave an overview on members' responsibilities, the role of the Adviser and statutory responsibilities. The afternoon session was presented by Morley (now known as Aviva Investors) and related to Property and the proposed move towards the global property market. Aviva will be submitting a paper to a future meeting of the Pension Fund Committee on a proposal to move towards a global property mandate.

Those members who attended the sessions found them to be very helpful, particularly the presentation by Mercers in relation to:

- The role of the adviser to the Committee
- The responsibility of members of the Pension Fund committee

LGP Conference: The Assistant Head of Finance gave feedback from this event which was also attended by the Chairman. The main top of conversation was the current financial situation and how it is being managed by other authorities. There was an update on investment regulations. With regard to diversification, it was reassuring that the Pension Fund was ahead in some areas. There was also a presentation by ING on global property. It was suggested that the first market to recover may be the UK market. Emerging Asian markets was also discussed.

Members were reminded of the training day to be held at Blackstone, on 12 November, which will focus on:

- The relative value of asset classes
- Emerging markets
- Blackstone's mandate and forecast for the future.

5. ANNUAL ACCOUNTS

The Annual Accounts were approved by the Regulatory and Audit Committee in June. They were also examined at by the external auditor, who confirmed there were no major issues arising. This is the first Statement of Accounts produced in conjunction with the new Custodian.

Members noted that net assets had increased by £5million over the previous financial year and a breakdown of those investments that had increased was given in the Net Assets Statement.

The Statement of Accounts will be signed off by the Audit Commission and will form part of the Annual Report.

In answer to a question, the Accounts are not signed off by the Committee because they form part of the County Council accounts. If they were separated from the main accounting procedure, the Pension Fund Committee would have to pay to get them audited. Changes to Audit Commission rules next year mean that the Pension Fund accounts will be separate from the County Council Accounts.

With regard to the increase in administration costs, members noted the increase in the actuarial fees. The Fund had a full actuarial valuation during the course of the current year. Members noted that the Pension Fund Consultative Group expressed satisfaction with the level of administrative support. Although the team was busier than most Authorities it also provided better value for money. The minutes of the Consultative Group will be available at the next meeting of the Pension Fund Group.

Discussion took place with regard to the change in status of companies, which were now limited by shares. Members noted that all admitted bodies will have entered into an agreement to have a bond in place to protect funds against failure. In the case of companies that are taken over, the new employer will have to had a bond in place or, in some cases, the existing bond can be kept in place.

The Assistant Head of Finance agreed to obtain further information regarding whether the Pension Fund Committee has an involvement regarding pension funds in consenting to the sale of a company.

The Member for Milton Keynes Council reported on a meeting of the JNC Sub-Committee where there had been discussions regarding work on redundancy notices in connection with a company which was closing. He had been asked by Human Resources and the Union representative to pass on their thanks for the work done by Pension Fund staff and their quick and useful responses.

6. DATE OF NEXT MEETING

The next meeting of the Committee will be held on Thursday 20 November 2008.
Dates of future meetings:

2008

12 November (Training Day: Blackstone, London)

2009

22/23 January (All day meetings for Fund Manager Selection)

5 March

2 April

28 May

24 September

22 October

26 November

7. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

8. CONFIDENTIAL MINUTES

The confidential minutes of the meeting held on 11 September were confirmed.

9. PENSION FUND ANNUAL PERFORMANCE

The Chairman welcomed to the meeting Louis Hill from WM Performance Services, who gave a presentation on the Pension Fund Annual Performance.

The Chairman thanked Louis Hill for his presentation.

10. UPDATE ON TENDERS

The Assistant Head of Finance gave a verbal update on the current tender exercises.

11. PRESENTATION FROM STANDARD LIFE

The Chairman welcomed to the meeting Tony Hood, Investment Director and Portfolio Holder, who has replaced Wes McCoy, and Fraser Macnair the Client Manager. The Committee received a presentation.

The Chairman thanked the officers from Standard Life for their presentation.

12. PRESENTATION FROM MIRABAUD

The Chairman welcomed to the meeting John Owens and David Kneale, who gave a presentation.

The Chairman thanked Mirabaud for their presentation.

CHAIRMAN