



# Buckinghamshire County Council

## Minutes

## *PENSION FUND CONSULTATIVE GROUP*

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**MINUTES OF THE MEETING OF THE PENSION FUND CONSULTATIVE GROUP HELD ON THURSDAY 11 MARCH 2010, IN MEZZANINE ROOM 2, COUNTY HALL, AYLESBURY, COMMENCING AT 10.06 AM AND CONCLUDING AT 11.30 AM.**

### **MEMBERS PRESENT**

Mr F Downes, Pension Fund Committee Representative (Chairman)  
Mr S Cox, Pensioner Representative  
Mrs J Eubank, Employee Representative  
Mr C Palfreyman, BCC Finance Representative  
Ms T Pearce, Chiltern District Council Representative  
Ms L Turvey, Admitted Body Representative - Fremantle Trust  
Mr G Waghorn, Milton Keynes Council

### **OFFICERS PRESENT**

Ms J Edwards, Pensions and Investments Manager  
Mrs M Keyworth, Democratic Services Officer  
Mrs C Lewis-Smith, Principal Pensions Officer

### **AGENDA ITEM**

#### **1. APOLOGIES / CHANGES IN MEMBERSHIP**

Apologies were received from Paul Hammond, Jim Burness, John McMillan and Martin Cross.

Members noted that Paul Hammond has replaced Bob Atkins as the Thames Valley Police Authority representative and Jim Burness has replaced Mary Shannon as the South Bucks District Council representative.

#### **2. MINUTES**

The minutes of the meeting held on 9 October 2009 were agreed as a true record.

#### **3. VALUATION PREPARATION**

Members received the report of the Principal Pensions Officer the purpose of which was to draw attention to the data requirements of Buckinghamshire County Council as Administering Authority in preparation for the 2010 Valuation of the Pension Fund as required under statute.

It was noted that 3,500 queries had been generated as a result of the annual return.

These related to employers not having notified the Pensions Team of leavers and new staff within their organisation.

**The PFCG NOTED the report and encouraged compliance from employers and their payroll contractors.**

#### **4. PENSIONS ADMINISTRATION PERFORMANCE**

Members received the report of the Principal Pensions Officer, which detailed the work performance statistics for the last 12 months to February 2010. The PFCG is required to monitor the performance of the Pensions Administration Team.

The Group noted that 134,000 enquiries had been received in the past year, of which 97.8% were within the target response. The Chairman stated that considering the volume of enquiries which the Administration Team dealt with, performance was good.

**The PFCG NOTED the performance statistics of the team.**

#### **5. PENSION ADMINISTRATION STRATEGY AND SERVICE LEVEL AGREEMENT**

Members received the report of the Principal Pensions Officer.

The Group noted that in 2008 regulations were introduced allowing the administering authority to develop and produce a written statement setting out the pension administration strategy of Buckinghamshire County Council. Part of the strategy included being able to pass on costs relating to additional charges where employers were not specific about their enquiries. Training is also provided. The details are set out in a service level agreement which will be issued to all employers. All employers will be asked to sign an SLA and employer and administering authorities will also be monitored on the service they provide.

In answer to a question about whether or not charging has had a positive impact on the level of performance, it was noted that since charging was introduced employers are being more precise in asking for quotes, and there has been an improvement in data for the valuation process to enable employer rates to be set. However, charging is used as a last resort, rather than the norm.

With regard to arbitration, it was noted that the administration strategy would be used prior to the arbitration process. Whilst there are no sanctions for an employer who constantly under performs, work is undertaken to improve the situation and charging is one method which can be used.

**The PFCG provided feedback on the Pension Administration and Service Level Agreement, which is planned to become effective from 1 June 2010.**

#### **6. DATE OF NEXT MEETING**

The next meeting of the Pension Fund Consultative Group will be held on Thursday 14 October 2010 in Mezzanine Room 2, County Hall

#### **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. FUND MANAGERS' PERFORMANCE TO 31 DECEMBER 2009

Members received the report of the Head of Finance & Procurement.

Since the meeting of the PFCG in October, the Pension Fund has been going through a major transition and £400m of assets have been moved with five new managers being appointed following a review of the Pension Fund's investment strategy. There has also been a review of the Pension Fund's governance and how the PFC monitor and challenge and hold Fund Managers accountable for their performance. There has been a move towards a more holistic way of monitoring Fund Managers which is reflected in table 1 of the confidential report.

Quarterly Performance was reported as follows:

<b>Fund Manager</b>	<b>Net Performance %</b>	<b>Benchmark %</b>	<b>Net Relative Return %</b>
Aviva Investors	3.7	7.9	-4.2
BlackRock	3.4	1.3	2.1
Blackstone	2.8	0.1	2.7
Deutsche Bank	4.1	2.9	1.2
Investec	4.0	2.9	1.1
Legal & General	2.6	2.6	0.0
Mirabaud	4.7	5.5	-0.8
Pantheon (Asia V)	17.7	1.5	16.2
Pantheon (Europe V)	-0.9	2.3	-3.2
Pantheon (Europe VI)	-1.6	2.3	-3.9
Pantheon (USA VII)	4.2	4.9	-0.7
Pantheon (USA VIII)	0.9	4.9	-4.0
Partners Group – Property	-4.8	3.1	-7.9
Partners Group – Resources	-15.9	3.1	-19.0
Royal London Asset Management	-0.4	-0.3	-0.1
Schroders	3.4	2.9	0.3
Standard Life	5.8	5.5	0.3
<b>TOTAL</b>	<b>3.0</b>	<b>3.4</b>	<b>-0.4</b>

Manager allocations were reported as follows:

<b>Fund Manager</b>	<b>Mandate</b>	<b>30 Sept 2009 £m</b>	<b>31 Dec 2009 £m</b>	<b>% allocation</b>
Aviva Investors	Property Fund of Funds	114	114	8.9
BlackRock	Cash/inflation plus	22	23	1.8
Blackstone	Hedge fund of funds	57	58	4.6
DB Advisors	Global equities	85	88	6.9
Investec	Global equities	87	90	7.0
Legal & General	Passive global equities	389	399	31.2
Mirabaud	UK Equities	131	138	10.8

Pantheon	Private Equity	26	31	2.3
Partners Group	Private Equity	12	11	0.9
RLAM	Bonds	119	123	9.7
Schroders	Global Equities	87	90	7.0
Standard Life	UK equities	97	103	8.1
BGI	Transition Account	5	0	0.0
Pension Fund	Cash	1	9	0.8
<b>TOTAL</b>		<b>1,233</b>	<b>1,277</b>	<b>100</b>

The Group commented as appropriate and NOTED the performance of the Pension Fund's fund managers for the fourth quarter of 2009, ending 31 December 2009.

## 9. FUND MANAGER PRESENTATION

Aviva Investors were invited to give a presentation to the Group and the Chairman welcomed to the meeting Dave Sapsford, Client Relationship Manager and Alistair Dryer, Fund Manager, Real Estate Multi-Manager.

Members discussed the European and UK market performance as well as the impact of exchange rates on investments.

The Chairman thanked Dave Sapsford and Alistair Dryer for their presentation.

In answer to the Chairman's question about whether the format of the presentation was helpful, a member stated it gave a better understanding of elements of the Pension Fund.

**CHAIRMAN**