

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COUNTY HALL, LLANDRINDOD WELLS
ON WEDNESDAY 5TH JUNE 2013**

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

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

In attendance: Rachel Hammonds and Sion Cole of AON Hewitts.

1.	ELECTION OF CHAIR	PIC17 – 2013
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RESOLVED that County Councillor A.G. Thomas be elected Chair for the ensuing year.

2.	ELECTION OF VICE CHAIR	PIC18 – 2013
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RESOLVED that County Councillor P.J. Ashton be elected Vice Chair for the ensuing year.

3.	APOLOGIES	PIC19 – 2013
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Apologies for absence were received from Gareth Jones, the employee's representative, and from Jane Thomas.

Mr John Steadman had advised that he was no longer the employers' representative.

4.	DECLARATIONS OF INTEREST	PIC20 – 2013
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County Councillors P.J. Ashton, E.A. Jones, A.G. Thomas, T.G. Turner and G.P. Vaughan declared interests as members of the Local Government Pension Scheme.

5.	MINUTES	PIC21 – 2013
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The Chairman was authorised to sign the minutes of the meeting held on 7th February 2013 as a correct record.

The Chairman advised that he had written to the Under Secretary of State regarding proposals to remove the right to join the LGPS from councillors and had been advised that in Wales responsibility for councillors' pensions lay with the Welsh Government and that the proposals did not therefore apply in Wales. Councillor Turner had received a similar response.

6.	DRAFT LGPS REGULATIONS 2013	PIC22 – 2013
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The Committee considered the report of the Strategic Director Resources on the draft Local Government Pension Scheme Regulations 2013.

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

7.	DRAFT LGPS (TRANSITIONAL PROVISIONS & SAVINGS) REGULATIONS 2013	PIC23 2013
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The Committee considered the report of the Strategic Director Resources on the draft Local Government Pension Scheme (Transitional Provision & Savings) Regulations 2013.

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

8.	LGPS 2014 – GOVERNANCE STRUCTURES	PIC24 – 2013
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The Committee considered the report of the Strategic Director Resources on the Public Service Pensions Act.

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

9.	INVESTMENT REGULATIONS AMENDMENT	PIC25 – 2013
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The Committee considered the report of the Strategic Director Resources on regulations amending the LGPS in respect to the maximum proportion that can be invested in partnerships.

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

10.	NOMINATIONS FOR MEMBERS OF THE LOCAL GOVERNMENT PENSION SCHEME SHADOW SCHEME ADVISORY BOARD AND SUB COMMITTEES	PIC26 – 2013
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The Committee received a letter from the LGA seeking nominations for the LGPS Shadow Scheme Advisory Board and Sub Committees

RESOLVED	Reason for Decision
That the letter be received.	No nominations forthcoming.

11.	CONFIDENTIAL MATTERS	PIC27 – 2013
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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).

14.	QUARTERLY INVESTMENT REPORT	PIC28 – 2013
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The Committee received the Aon Hewitt report for the quarter to 31 March 2013 together with an update to the end of May. The fund had grown from £388m to £426m in the quarter and to £429m at the end of May.

Aon Hewitt advised that with over 10% of the fund invested with WAM and little value left in the corporate bond market, the Committee should consider cutting their allocation by £25m and diversify into other markets. The Committee was advised that CIPFA guidelines allowed investment into pooled funds without the need to go through the European procurement process. Aon Hewitt would draw up a shortlist of three managers to be interviewed at the next meeting on 11 July. The Strategic Director Resources would check the procurement process with the council's Legal officers.

RESOLVED	Reason for Decision
That £25m be moved from Western Asset Management and that Aon Hewitt draw up a shortlist of managers for interview on 11 July subject to the S151 officer confirming the procurement process with Legal.	Advice from Aon Hewitt.

The Committee discussed the need for cash generating assets for the fund to meet outgoings.

13.	MEDIUM TERM ASSET ALLOCATION UPDATE	PIC29 – 2013
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The Committee was advised that the MTAA had generated £6.1m for the fund since inception at no cost.

14.	ALLOCATION TO ILLIQUID ASSETS	PIC30 – 2013
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Illiquid assets are any assets that take time to disinvest from or incur a cost to disinvest from. By 2015 approximately half of the current allocation would be distributed back to the fund. Aon Hewitt's advice was to let the allocation reduce and invest 5% in private equities with Harbourvest and 5% in hedge funds with GAM and Goldman Sachs.

RESOLVED	Reason for Decision
That the illiquid asset allocation be allowed to reduce with 5% reinvested	Advice from Aon Hewitt.

in private equities with Harbourvest and 5% in hedge funds with GAM and Goldman Sachs.	
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15.	TRAINING ON LOCAL EMERGING MARKET DEBT INVESTING	PIC31 – 2013
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This item was deferred.

16.	PRESENTATION FROM AVIVA	PIC32 – 2013
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Sarah Emberson Client Relationship Manager and Richard Peacock the Fund Manager answered questions from the Committee about the fund's performance and personnel changes.

The Committee agreed with Aon Hewitt's advice to hold and keep under review.

A.G. THOMAS
CHAIR