

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COUNTY HALL, LLANDRINDOD WELLS
ON THURSDAY 11TH FEBRUARY 2016**

PRESENT: County Councillor AG Thomas (Chair)

County Councillors PJ Ashton and GP Vaughan

County Councillor WT Jones (Portfolio Holder for Finance)

In attendance:

Gerard Moore, Chair of Powys Pensions Board
Rachel Pinder and Richard Antrobus of Aon Hewitt.

David Powell Strategic Director Resources, Steve Offa Assistant Finance Business Partner/Technical Accountancy Assistant, Dan Paley Financial Reporting & Policy Accountant, Joe Rollin Pension Fund Manager

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| 1. | APOLOGIES | PIC5 – 2016 |
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Apologies for absence were received from County Councillor EA Jones who was on other Council business and Councillor AMC Weale.

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| 2. | MINUTES | PIC6 – 2016 |
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The Chair was authorised to sign the minutes of the meetings held on 30th September 2015, 21st October 2015 and 14th January 2016 as correct records.

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| 3. | DECLARATIONS OF INTEREST | PIC7 – 2016 |
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The Committee members present declared interests as members of the Local Government Pension Scheme.

The Chair advised that he was changing the order of the agenda.

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| 4. | PROPOSALS FOR REFORM OF LGPS INVESTMENT | PIC8 – 2016 |
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The Committee noted the response from the Fund to the Department of Communities and Local Government consultation on proposals for reform of LGPS investment regulations. The response asked for clarification on a number of points on the role of elected members in the pooled fund structure and whether the Government would provide assurances to cover infrastructure risk if LGPS assets were directed to fund national infrastructure projects.

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| RESOLVED | Reason for Decision |
| To note the response. | As per report. |

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| 5. | LGPS REFORM – WELSH POOL | PIC15 – 2016 |
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The Committee considered a proposed submission to the Department of Communities and Local Government (DCLG) putting the case for a Welsh pool.

| RESOLVED | Reason for Decision |
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| To support the submission of the Welsh pool document to DCLG. | As per report. |

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| 6. | EXEMPT ITEMS | PIC18 – 2016 |
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RESOLVED to exclude the public for the following 3 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).

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| 7. | QUARTERLY INVESTMENT REPORT | PIC19 – 2016 |
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Aon Hewitt presented the report for the period ending 31st December 2015 and tabled the update for January 2016. Performance for the period had been good considering the difficult market conditions with property and hedge funds outperforming the market.

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| 8. | MEDIUM TERM ASSET ALLOCATION | PIC20 – 2016 |
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Committee noted that the MTAA had added £1.2m in value since the start of the new mandate on 1st March 2014.

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| 9. | QUALIFIED MANAGERS | PIC21 – 2016 |
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The Committee noted that that Aon Hewitt had downgraded two hedge fund managers to “hold”. Members discussed options and agreed to take no action at this stage but asked Aon Hewitt to prepare a report and presentation for the next meeting on 30th June on the best way forward. An invitation was extended to members of the Pensions Board.

The Committee went back into open session.

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| 10. | LGPS REFORM – PROJECT POOL | PIC9 – 2016 |
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The Committee noted that a group of English LGPS Funds had commissioned a report on how LGPS assets could be pooled. The report had concluded that a pooled approach could deliver estimated annual savings of between £190m and £300m over the longer term.

| RESOLVED | Reason for Decision |
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| To note the report published on 25th January 2016 entitled “Findings of Project Pool”. | As per report. |

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| 11. | POOLING – PASSIVE BONDS | PIC10 – 2016 |
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The Committee noted the decision taken by the Section 151 Officer in consultation with the Chair and Vice Chair to include the Pension Fund's passive bond portfolios in the Welsh pooling process.

| RESOLVED | Reason for decision |
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| To note the decision of the Section 151 Officer on 13th November 2015, with the agreement of the Chair and Vice Chair, to include the Pension Fund's passive bond portfolios in the Welsh pooling process. | As per report |

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| 12. | RISK REGISTER | PIC11 – 2016 |
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The Committee received and considered the Risk Register for the Powys Pension Fund noting that there were no red risks identified. The Chair of the Powys Pension Board advised that it would be considered at the next meeting of the Board.

| RESOLVED | Reason for decision |
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| To note the contents of the Risk Register. | As per report |

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| 13. | APPOINTMENT OF PENSION FUND MEDICAL ADVISER | PIC12 – 2016 |
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The Committee noted the appointment of a medical adviser to the Pension Fund following a procurement exercise.

| RESOLVED | Reason for decision |
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| To note the appointment of Caer Health services Ltd to provide medical advice and services to the Powys Pension Fund. | As per report |

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| 14. | POWYS DANCE | PIC13 – 2016 |
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The Committee was advised that Powys Dance had become a Pension Fund employer following the transfer of the service from Powys County Council to a newly created charitable trust. As the Council looked to alternative means of delivering services more employers would look to join the Fund and the Committee noted that it was important that the costs associated did not fall on the Fund.

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| RESOLVED | Reason for decision |
| To note the admittance of Powys Dance to the Powys Pension Fund. | As per report |

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| 15. | PROPERTY SERVICES AND BUILDING CONTROL | PIC14 – 2016 |
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The Committee was advised that discussions were underway on pension arrangements for Property Services and Building Control services both of which were being considered for alternative means of delivery.

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| RESOLVED | Reason for decision |
| To note the contents of the report. | As per report |

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| 16. | CORRESPONDENCE | PIC16 – 2016 |
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16.1 Collaboration Update

The Society of Welsh Treasurers had written to the DCLG on collaboration between the Welsh LGPS and the pooling of investments.

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| RESOLVED | Reason for decision |
| To note the contents of the South Wales Treasurers letter dated 2nd November 2015. | Appropriate information |

16.2 Infrastructure

Gerard Moore, Chair of the Pensions Board, declared that he had an interest as he was engaged as a consultant by a company working in infrastructure.

The DCLG had written to the LGA on the Chancellor of the Exchequer's proposals for LGPS to invest collectively in infrastructure projects.

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| RESOLVED | Reason for decision |
| To note the contents of the DCLG letter to the LGA dated 7th October 2015. | Appropriate information |

16.3 Lancashire and London Pension Fund Authority

The Committee noted the letter sent by the Lancashire County Pension Fund and London Pension Fund Authority inviting the Powys Pension Fund to enter into an asset pooling arrangement.

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| To note the contents of the letter from the LCPF/ LPFA Asset Liability Partnership dated 3rd December 2015. | Appropriate information |
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16.4 LGPS Pooling UNISON

The Committee noted the letter sent by UNISON asking what the Fund planned to do with regard to pooling arrangements.

| RESOLVED | Reason for decision |
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| To note the contents of the DCLG letter from UNISON dated 22nd December 2015. | Appropriate information |

The Committee noted that the staff representative on the Committee had not attended for a considerable time and asked that a letter be sent.

16.5 Scheme Advisory Board

The Committee noted that the LGPS Scheme Advisory Board had written to all LGPS administering authorities on the potential for censure by the Pensions Regulator where Fund's failed to meet their statutory obligations. The Committee noted the pressures on administering authorities.

| RESOLVED | Reason for decision |
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| To note the contents of the SAB letter to LGPS Funds dated 8th October 2015. | Appropriate information |

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| 17. | PENSION BOARD MINUTES | PIC17 – 2016 |
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The Committee received the minutes of the Powys Pensions Board held on 27th November 2015 and 22nd January 2016.

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| 18. | ANY OTHER BUSINESS | PIC17A – 2016 |
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Aon Hewitt offered the Committee corporate hospitality at an event. The Committee thanked Aon Hewitt for their offer but agreed that it was not appropriate for them to accept corporate hospitality.

AG THOMAS
CHAIR