

# MINUTES OF THE PENSIONS INVESTMENT COMMITTEE

Tuesday, 9 September 2014 at 7.00 pm

PRESENT: Councillors Chris Best, Maja Hilton, Simon Hooks, Mark Ingleby, Paul Maslin and John Muldoon.

ALSO PRESENT: Scott Donaldson (Hymans Robertson), David Austin, Adeola Odeneye and Helen Glass.

Apologies for absence were received from Councillor Kevin Bonavia and Councillor Joan Reid.

## 1. Minutes .

RESOLVED that the minutes of the meeting held on June 26 2014 be confirmed and signed as a correct record subject to Minute 6 being amended to show William Marshall attended and not Jordan Irvine.

## 2. Declarations of interest

There were none.

## 3. Custodian Northern Trust Training/Presentation

A presentation was made by Robert Frazer a Senior Vice President and Head of UK Pensions and Richard Smith the Relationship Manager for the London Borough of Lewisham Pension Fund.

They tabled a document describing their company's 125 year history and they outlined their role as global asset custodians of more than 6 trillion pounds in assets.

Following questions from the Committee, the Chair thanked Mr Frazer and Mr Smith for their interesting presentation which he felt opened another dimension to the Committee's work.

RESOLVED that the representatives of Northern Trust Solutions be thanked for their presentation.

## 4. Investec Presentation

A presentation was made by Bradley George the Portfolio manager and Steve Lee the Relationship Manager of the UK Client Group and Relationship Manger for the London Borough of Lewisham Pension Fund.

They tabled a document describing their company founded in 1991 and they outlined their role as asset mangers of 72 billion pounds.

Following questions from the Committee, the Chair thanked Mr George and

Mr Lee for making a useful presentation which he thought provided useful background to the Committee.

RESOLVED that the representatives of Investec Asset Management be thanked for their presentation.

#### **5. VW Presentation 2014**

A presentation was made by Lynn Coventry of State Street Global Services. She tabled a document containing her group's analysis of the investment market and explained the work they undertook for 85 local authorities.

The Chair thanked her for her presentation which served as an aid to the Committee's understanding of their role.

RESOLVED that the representative of State Street Global Services be thanked for the presentation to the Committee.

#### **6. Quarterly performance**

The report was presented by Albert Chen a Consultant with Hymans Robertson. He concluded that based on the latest reporting period there were no issues with any of the current fund managers and no changes were proposed.

Councillor Maslin raised a question about the cycle of performance and Albert Chen indicated the figures could be shared subsequent to the meeting.

RESOLVED that the report be noted.

#### **7. Assets Allocation and Rebalancing Paper**

The report was presented by the Principal Accountant Strategic Finance who promoted a new quarterly rebalancing policy for the Fund's mandates based on pragmatic tolerances that would allow rebalancing half way to the benchmark.

The Committee questioned the breadth of the discretion to be awarded to the Executive Director in consultation with the Chair and were informed this would only occur in exceptional circumstances. The Committee asked to be notified whenever any such discretion was exercised.

RESOLVED that

(1) the new strategic allocation for 2014-15 be agreed;

(2) a new rebalancing policy as set out in Section 5 be agreed; and

(3) delegated authority be granted to the Executive Director for Resources and Regeneration in consultation with the Chair of the Pensions Investment Committee to undertake asset allocation rebalancing when required.

## **8. Pension Board Report**

The report was presented by the Head of Corporate Resources who indicated this was an interim report and that a further report would be presented once the Government had issued final guidance concerning requirements to set up a separate Pension board.

The Chair requested that a finalised timetable should be considered at the next meeting of the Committee.

RESOLVED that

- (1) the legislative requirement to set up a Pension board be noted;
- (2) the draft terms of reference for the Pension board be agreed subject to any amendments required following final guidance expected to be issued in late September/early October; and
- (3) the payment of £4,000 (plus VAT) and an annual maintenance fee of £2,000 (plus VAT) be agreed for a hosted website that will provide the latest communications to members and employers on Pension related issues.

## **9. Review Training Schedule**

The Committee received a future training schedule and the Chair asked that this be circulated together with actual timings of events.

RESOLVED that the report be noted.

The meeting closed at 9.30pm