

LONDON BOROUGH OF LEWISHAM

MINUTES of the meeting of the PENSIONS INVESTMENT COMMITTEE, which was open to the press and public, held on THURSDAY, 17 NOVEMBER 2011 at LEWISHAM TOWN HALL, CATFORD, SE6 4RU at 7 p.m.

Present

Councillors Whittle(Chair) Councillor Maslin (Vice Chair), Fletcher, Muldoon, and Wise.

Independent Investment Adviser: Scott Donaldson, Hymans Robertson

Officers: Conrad Hall - Head of Business Management and Service Support.
Selwyn Thompson – Group Manager Budget Strategy.
Shola Ojo – Principal Accountant Budget Strategy.
Helen Glass – Principal Lawyer

Apologies for absence were received from Councillor Allison and Best.

<u>Minute No.</u>		<u>Action</u>
1.	<u>MINUTES</u>	
1.1	Councillor Fletcher referred to paragraph 3.5 in the minutes. She said that she did not say that the FTSE was at an all time low. She said that it had been low and could go even lower.	
1.2	The Chair said that members had received training on social / residential housing as an asset class. It had been very useful. Schroders had discussed pairing up Councils who had money to invest, with Councils who had available land. M & G had discussed buying Housing Association debt at a rate that would give a return to Lewisham. The Chair considered that this latter suggestion should be implemented immediately. He suggested investing up to 1% of the fund. Councillor Maslin asked how this investment would be funded. Conrad Hall said that it would be funded from the bonds allocation. Although members agreed with this recommendation, Councillor Maslin asked Hymans Robertson to send members a form of words advising member that such an investment would be allocated on sound investment principles as well as social reasons. Mr Donaldson agreed to do this.	Hymans Robertson
	RESOLVED that subject to Councillor Fletcher's amendment, the Minutes of the meeting of the Pensions Investment Committee, held on 6 September 2011, be confirmed and signed.	
2.	<u>DECLARATIONS OF INTERESTS</u>	

Councillor Maslin declared that he was a Director of Hales Gallery Limited and UBS was an occasional customer of the Gallery. The interest was personal and prejudicial as UBS were under direct consideration at the meeting. Therefore he left the meeting during the consideration of item 6 Passive Manager Selection – RFP Analysis.

At 7.15pm it was agreed that the meeting should go into closed session. The first item to be discussed was item 6 and Councillor Maslin left the meeting and returned for the discussion on item 7.

5 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3, 4 and 5 of Part 1 of Schedule 12(A) of the Act, as amended by the Local Authorities (Executive Arrangements) (Access to information) (Amendments) (England) Regulations 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

6. Passive Manager Selection – RFP Analysis

7. Appointment of Transition Manager

The following is a summary of the items considered in the closed part of the meeting.

6 Passive Manager Selection – RFP Analysis

RESOLVED that the Managers be ranked in order of preference and a final decision be made at the next meeting of this Committee in February 2012

7 Appointment of Transition Manager

RESOLVED that the transitional manager be appointed by Hymans Robertson in consultation with the Director for Resources and Regeneration.

At 9.45pm the Council went back into open session.

Minute No.

Action

3. PENSION FUND ANNUAL REPORT

Councillor Wise said that the charts in the report were not in colour and were, therefore, difficult to read. It was agreed that charts should not be produced in colour in future but rather with visual displays including hatching.

RESOLVED that the report be noted

4. INVESTMENT PERFORMANCE FOR QUARTER ENDED 30 SEPTMEBER 2011

The Chair said that he had heard that managers can be put under pressure by clients who insist that they achieve their benchmark in two quarters otherwise they will be replaced with another manager. Mr Donaldson said that the principle sounded good but it was only short term. Transitions were very expensive and risky. The general view is that performance is better over a 5 to 10 year period.

RESOLVED that the report be noted

Any other business

The Chair advised members that the Pensioners Representative on this Committee, Mr Tucker, had resigned. It was agreed that a letter be sent from this Committee thanking him for his services to this Committee over many years and wishing him well for the future.

The meeting ended at 10 p.m.

Chair