

## LONDON BOROUGH OF LEWISHAM

MINUTES of the meeting of the INVESTMENT SUB-COMMITTEE, which was open to the press and public, held on TUESDAY 23 MARCH 2010 at 6.30 p.m.

### Present

Councillor Smith (Chair); Councillor Bentley (Vice-Chair) and Councillors Klier and Luxton.

Scott Jamieson - Independent Investment Adviser

<u>Minute No.</u>	<u>Action</u>
1.	<u>MINUTES</u>  RESOLVED that the Minutes of that part of the meeting of the Investment Sub-Committee, held on 3 February 2010, be confirmed and signed.
2.	<u>DECLARATIONS OF INTERESTS</u>  None.
3.	<u>POSITION STATEMENT ON THE PENSION FUND</u>
3.1	The Interim Capital and Treasury Group Manager presented the report. He said that the value of the fund as at 22 March 2010 was £704m and there had been gains in all asset classes since the previous report to members. Gains continued to be concentrated in equities and this has necessitated the current rebalancing exercise to bring the asset allocation back to the strategic benchmark.
3.2	The Independent Investment Adviser said that although the fund had benefited from returns from all asset classes bonds had also risen and this would, therefore, mean a rise in the value of liability to pay pensions .
3.3	Councillor Luxton asked whether the value of the fund was now up to where it was before the recession. The Interim Head of Corporate Resources said that there had been a recovery and on 31 March 2008 the value of the fund was £680m.
3.4	The Interim Head of Corporate Resources said that the Council's actuaries, Hymans Robertson, would undertake the triennial revaluation of the fund over the summer period. As part of this exercise they would calculate the funding position and the

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associated employers contribution rate and report this to Committee later in the year.

RESOLVED that the position of the pension Fund as at 8 March 2010 be noted.

4 MEMBER TRAINING

4.1 Members considered the training needs of a new administration and the continuing administration for members of the Pensions Investment Committee. It was agreed that members required:-

- an early session and information explaining complicated financial language and jargon
- knowledge about legal responsibilities as trustee of the fund and what it means to the Council in all respects
- Socially Responsible Investment SRI and what can and cannot be done
- a one page briefing explaining where all the money was in the fund
- infographics to be used where possible because it was a good presentation tool
- officers to ensure that fund managers deliver information in a manner that is easy for all to understand
- knowledge about what investments were trying to achieve i.e. the balance between the assets and the pensions we need to pay.
- more use to be made of sharepoint

4.2 Members then considered who should provide the training and where it should be held. The Chair said that he had attended training in London provided by Alliance Bernstein which had been good but members' attendance had been low and he considered that it was fundamentally a sales tool. The most useful training had been held half an hour before a Pensions Investment Committee where the subject had then be discussed at the meeting afterwards.

RESOLVED that officers prepare a programme of training for members as set out above. Initial training should be provided before the next Pensions Investment Committee in June and thereafter a programme of training be arranged and held before a Committee meeting.

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5 EXCLUSION OF THE PRESS AND PUBLIC (page

RESOLVED that under Section 100(A)(4) of the Local

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Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3, 4 and 5 of Part 1 of Schedule 12(A) of the Act:-

Appendices to Item No 3 on the Open Agenda

The following is a summary of the item considered in the closed part of the meeting:

Appendices to Item No 3 on the Open Agenda were noted.

The meeting ended at 7.00 pm

Chair