

MINUTES OF THE PENSIONS INVESTMENT COMMITTEE

Thursday, 26 June 2014 at 7.00 pm

PRESENT: Councillors Kevin Bonavia, Maja Hilton, Mark Ingleby, John Muldoon and Joan Reid.

Apologies for absence were received from Councillor Chris Best, Councillor Simon Hooks and Councillor Paul Maslin

1. Election of Chair and Vice Chair

RESOLVED that Councillor Mark Ingleby be elected as Chair and Councillor John Muldoon be elected as Vice-Chair for the Municipal Year 2014-15.

2. Minutes

RESOLVED that the minutes of the meeting held on February 20 2014 be approved as a correct record subject to Councillor Mark Ingleby being added to the list of those in attendance.

3. Declaration of interests

Councillor John Muldoon declared personal interests as a holder of preserved benefits in the Lewisham scheme which elected members had been able to join until May 2014 and as an independently selected substitute member on the Shadow Advisory Board of the LGPS scheme nationally.

4. Terms of Reference

The terms of reference were provided for the information of the Committee and an overview of the work of the Pensions Investment Committee was presented by the Head of Corporate Resources.

RESOLVED that the terms of reference of the Pensions Investment Committee be noted.

5. Draft Pension Fund accounts - Year Ending 31 March 2014

The Chair confirmed that the draft Pension Fund accounts had already been examined by the Audit Panel.

RESOLVED that the draft Pension Fund accounts for the year ending 31 March 2014 be noted.

6. Investment Performance for the quarter end 31 March 2014

A report setting out the performance of the Pension Fund investment portfolio

and that of the individual managers for the quarter ending March 31 2014 was presented by Albert Chen and Jordan Irvine of Hymans Robertson.

RESOLVED that the report be noted.

7. Rebalancing of asset allocation

Members were advised this item was a review setting out the context of a rebalancing policy informed by the Fund's investment advisors that the Committee would be considering in September.

RESOLVED that

- (i) the current asset allocation of the Pension Fund be noted; and
- (ii) no rebalancing take place until a rebalancing policy has been agreed.

8. London LGPS Collective Investment Vehicle

The Head of Corporate Resources outlined a proposal from London Councils to create a Collective Investment Vehicle for the London Local Government Pension Scheme. The Committee was asked to consider the approval of a contribution of £25,000 towards the set up costs of an Authorised Contractual Scheme and operator and a token initial shareholder investment of £1 to register an interest in participating.

In supporting the proposals, the Chair said it was important that they be carried out at the earliest opportunity and that he would be advocating support for them at Mayor & Cabinet on July 16.

RESOLVED that

(i) agreement in principle be given to join in the formation of the Collective Investment Vehicle;

(ii) the approval of Mayor and Cabinet, and Council be sought to:

A. Become a shareholder in the ACS Operator,

B. Appoint an elected Councillor who will have power to act for the local authority in exercising its rights as a shareholder of the ACS Operator, and

C. Appoint Councillors from the London Boroughs as interim directors of the ACS Operator, subject to the consent of their relevant authorities to the appointments. These directors may be replaced once FCA authorisation is formally applied for.

(iii) the fund invests £1 to the ACS Operator as initial shareholder capital, and

(iv) a contribution of £25,000 be made towards the establishment of the ACS.

9. Pension Fund Business Plan 2014 V1 3 (2)

The report was presented by the Principal Accountant. The Committee endorsed the Plan which included key objectives for the Fund, major milestones and issues, training considerations and the Risk Register.

RESOLVED that

(i) the Business Plan 2014/15 be approved; and

(ii) the skills and knowledge self assessment form be completed by July 11 2014.

The meeting closed at 9.10pm