AT A MEETING of the PENSION FUND PANEL of the County Council held at The Castle, Winchester on Wednesday 14 September 2011.

Chairman:
p Councillor M.N. Kemp-Gee

Councillors:

| | |
|---|---|
| a C. Carter | p T.G. Knight |
| p J. Bryant | p B. Tennent |
| p B.D. Dash | p T. Thacker |
| p A.G. Dowden | p T.K. Thornber, CBE |

Co-opted members:
p Councillor P. Giddings (Test Valley Borough Council)
p Councillor J. Leek (Basingstoke and Deane Borough Council)
p Councillor D. Jones (Portsmouth City Council)
p Councillor J. Moulton (Southampton City Council)
p Mr E.W. Hughes (pensioners' representative)
p Mr P. Reynolds (employee representative)

Independent adviser:
p Mr H. Cole

## 190 APOLOGIES FOR ABSENCE

Councillor C. Carter gave his apologies.

## 191 DECLARATIONS OF INTEREST

Members were mindful that, where they believed they had a personal or prejudicial interest in any matter to be considered at the meeting, they should, normally at the time of the debate, declare their interest and, having regard to the circumstances described in paragraphs 9, 10, 11 and 12 of the County Council's Code of Conduct, consider whether to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with paragraph 12 of the Code. The declaration should be made at the time of the relevant debate.

Councillor P. Giddings and Mr E.W. Hughes declared a personal interest as pensioners of the Hampshire Pension Fund in connection with the report on Migration of Pensioner Payroll (Minute 199).

Councillors M.N. Kemp-Gee, J. Bryant, A.G. Dowden, T.G. Knight, B. Tennent, T. Thacker, T.K. Thornber, D. Jones and J. Moulton and Mr P. Reynolds declared a personal interest as contributors to the Hampshire Pension Fund in connection with the report on Migration of Pensioner Payroll (Minute 199).

## 192 MINUTES

The Minutes of the meeting held on 10 June 2011 were confirmed as a correct record and signed by the Chairman.

Minute 189 of the meeting held on 17 June 2011 in connection with the Property Portfolio Update was amended to record that the Panel had discussed and confirmed the policy not to invest in property located in the Hampshire area including Portsmouth and Southampton.

The Minutes of the meeting held on 17 June 2011 were then confirmed as a correct record and signed by the Chairman.

## 193 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Councillors J. Bryant, D. Jones and J. Leek to the Panel following their recent appointments as member of the Panel.

The Chairman reported on the LGC Investment Summit held in Newport, South Wales on 8 and 9 September 2011 which he had attended with Councillor B. Tennent and Mr H. Cole. They concurred that it had been a successful and useful conference.

## 194 FUTURE MEETINGS WITH THE INVESTMENT MANAGERS

The Panel considered a report of the County Treasurer (Item 5 in the Minute Book) setting out proposals for the future arrangements for meetings with the Pension Fund's investment managers. The frequency of these meetings could be reduced reflecting a risk-based approach to determining the need for the Panel to meet the managers. This would allow the Panel more time to consider strategic issues affecting the Pension Fund, including pensions administration matters. Regular quarterly contact with the managers would be maintained through meetings between the County Treasurer and the managers, with risk-based triggers to determine whether additional meetings with the Panel were necessary.

RESOLVED

(a) That the Panel meet the following managers once a year: Aberdeen (for their equity portfolios), Newton, Schroders, Western and CB Richard Ellis.

(b) That, because of the higher risks involved, the Panel meet Aberdeen in connection with the alternative investment portfolio at six monthly intervals.

(c) That the Panel do not meet with Aberdeen, in connection with the European property portfolio, Legal & General and State Street.

(d) That this pattern of meetings be changed for individual managers if risk measures indicate that there was an urgent need for the Panel to meet with a manager to discuss the performance of their portfolio.

(e) That the County Treasurer and her staff continue to meet regularly with the managers so that quarterly contact with them is maintained where appropriate.

195 **GOVERNMENT REVIEW OF PUBLIC SECTOR PENSIONS - UPDATE**

The Panel received and noted a report of the County Treasurer (Item 6 in the Minute Book) updating the Panel on the progress of the Government 's review of public sector pensions.

196 **THE INVESTMENT OUTLOOK**

The Panel received and noted a report of the Independent Adviser (Item 7 in the Minute Book) summarising his views on the investment outlook for various asset classes at 31 August 2011.

197 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:

That the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

198 **INVESTMENT UPDATE INCLUDING RECENT PERFORMANCE RETURNS**

The Panel considered an exempt report from the County Treasurer (Item 9 in the Minute Book) providing an update on the Pension Fund's investments.
[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

199 **MIGRATION OF PENSIONER PAYROLL**

The Panel considered an exempt report from the County Treasurer (Item 10 in the Minute Book) updating the Panel on administration matters.
[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

200 **APPOINTMENT OF INDEPENDENT ADVISER**

The Panel considered an exempt report from the County Treasurer (Item 11 in the Minute Book) on arrangements for the position of independent adviser from 1 January 2012.
[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

201 **REVIEW OF INVESTMENT STRATEGY - UPDATE**

The Panel considered an exempt report from the County Treasurer (Item 12 in the Minute Book) providing an update on the progress on the review of the Pension Fund's investment strategy.
[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]