

AT A MEETING of the PENSION FUND PANEL of the County Council held at The Castle, Winchester on Friday 28 February 2014.

Chairman:
p Councillor M.N. Kemp-Gee

Councillors:

p C. Carter	p P. Latham
p C. Connor	p T. Rolt
p A. Gibson	p B. Tennent
p A. Joy	p T. Thacker

Co-opted members:

p Councillor P. Giddings (Test Valley Borough Council)
p Councillor J. Leek (Basingstoke and Deane Borough Council)
a Councillor G. Vernon-Jackson (Portsmouth City Council)
p Councillor S. Barnes-Andrews (Southampton City Council)
p Dr C. Allen (pensioners' representative)
p Mr P. Reynolds (employee representative)

Independent Adviser:

p C. Dobson

57 **APOLOGIES FOR ABSENCE**

Councillor G. Vernon-Jackson gave his apologies. Councillor M.N. Kemp-Gee left the meeting after the consideration of the reports and before the representatives of Aberdeen Asset Managers joined the meeting to report on the alternative investments portfolio. Councillor T. Thacker took the chair for the remainder of the meeting.

58 **DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

59 **CONFIRMATION OF MINUTES**

The minutes of the meeting held on 20 December 2013 were confirmed.

60 **CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements.

61 **INTERNAL AUDIT PROGRESS REPORT**

The Panel received and noted a report of the Director of Corporate Resources (item 5 in the Minute Book) setting out an overview of internal audit work completed in accordance with the approved audit plan.

The Chief Internal Auditor also provided a short training session for the Panel on the role of internal audit in connection with the Pension Fund.

62 **LOCAL GOVERNMENT PENSION SCHEME (LGPS) 2014 UPDATE**

The Panel considered a report of the Director of Corporate Resources (item 6 in the Minute Book) providing an update on the progress of implementing the new LGPS 2014 scheme and on possible future Government reform. The Director also reported on a change to a discretionary policy on abatement and a practical way of addressing an anomaly in the new LGPS regulations.

The Transitional Regulations for LGPS 2014 had been further delayed by the Government and were not now expected until the end of March 2014. Despite this, good progress had been made with implementing the new requirements. Employer workshops and staff training had been arranged.

The Director of Corporate Resources reported that a change needed to be made to the Pension Fund's policy on abating pensions if a member in receipt of a pension entered a new employment with an employer covered by the LGPS. The new LGPS 2014 regulations did not include provision to abate pensions and many of the reasons for the current abatement policy were no longer applicable. In future no pension would be abated following a re-employment starting after 1 April 2014, regardless of when the pension first came into payment. Existing abatements would continue until the employment ceased.

The Director of Corporate Resources also reported that, due to the way in which the LGPS 2014 regulations had been written, the survivor of a civil partnership that was entered into after the member leaves active service could be in a worse position than under the existing regulations. To avoid future appeals, the survivor's benefits would be calculated in this scenario as if the affected member had elected within the required timescale for all their service to be included in the calculation of the survivor's pension.

RESOLVED:

- (a) That the progress towards implementation of the new LGPS 2014 scheme be noted.
- (b) That the changes to the Pension Fund's discretionary policies on abatement of pensions and survivor benefits be approved.
- (c) That the remainder of the report be noted.

63 **PENSION FUND PANEL TRAINING IN 2014/15**

The Panel considered a report of the Director of Corporate Resources (item 7 in the Minute Book) on proposals for the training arrangements for members of the Pension Fund Panel in 2014/15.

Members had completed Training Needs Analysis forms to identify topics on which training would be helpful for them. From these returns, proposals had been prepared to meet members' training needs, including plans for the topics for training sessions to be provided on two half-days in each of 2014 and 2015.

RESOLVED:

- (a) That the proposals for the sessions for the Panel's training half-days in 2014 and 2015 be agreed.
- (b) That the remainder of the report be noted.

64 **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.

65 **MINUTES OF PREVIOUS MEETING HELD ON 20 DECEMBER 2013 (EXEMPT APPENDIX)**

The exempt minutes of the meeting held on 20 December 2013 were confirmed.

66 **INVESTMENT UPDATE INCLUDING RECENT PERFORMANCE RETURNS**

The Panel received and noted an exempt report from the Director of Corporate Resources (Item 10 in the Minute Book) updating the Panel about the progress of the Pension Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

67 **ALTERNATIVE INVESTMENTS PORTFOLIO - UPDATE**

The Panel considered an exempt report from the Director of Corporate Resources (Item 11 in the Minute Book) providing an update on the progress of the Pension Fund's alternative investments portfolio. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]