

AT A MEETING of the PENSION FUND PANEL of the County Council held at The Castle, Winchester on Friday 8 November 2013.

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)
p Councillor G. Vernon-Jackson (Portsmouth City Council)
a Councillor S. Barnes-Andrews (Southampton City Council)
p Dr C. Allen (pensioners' representative)
p Mr P. Reynolds (employee representative)

Independent Adviser:

p C. Dobson

31 **APOLOGIES FOR ABSENCE**

Councillor S. Barnes-Andrews gave his apologies.

32 **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.

Councillors A. Gibson and J. Leek declared personal interests in connection with the Agenda item on Investment Update Including Recent Performance Returns (Minute 43).

33 **CONFIRMATION OF MINUTES**

The minutes of the meeting held on 27 September 2013 were confirmed.

34 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed Councillor G. Vernon-Jackson from Portsmouth City Council to the Pension Fund Panel.

35 **PENSIONS ADMINISTRATION PERFORMANCE UPDATE**

The Panel considered a report of the Director of Corporate Resources (item 5 in the Minute Book) giving an update on pensions administration performance from April to September 2013 and highlighting the key activities planned for the remainder of the year.

Service standards for processing times had been met for all areas of work during the first half of 2013. Data had been passed to the Fund actuary for the triennial actuarial valuation by the target date of mid August 2013. Annual benefit statements had been sent to all active members by the deadline of 6 October 2013.

The Director of Corporate Resources also reported on the progress on implementing the new LGPS 2014 scheme. The Panel discussed the Government's consultation on the future structure of the LGPS scheme including ways of reducing costs. The Government had sought tenders for an appraisal of three options for the future structure of the LGPS which involved some form of pooling or merger of LGPS funds.

RESOLVED:

That Pension Services be congratulated on the Pension Fund's administration performance from April to September 2013.

36 **COMPARISONS WITH OTHER LOCAL GOVERNMENT PENSION FUNDS**

The Panel received and noted a report of the Director of Corporate Resources (item 6 in the Minute Book) comparing the investment performance and other statistics of the Hampshire Pension Fund with other Local Government Pension Scheme (LGPS) funds.

The statistics published by CIPFA for LGPS funds' investment returns showed that the Pension Fund was in the middle rank of LGPS funds over three, five and ten year periods to 31 March 2012.

Statistical information from the Government's SF3 form for 2012/13 showed that Hampshire's pensions administration costs were in the lowest decile for LGPS funds in England and Wales.

37 **REVIEW OF THE PENSION FUND'S STATUTORY STATEMENTS**

The Panel considered a report of the Director of Corporate Resources (item 7 in the Minute Book) providing an annual update of the Pension Fund's Business Plan, Statement of Investment Principles, Governance Policy and Governance Compliance Statements, and Communications Policy Statement.

As part of the discussion of the Business Plan, the Panel considered whether part of the Pension Fund could be allocated for investment in support of the Hampshire economy.

RESOLVED:

- (a) That the Director of Corporate Resources report to a future meeting of the Panel on the options for allocating part of the Pension Fund for investment in support of the Hampshire economy.
- (b) That progress on the planned actions in the Business Plan for 2013/14 be noted.
- (c) That the Business Plan for 2014/15 be approved, subject to clarification that the annual leaflet for employees and pensioners is available online only and is not sent out in paper form to employees or pensioners.
- (d) That the updated Statement of Investment Principles be approved, subject to amendment of the section on the overall objectives for investing the Pension Fund and to the wording of the paragraph on Tactical Asset Allocation.
- (e) That the updated Governance Policy and Governance Compliance Statements be approved, subject to clarification in the Policy Statement that the annual leaflet for employees and pensioners is available online only and is not sent out in paper form to employees or pensioners.
- (f) That the updated Communication Policy Statement be approved.

38 **TRAINING FOR PENSION FUND PANEL MEMBERS**

The Panel considered a report of the Director of Corporate Resources (item 8 in the Minute Book) setting out proposals for the training arrangements for members of the Pension Fund Panel. These proposals built on the strong foundations for training already in place and would make sure that training arrangements for the Pension Fund

Panel were in accordance with best practice.

RESOLVED:

That the proposals for training for Pension Fund Panel members be agreed.

39 **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.

40 **PENSIONS ADMINISTRATION PERFORMANCE UPDATE (EXEMPT APPENDIX)**

The Panel received and noted an exempt appendix to the report from the Director of Corporate Resources (Item 10 in the Minute Book) on pensions' administration. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

41 **ACTUARIAL VALUATION 2013**

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 actuarial valuation at 31 March 2013. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

42 **MANAGEMENT FEES AND TRANSACTION COSTS IN 2012/13**

The Panel considered an exempt report from the Director of Corporate Resources (Item 12 in the Minute Book) reviewing the level of management fees and transaction costs paid in 2012/13. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

43 **INVESTMENT UPDATE INCLUDING RECENT PERFORMANCE RETURNS**

The Panel received and noted an exempt report from the Director of Corporate Resources (Item 13 in the Minute Book) updating the Panel about the progress of the Pension Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

44 **ALTERNATIVE INVESTMENTS PORTFOLIO**

The Panel deferred consideration of an exempt report from the Director of Corporate Resources (Item 14 in the Minute Book) on a number of matters affecting the Pension Fund's alternative investments.

[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

45 **PROPERTY PORTFOLIOS - UPDATE**

The Panel received and noted an exempt report from the Director of Corporate Resources (Item 15 in the Minute Book) updating the Panel on the Fund's property portfolios. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]