

**DURHAM COUNTY COUNCIL**

**At a Meeting** of the **Pension Fund Committee** held at the County Hall Durham on **Monday 30 April 2007** at **10.00 a.m.**

**Present:**

**Councillor N Martin** in the Chair

**Members:**

Councillors Barker, C Carr, Coates, E Foster, Hunter, Iveson, Ord, Pye and Walker

**District Council Members nominated by the Durham County District Councils Association:**

Councillors P Ward

**Advisers**

**County Council Officers:**

County Treasurer	-	Mr S Crowe
Principal Accountant	-	Mrs H Appleton
Assistant Head of Legal Services	-	Mrs C Longbottom

**Independent Advisors:**

P J Williams	-	Mr P J Williams
P Solve Asset Solutions	-	Mr A Manjrekar

**Investment Managers**

Baring Asset Management Ltd	-	Ms K Munday
	-	Mr M Herring
Morley Fund Management	-	Mr A Charlwood
	-	Mr N Paul

## **A1 Minutes**

The Minutes of the meeting held on 29 January 2007 were confirmed as a correct record and signed by the Chairman.

## **A2 Graphs Showing Movements in Stock and Share Indices since 1 April 2006**

The County Treasurer submitted graphs showing movements in the Financial Times All Share UK Equities Index, Government Bond Index and Government Bonds Index Linked Index since 1 April 2006 (for copy see file of Minutes).

## **A3 Graphs Showing Movements in Stock and Share Indices since 1 April 2006**

The County Treasurer submitted graphs showing movements in the FTA World Index - Japan, FTA World Index - North America, FTA World Index - Europe and FTA World Index - Pacific Ex-Japan since 1 April 2006 (for copy see file of Minutes).

## **A4 Pension Fund Investments**

The Committee considered a report of the County Treasurer which provided an overview of the transactions by Fund Managers during the period 1 January 2007 to 31 March 2007 and showed how the value of the portfolio had changed during the quarter (for copy see file of Minutes).

### **Resolved:**

That the report and the recommendation included therein be approved.

## **A5 Training Programme**

The Committee considered a report of the County Treasurer which contained proposals for training to deliver a more formal, ongoing training programme and sought preferred dates for the first two training events (for copy see file of Minutes).

### **Resolved:**

- (i) That the report be approved
- (ii) That the first training event be held around the end of July 2007, with the second event to be held around September.

## **A6 Pensions Administration Benchmarking Exercise**

The Committee noted a report of the County Treasurer regarding the outcome of the recent pensions benchmarking exercise in which the County Council took part (for copy see file of Minutes)

## **A7 Final Regulations for 'new-look' Local Government Pension Scheme**

The Committee noted a report of the County Treasurer regarding the recently-issued regulations that introduce a 'new-look' Local Government Pension Scheme from 1 April 2008 (for copy see file of Minutes)

## **A8 Exclusion of the Public**

### **Resolved:**

That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in paragraphs 3 and 5 of Part 1 of Schedule 12A to the said Act.

## **B9 Minutes**

The Minutes of the meeting held on 29 January 2007 were confirmed as a correct record and signed by the Chairman, subject to the first line of Minute B10 being amended to refer to Morley Fund Management and not Baring Asset Management.

## **B10 Report of Baring Asset Management Ltd**

The Committee considered a report of Baring Asset Management Limited which included:-

- (i) Manager's view on the economy and investment strategy for the future
- (ii) Investment Policy
- (iii) List and valuation of investment holdings including a statement of transactions carried out during the last quarter (for copy see file of Minutes)

### **Resolved:**

That the report be received.

### **B11 Report of Morley Fund Management**

The Committee considered a report of Morley Fund Management which included:-

- (i) Manager's view on the economy and investment strategy for the future
- (ii) Investment Policy
- (iii) List and valuation of investment holdings including a statement of transactions carried out during the last quarter (for copy see file of Minutes)

**Resolved:**

That the report be received.

### **B12 Report of Legal and General Investment Management**

The Committee considered a report of Legal and General Investment Management Limited which included:-

- (i) Manager's view on the economy and investment strategy for the future
- (ii) Investment Policy
- (iii) List and valuation of investment holdings including a statement of transactions carried out during the last quarter (for copy see file of Minutes)

**Resolved:**

That the report be received.

### **B12 Manager Selection Update**

The Committee considered a report of the County Treasurer which provided information about progress on the Manager Selection Programme (for copy see file of Minutes)

The County Treasurer informed the Committee that the dates for the clarification meetings were 11 and 14 May, 21 and 22 May, 25 June p.m., and all day on 26 June. The 3 and 4 July 2007 had also been set aside, should these be needed.

The County Treasurer sought delegated authority to approve appointments in consultation with the Chairman and Vice Chairman of the Pension Fund Committee, and also asked Members to inform him by the end of the week which clarification meeting(s) they wished to attend. Appointments made under the delegated authority would be reported to the next pension Fund Committee.

**Resolved:**

That the report, together with the recommendation contained therein, be approved.

The Chairman of the meeting was of the opinion that the following item of business was of sufficient urgency to warrant consideration because of the need to agree the arrangement for a Global Custodian and a Transition Manager before appointment of the Investment Fund Managers.

**B13 Agreement for Transitions Manager and a Global Custodian.**

The Committee considered a joint report of the Acting Director of Corporate Services and County Treasurer regarding the agreement for a Transitions Manager and a Global Custodian (for copy see file of Minutes)

**Resolved:**

That the report, together with the recommendations contained therein, be approved.