

**DURHAM COUNTY COUNCIL**

**At a Meeting of the Pension Fund Committee** held at the County Hall Durham on **Monday 28 July 2008 at 10.00 a.m.**

**Present:**

**Councillor Andrew Turner** in the Chair

**Members:**

Councillors C Carr, J Chaplow, A Hopgood, J Lethbridge, N Martin, P May, D Morgan, R Ord, G K Robinson and R Todd.

**Other Members:**

Councillor M Hodgson

**Advisers:**

**County Council Officers:**

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

**Independent Advisers:**

P J Williams	-	Mr P J Williams
P Solve Asset Solution	-	Mr T Pike

**A1 Minutes**

The Minutes of the meeting held on Monday 28<sup>th</sup> April were confirmed as a correct record and signed by the Chairman.

**A2 Graphs Showing Movements in Stock and Share Indices since 1 July 2007**

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 July 2007 (for copy see file of Minutes).

### **A3    Graphs Showing Movements in Stock and Share Indices since 1 July 2007**

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 July 2007 (for copy see file of Minutes).

### **A4    Dates of Pension Fund Committee Meetings**

The Committee considered a report of the County Treasurer proposing a variation in the planned dates for future meetings of the Pension Fund Committee (for copy see file of Minutes).

Members were informed that the dates of the quarterly meetings have been changed to enable timely reports from the Managers. It was proposed that the Annual Meeting of the Pension Fund Committee should take place on 3 November.

Members of the Committee suggested postponing the planned training session until the meeting to be held on 1<sup>st</sup> September in order that all Members of the Committee are available to attend the training.

#### **Resolved:**

That the Report and the recommendation included therein be approved, with the Annual Meeting of the Pension Fund to take place on 3 November 2008.

### **A5    Introduction to Managers and Mandates**

The Committee considered a report of the County Treasurer to provide an overview of the Managers and Investment Mandates (for copy see file of Minutes).

#### **Resolved:**

That the report be noted.

### **A6    Statement of Accounts for the year ended 31 March 2008**

The Committee considered a report of the County Treasurer informing Members of the Pension Fund Accounts that are included in the Statement of Accounts for the County Council for the financial year ended 31 March 2008 (for copy see file of Minutes).

#### **Resolved:**

That the report be noted.

## **A7 Governance Compliance Statement**

The Committee considered a report of the County Treasurer requesting Members' approval for the Governance Compliance Statement and requesting Members to consider the future constitution of the Committee (for copy see file of Minutes).

Members of the Committee were informed that the principal changes made since the guidance was first issued are outlined in paragraph 3 of the Report. The report also gives details of the necessity to restructure the Pension Fund Committee due to Local Government Reorganisation.

### **Resolved:**

That the report and the recommendations included therein be approved.

## **A8 Ill Health – Draft Statutory Guidance**

The Committee considered a report of the County Treasurer advising Members of the current position regarding the new three tier system of ill health in the Local Government Pension Scheme (for copy see file of Minutes).

In response to a question by Councillor May, the Head of Pensions replied that decisions on ill health retirement are made with the advice of an independent medical practitioner.

Councillor Ord expressed concern at the possibility of a flood of requests from employees wishing to retire with the establishment of the Unitary Authority and the possible effects on the Pension Fund.

The Deputy Head of Legal Services reassured Members that decisions on early retirement are made by the Early Retirement Sub-Committee and costs are clearly set out in the reports to the Sub-Committee. A harmonised policy is to be introduced to deal with Early Retirement / Voluntary Redundancy applications, which will set the parameters for discretionary awards.

Councillor Martin commented that the Early Retirement Sub-Committee is very robust and challenging in its decision making.

### **Resolved:**

That the report and the recommendation included therein be approved.