

DURHAM COUNTY COUNCIL

PENSION FUND COMMITTEE

At a Meeting of **Pension Fund Committee** held in Committee Room 2 - County Hall, Durham on **Tuesday 4 September 2012 at 10.00 am**

Present:

Councillor N Martin (Chair)

Members of the Committee:

Councillors C Carr, J Chaplow, A Hopgood, P Jopling, J Lethbridge, D Morgan, R Ord, G Richardson and R Todd

Apologies:

Apologies for absence were received from Councillors Andy Turner and Olive Brown

Admitted Bodies Representative

Mr K Tallintire

Also Present:

H Appleton – Strategic Finance Manager – Corporate Finance

B Smith – Litigation Manager

N Orton – Payroll and Pensions Manager

A Wallage – Internal Audit and Risk Manager

R Auty – PwC

Independent Advisers:

P Williams – P J Williams

R Bowker – PSolve

D Banks - PSolve

1 Declarations of interest (if any)

Councillor Carr declared a personal but not prejudicial interest in Agenda item numbered 10 as he was a Member of Audit Committee.

2 The Minutes of the Meeting held on 14 June 2012

The Minutes of the Meeting held on 14 June 2012 were agreed as a correct record and were signed by the Chairman.

3 Graphs showing recent movements of the Stock and Share Indices

Consideration was given to graphs showing recent movements in the Stock and Share Indices (for copy see file of Minutes).

Resolved:

That the information given be noted.

4 Performance Management Report - Quarter Ended 31 March 2012

Consideration was given to the report of the Corporate Director, Resources which provided an overview of the Pension Fund up to 31 March 2012 (for copy see file of Minutes).

The report gave details of the performance of the Investment Managers against benchmarks.

Resolved:

That the information given be noted.

5 Performance Management Report - Quarter Ended 30 June 2012

Consideration was given to the report of the Corporate Director, Resources which provided an overview of the Pension Fund up to 30 June 2012 (for copy see file of Minutes).

The report gave details of the performance of the six Investment Managers against benchmarks.

Resolved:

That the information given be noted.

6 Pension Fund Investments

Consideration was given to the report of the Corporate Director, Resources which gave details of the overall value of the Pension Fund as at 30 June 2012, of the additional sums available to the Managers for further investment or amounts to be withdrawn from Managers (for copy see file of Minutes).

Members were advised of amendments to the figures relating to the Value of the Fund; as at 30 June 2012 the Value of the Fund was £1,827,960,000. At 31 March 2012 it was £1,862,810,000 a decrease of £38,850,000 in the quarter.

For the reasons outlined in the report it was recommended that no money be added to the sums to be allocated to the Managers for investment in the quarter. Normally Fund Rebalancing took place on a quarterly basis but it had been suspended until the results of the Strategy Review were put into operation.

The report also gave details of the forecasted cash flow for the Pension Fund for 2012/2013 and the assumptions used to calculate this.

In response to a question, Members were advised that whilst information relating to projected retirements for other employing Authorities was not available Durham County Council as the largest employer would have the greatest impact on the Fund's spend.

Resolved:

That the information given be noted and no further allocation of cash be made to Managers.

7 Pension Fund Policy Documents - Funding Strategy Statement and Statement of Investment Principles

Consideration was given to the report of the Corporate Director, Resources which informed Members of the results of the consultation on the policy documents for the year ended 31 March 2012 (for copy see file of Minutes).

Members were advised that as the review of the Pension Fund's arrangements continued and due to changes in Regulations, the documents would be updated further as required.

In response to a question Members were advised that to date no admission bodies had given notice however Members would be informed if action was to be taken to recover assets when any admitted bodies ceased to exist.

Resolved:

That the comments from the consultees be noted and the revised Funding Strategy Statement and Statement of Investment Principles be accepted for publication on the Council's website.

8 Local Government Pension Scheme (Miscellaneous) Regulations 2012

Consideration was given to the report of the Corporate Director, Resources which gave details of changes to be made to the regulations governing the Local Government Pension Scheme by the latest set of amending regulations, the Local Government Pension Scheme (Miscellaneous) Regulations 2012 (for copy see file of Minutes).

In response to a question Nick Orton advised that the accrued pension contributions from those NHS employees who joined the Local Government Pension Scheme would be transferred to the Durham Fund.

Resolved:

That the information given be noted.

9 Local Government Pension Scheme 2014

Consideration was given to the report of the Corporate Director, Resources which provided an update on the latest position on proposals to reform the Local Government Pension Scheme (for copy see file of Minutes).

Nick Orton advised that since the report had been circulated all Trade Unions had voted to accept the proposals.

A Member stated that the main provisions of the scheme should be publicised with particular reference made to the percentage of full time and part time employees who would benefit from the proposals.

Resolved:

That the information given be noted.

10 Statement of Accounts for the Year Ended 31 March 2012

Consideration was given to the report of the Corporate Director, Resources which presented the Pension Fund Accounts for the year ended 31 March 2012 and advised of any significant issues arising from the accounts (for copy see file of Minutes).

The Audit Commission produced an Interim Governance Report for the Pension Fund and this was attached to the report for information.

The Statement of Accounts would be submitted to Audit Committee for approval at the end of September 2012.

Resolved:

That the information given be noted.

11 Short Term Investments for the Year Ended 31 March 2012

Consideration was given to the report of the Corporate Director, Resources which gave details of the Pension Fund's short term investments for the period ended 31 March 2012 (for copy see file of Minutes).

Resolved:

That the year end position of the Pension Fund's short term investments for 2011/2012 be noted.

The Chairman agreed that in order to seek the views of the Committee the next item of business could be reported.

12 National Association of Pension Funds

The Chairman reported that in his capacity as Vice-Chair of the Pension Fund Committee the National Association of Pension Funds had communicated with him directly on matters within the remit of the Pension Fund Committee.

Resolved:

That the Vice-Chair of the Committee be authorised to respond to correspondence from the National Association of Pension Funds as appropriate.