



London Borough of Hammersmith & Fulham

Pensions Fund Investment Panel Minutes

Tuesday 16 March 2010

PRESENT

Committee members:

Councillor Nicholas Botterill (Vice-Chairman in the Chair)
Councillor Eugenie White
Councillor Colin Aherne
Councillor Michael Cartwright

IN ATTENDANCE

Jane West, Director of Finance and Corporate Services
Pat Gough, Assistant Director, Business Support, Finance and Corporate Services
Bob Pearce, Chief Technical Officer
Halfield Jackman, Pension Fund and Treasury Officer
Helen Smith, P-Solve
Simon Jones, P-Solve
Katia Richardson, Assistant Committee Co-ordinator

In accordance with Council Procedure Rule 17.6, in the absence of the Chairman, Councillor Nicholas Botterill (Vice Chairman) assumed the Chair at the start of the meeting.

1. MINUTES OF THE MEETING HELD ON 8 DECEMBER 2009

RESOLVED THAT:

The minutes of the meeting held on 8 December 2009 be confirmed and signed as an accurate record of the proceedings, subject to the removal of the fifth paragraph in Item 4 – Pension Fund Value and Investment Performance.

The Assistant Director, Business Support, circulated an email prior to the meeting clarifying the three issues raised by the Panel at the previous meeting related to Item 5 - Pension Fund Accounts for 2008/09 and Audit Commission's Annual Governance Report.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Stephen Greenhalgh (Chairman), Robert Iggulden and Michael Adam.

3. DECLARATION OF INTERESTS

Councillor Michael Cartwright declared a personal interest as he was a member of and contributed towards the Council's Pensions Fund. He remained at the meeting, spoke and voted on all items on the agenda.

4. PENSION FUND VALUE AND INVESTMENT PERFORMANCE

The report, prepared by P-Solve, provided details of the performance and the market value of the Council's pension fund investments for the quarter ending 31st December 2009.

P-Solve informed the Panel that the Scheme had outperformed its liability benchmark over the quarter, returning +3.6% compared to the target of +2.6%. There was also significant outperformance over the past 12 months, of +12%.

P-Solve stated that the total fund was performing very well at a market value of £523.353 million. In addition, the Chief Technical Officer informed the Panel that since the publication of the report the market had moved and the value was now £548.000 million.

The Panel agreed that the positive performance of the quarter was encouraging.

RESOLVED THAT:

The report be noted.

5. STATEMENT OF INVESTMENT PRINCIPLES

The Chief Technical Officer presented the report which updated and amended the Statement of Investment Principles, prior to consultation with all participating employers in the Fund. The Statement had been reviewed to take account of the new Local Government Pension Scheme (Management of Investment of Funds) Regulations 2009, which introduced some new requirements. The main ones were the need for a separate bank account for the pension fund by 1st April 2011, powers to borrow for up to 90 days to cover cash flow and the need to update the Statement of Investment Principles by 1st July 2010 to take in to account the revised Myner's principles.

The Regulations require administering authorities to state the extent to which they comply with the Myner's six principles of investment practice set out in the publication by CIPFA called "Investment Decision Making and Disclosure in the Local Government Pension Scheme: A guide to the application of the Myner's

Principles". The extent of compliance is set out in the Fund's Statement of Investment Principles.

It was suggested that the first paragraph on page 35 should be amended to reflect the fact that Members were not given a specific allowance to be part of this Panel. The paragraph should, therefore, terminate after the word "duties" in line 6.

RESOLVED THAT:

1. The Panel agrees the Statement of Investment Principles, prior to consultation with all participating employers in the Fund, subject to the amendment agreed at the meeting;
2. The finalisation of the Statement be delegated to the Director of Finance and Corporate Services.

6. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED THAT:

Under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the remaining items of business on the grounds that they contain information relating to the financial or business affairs of a person (including the authority holding that information) under paragraphs 1 and 3 of Schedule 12A of the Act 1972, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

[The following is a public summary of the exempt information under S.100C (2) of the Local Government Act 1972. Exempt minutes exist as a separate document.]

7. EMERGING MARKETS EQUITIES

P-Solve introduced the report which updated the position on investing 5% of the pension fund in emerging market equities.

RESOLVED THAT:

P-Solve work with Officers in order to bring forward a recommendation at the next Panel meeting.

ACTION

That P-Solve and the Director of Finance and Corporate Services bring forward a recommendation back to the Panel.

P-Solve and the Director of Finance and Corporate Services

8. ANNUAL BUSINESS PLAN FOR THE PENSION FUND

The Assistant Director, Business Support, presented the report to the Panel, which set out the Annual Business Plan for 2010/11, in line with the recommendations of the Myner's Review.

RESOLVED THAT:

The Panel agrees the Annual Business Plan.

Meeting started: 7.07 pm

Meeting ended: 7.48 pm

Chairman

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