

**Minutes of a meeting of the Local Pension Committee held at County Hall,
Glenfield on Friday, 13 November 2015.**

PRESENT:

Leicestershire County Council

Mr. G. A. Hart CC (Chairman)
Mr. S. J. Hampson CC
Mr. Max Hunt CC

Mr. K. W. P. Lynch CC
Mr. P. C. Osborne CC

Leicester City Council

Cllr Deepak Bajaj and Cllr L. Moore

District Council Representative

Cllr. Malise Graham MBE

Staff Representatives

Mr. R. Bone

Mr. N. Booth

Independent Advisers and Managers

Mr. S. Jamieson

358. Minutes of the previous meeting.

The minutes of the meeting held on 4 September 2015 were taken as read, confirmed and signed.

359. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

360. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

361. Urgent items.

There were no urgent items for consideration.

362. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. No declarations were made.

363. Summary Valuation of Pension Fund Investments and Investment Performance of Individual Managers.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present a summary valuation of the Fund's investments at 30th September 2015 together with figures showing the performance of individual managers. A copy of the report is filed with these minutes, marked '6'.

The Committee noted that whilst investment results had been variable during the latest quarter, the Fund's investment strategy was based on long term expectations of performance and that there were always likely to be periods of volatility and/or negative performance.

RESOLVED:

That the report be noted.

364. Pension Fund Annual Report and Accounts 2014/15.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present the Annual Report and Accounts of the Pension Fund 2014/15 for approval. A copy of the report is filed with these minutes, marked '7'.

RESOLVED:

That the Annual Reports and Accounts for 2014/15 be approved.

365. Annual Audit Report in Respect of 2014/15 Pension Fund Audit.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present the 2014/15 Annual Audit Report of the Pension Fund, including the Annual Accounts. A copy of the report is filed with these minutes, marked '8'.

RESOLVED:

That the Pension Fund's Annual Audit report for 2014/15 be noted.

366. Update on Actuarial and Investment Consultancy Services.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to provide an update on the previously agreed market testing exercise for potential providers of the Fund's actuarial and investment consultancy service. A copy of the report is filed with these minutes, marked '9'.

The Director reported that the recent government initiative for Local Government Pension Scheme's to take a more collaborative approach to investments and the tight timescales for the formation of such agreements, had resulted in officers being unable to undertake market testing as originally planned. It was noted that officers remained satisfied with the service provided by Hymans Robertson and by switching to the Croydon Framework until officers were in a position to carry out their own market testing, immediate savings for the Fund would be achieved.

RESOLVED:

- a) That the previously agreed market testing for actuarial and investment consultancy services be postponed;
- b) That the Fund utilises the Croydon Framework Agreement in respect of Actuarial Services with Hymans Robertson.

367. Asset Pooling Within the Local Government Pension Scheme.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to inform the Committee of the current position in respect of the potential pooling of Local Government Pension Scheme assets. A copy of the report is filed with these minutes, marked '10'.

The Director reported that whilst informal discussions between authorities concerning the formation of investment pools were ongoing, the Department for Communities and Local Government would ultimately be responsible for the strategy of pooling arrangements. It was expected that an announcement concerning future arrangements would be made in the Chancellor's budget statement in March 2016, although guidance regarding the required criteria was expected by the end of November. In the meantime local authorities would continue to develop proposals for the structure of future pooling arrangements.

RESOLVED:

That the report be noted.

368. Funding Update as at 30 September 2015.

The Committee considered a report by Hymans Robertson which presented the funding projection at 30 September 2015. A copy of the report, marked '11', is filed with these minutes.

The Committee noted that whilst the Fund's investment returns had been encouraging in the last quarter, the rise in gilt yields, a factor the Fund had no control over, had had a negative impact on the Fund's overall position.

RESOLVED:

That the update be noted.

369. Market Update.

The Committee received a presentation by Kames Capital concerning global market conditions. A copy of the presentation marked '12' is filed with these minutes.

RESOLVED:

That the update be noted.

370. Exclusion of the Public.

RESOLVED:

That under Section 100(A) 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 defined in paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Act

371. Action Agreed by the Investment Subcommittee.

The Committee received an exempt report by the Director of Corporate Resources, the purpose of which was to inform members of a report considered by the Investment Subcommittee at its meeting on 14 October 2015 concerning the performance of Delaware Investment and the subsequent discussions which had taken place between officers and representatives of Delaware Investment regarding the investment fee charged to the Fund. A copy of the report marked '15' is filed with these minutes. The report was not for publication by virtue of Paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the revised fee proposal from Delaware Investments be approved.

372. Passive Investment Manager Procurement with six Other Local Government Pension Funds.

The Committee received an exempt report by the Director of Corporate Resources, the purpose of which was to inform members of a procurement exercise carried out by seven Local Government Pension Scheme (LGPS) Administering Authorities in respect of the appointment of a passive investment manager. A copy of the report marked '16' is filed with these minutes. The report was not for publication by virtue of Paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

373. Kames Capital Quarterly Report.

The Board considered an exempt report by Kames Capital. A copy of the exempt report marked '17' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

374. KKR - Quarterly Report

The Board considered an exempt report by KKR. A copy of the exempt report marked '18' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

375. Kempen Capital Management Quarterly Report.

The Board considered an exempt report by Kempen Capital Management. A copy of the exempt report marked '19' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

376. Kleinwort Benson Investors - Quarterly Report.

The Board considered an exempt report by Kleinwort Benson. A copy of the exempt report marked '20' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

377. Ruffer - Quarterly Report.

The Board considered an exempt report by Ruffer. A copy of the exempt report marked '21' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

378. Investec Asset Management - Quarterly Report.

The Board considered an exempt report by Investec Asset Management . A copy of the exempt report marked '22' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

379. Aviva Investors - Quarterly Report.

The Board considered an exempt report by Aviva Investors. A copy of the exempt report marked '23' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

380. Millennium Global - Quarterly Report.

The Board considered an exempt report by Millennium Global. A copy of the exempt report marked '24' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

381. IFM Investors - Quarterly Report.

The Board considered an exempt report by IFM Investors. A copy of the exempt report marked '25' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

382. Legal and General Investment Management - Quarterly Report.

The Board considered an exempt report by Legal and General Investment Management. A copy of the exempt report marked '26' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

383. Stafford Timberland - Quarterly Report.

The Board considered an exempt report by Stafford Timberland. A copy of the exempt report marked '27' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

384. Delaware Investments - Quarterly Report.

The Board considered an exempt report by Delaware Investments. A copy of the exempt report marked '28' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

385. Ashmore - Quarterly Report.

The Board considered an exempt report by Ashmore. A copy of the exempt report marked '29' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

386. Aspect Capital - Quarterly Report.

The Board considered an exempt report by Aspect Capital Investment Management. A copy of the exempt report marked '30' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

387. JP Morgan - Quarterly Report.

The Board considered an exempt report by JP Morgan. A copy of the exempt report marked '31' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

09.30 – 11.05am
13 November 2015

CHAIRMAN