

## WILTSHIRE PENSION FUND COMMITTEE

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### MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 27 FEBRUARY 2013 AT THE LONGLEAT ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

#### **Present:**

Cllr Tony Deane (Chairman), Cllr Brian Ford, Cllr Charles Howard (Vice Chairman), Mr Tim Jackson (Associate Member), Cllr Des Moffatt, Cllr Mark Packard, Mr Mike Pankiewicz, Cllr Sheila Parker and Cllr Fleur de Rhé-Philippe

#### **Also Present:**

Cllr John Brady, Mr Jim Edney and Cllr Bill Moss

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#### 1 **Membership**

There were no changes of Membership of the Committee to report.

#### 2 **Attendance of Non-Members of the Committee**

Councillor Bill Moss.

#### 3 **Apologies for Absence**

Apologies were received from Mrs Lynda Croft.

#### 4 **Minutes of the Previous Meeting**

The minutes of the meeting held on 06 December 2013 were presented.

It was,

#### **Resolved:**

**To approve as a true and correct record and sign the minutes.**

#### 5 **Chairman's Announcements**

Through the Chair it was announced that the Internal Audit Plan was being taken through the Audit Committee, and would be appearing in June.

#### 6 **Declarations of Interest**

There were no interests declared.

7 **Public Participation and Councillors' Questions**

The Committee noted the rules on public participation.

There were no questions or statements submitted.

8 **Treasury Management Strategy**

The Fund Investment and Accounting Manager presented a report on the Annual Treasury Management Strategy, highlighting the considerations as detailed in the report. Attention was drawn to the reduction in the counterparty limit from £8 million to £6 million.

It was,

**Resolved:**

**To approve the Treasury Management Strategy.**

9 **Pension Fund Risk Register**

The Head of Pensions presented a report on the update to the Pension Fund Risk Register, as requested by the Committee for every quarter.

It was noted that there had been no significant changes in risks since the last report in December 2012, and details of ongoing measures were provided, along with compliments to the Pensions team for their progress.

It was,

**Resolved:**

**To note the Risk Register and the measures being taken to mitigate the current medium risks.**

10 **Officer Training Update**

A report from the Fund's Technical and Compliance Manager on staff training was presented, as requested by the Committee in December 2012. Details on qualifications for specific posts were provided, and it was noted that there was a focus on improving qualifications continuously for staff, with the Technical and Compliance Manager to monitor and stimulate this.

The Committee discussed the report, and in response to queries it was clarified that all levels of the team needed sufficient knowledge to understand the technical nature of their roles. The sufficiency of levels of expertise and knowledge in relation to investments was raised and the Head of Pensions

confirmed officers had the requisite skills necessary for their roles which enabled them to challenge and debate with external advisers before making recommendations. Wiltshire would also look to the south west funds to collaborate in future training developments to share costs and expertise.

The budget for the development and training was raised, and requested to be reported back to the Committee on a quarterly basis to determine if it was reasonable or sufficient to meet the needs of the team.

After discussion, it was,

**Resolved:**

**To note the report and the on-going activities in relation to officers' training with a further update to be provided on the use of this budget.**

11 **Wiltshire Pension Fund Administration 2012-13 Budget Monitoring**

The Fund Investment & Accounting Manager presented a short report on the administration budget for the Fund for 2012/13, as detailed in the agenda pack. It was noted that Investment Manager Fees were expected to be lower than budgeted due to the recent changes to mandates and performance fees not being triggered. Attention was drawn to the under spend on Investment Consultancy, although this budget would now be used in the next financial year and was reflected in the 2013/14 budget.

It was,

**Resolved:**

**To note the report.**

12 **Date of Next Meeting**

The date of the next meeting was confirmed as **04 June 2013** at the **Council Chamber, Monkton Park, Chippenham.**

13 **Urgent Items**

There were no urgent items.

14 **Exclusion of the Public**

**Resolved:**

**It was agreed that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the**

**business specified in Item Numbers 15 – 19 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

15 **Wiltshire Pension Fund Administration Budget 2013-16**

The Head of Pensions presented a confidential report on the Wiltshire Pension Fund Administration Budget for 2013/14.

The Committee discussed the details in the report, and asked questions of officers regarding specific costs. It was noted that the Committee should look again at reviewing its investment costs.

At the conclusion of debate, it was,

**Resolved:**

**That the Committee:**

- a. Approve the Pension Fund Administration Budget for 2013/14 as shown in Appendix 1 to the report, totalling £7.992 million.**
- b. Note the indicative budget allocations for 2014/15 and 2015/16.**

16 **Investments Quarterly Progress Report**

The Fund Investment and Accounting Manager presented the Investments Quarterly Progress Report, highlighting the performance against the benchmark for various mandates of the fund, along with a confidential report from the advisers to the Fund, Mercers.

The Committee discussed the reports and discussed potential options for future investments and strategies.

It was,

**Resolved:**

**To note the updates and thank Mercers for their report.**

17 **Investment Review Update**

Anwen Evans (Investment Adviser – Mercers) presented a confidential report outlining potential options for review of the investment strategy.

Following the report and debate from the Committee, it was decided to defer a decision until the following two Minute items, the receipt of reports and presentations from Edinburgh Partners and Fauchier Partners, had been concluded.

18 **Edinburgh Partners: Formal Review**

Mr Ken Fraser and Mr Robin Weir from Edinburgh Partners gave a presentation on the past and predicted future progress of their mandate of the Pension Fund, and took questions from the Committee.

**Resolved:**

**To thank the representatives from Edinburgh Partners for their presentation.**

19 **Fauchier Partners: Annual Review**

Mr Clark Fenton and Mr Peter Vincents from Fauchier Partners gave a presentation and report on the Annual Review of their mandate of the Pension Fund, and took questions from the Committee.

**Resolved:**

**To thank the representatives from Fauchier Partners for their presentation.**

20 **Investment Review Update (Continued)**

Following the receipt of the reports and presentations from Edinburgh Partners and Fauchier Partners, the Committee discussed options for Investment Strategies and issues raised from their questions to the two presentations.

At the conclusion of debate, it was,

**Resolved:**

- a) **to terminate the Edinburgh Partner mandate (7.5% of the Fund's assets) and place these assets in the Fundamental Indexation mandate (with L&G);**
- b) **to agree a strategic allocation of 10% to an Emerging Market Equity/Debt product for the funds placed temporarily with Legal & General (Passive Global Equities) and for officers to commence the appropriate procurement process to enable a suitable manager to be appointed by the Committee;**

- c) to terminate the Fauchier Partners mandate (5% of the Fund's assets) and place these assets temporarily with Legal & General (Passive Global Equities) mandate; and**
- d) to revisit the concept of opportunistic investing previously discussed at the July 2012 Committee meeting with a view to taking a decision at the next Committee meeting as to whether to make a strategic allocation and the basis for its operation.**

(Duration of meeting: 10.40 am - 1.50 pm)

The Officer who has produced these minutes is Kieran Elliott, of Democratic Services, direct line 01225 718504, e-mail [kieran.elliott@wiltshire.gov.uk](mailto:kieran.elliott@wiltshire.gov.uk)

Press enquiries to Communications, direct line (01225) 713114/713115