



WILTSHIRE PENSION FUND COMMITTEE

MINUTES of a MEETING of the WILTSHIRE PENSION FUND COMMITTEE
held at COUNTY HALL, TROWBRIDGE on MONDAY 21 FEBRUARY 2005.

PRESENT:

Mr D Lay (Chairman), Mr BE Atfield, Mrs CR Coleman, Mr PCB Coleman,
Miss MF de Rhé-Philippe, Mr D Renard and Mr KC Wren.

Mr A Molland also attended the meeting.

Also in attendance:

Mr K Neale Independent Pensions Advisor

Representing Hymans Robertson

Mr G Henshilwood

Representing Baillie Gifford & Co.

Ms S Casely
Mr N Morecroft

Representing Capital International

Mr J Mant
Dr N Osborne

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1. **Mr D Lay** Mr KC Wren informed the Committee that this would be the last meeting that Mr Lay would be attending as he was not seeking re-election to the County Council at the forthcoming Council elections to be held in May. On behalf of the Committee, he paid tribute to the diligent and professional manner in which Mr Lay had conducted the meetings and wished him a long and happy retirement.
 2. **Apologies** Apologies for absence were received from Mr D Green and Mr DC Phelps.

3. **Minutes of Previous Meeting**

Resolved: To confirm and sign the minutes of the Committee meeting held on 22 November 2004.

4. **Actuarial Valuation 2004** The Committee considered a report by the County Treasurer which outlined the final position in relation to the 2004 Actuarial Valuation. It was noted with pleasure that the Funding Level of 75% now placed the Wiltshire Fund in the upper half of County Funds.

Resolved:

- (1) *To note the Employer Contribution Rates on which the Actuary would finalise and sign the 2004 Actuarial Valuation, as set out in the appendix to the report.*
- (2) *To note that the Admitted Bodies Pool may be dismantled, subject to the outcome of further analysis and agreement being reached with the employers in the Pool.*

5. **Wiltshire Pension Fund Funding Strategy Statement** On considering a report by the County Treasurer,

Resolved: To approve the draft Wiltshire Pension Fund Funding Strategy Statement, as set out in the appendix to the report.

6. **Application for Admission of Employer Bodies** On considering a report by the County Treasurer,

Resolved: To approve the admission of Swindon Dance Company and Cottage and Rural Enterprises (CARE) Ltd to the Wiltshire Pension Fund, subject to the County Treasurer and the Solicitor to the Council being satisfied that all required conditions were met and that admission agreements could be settled.

7. **Consultation on the Future of the Local Government Pension Scheme** Consideration was given to a report by the County Treasurer which contained an update on the regulatory changes to be introduced from 31 March 2005, together with the County Treasurer's proposed response to the Employers' Organisation (EO)/Local Government Pensions Committee (LGPC) questionnaire.

Resolved:

- (1) *To delegate authority to the County Treasurer to respond to the EO/LGPC questionnaire, having heard the views of this Committee and having held further discussions with other employer bodies in the Fund, the Fund's Actuary, other Administering Authorities and the Society of County Treasurers.*

- (2) *To request the County Treasurer to send a copy of his response to members of this Committee for information.*

8. **Date of Next Meeting**

Resolved: *To note that the next regular meeting of the Committee, scheduled to be held on Monday 23 May 2005 at 10.30am was likely to take the form of a training session.*

9. **Exclusion of the Public**

Resolved: *In accordance with Section 100A(4) of the Local Government Act 1972, to exclude the public from the meeting for the business specified in Minute Nos. 10 to 16 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 7, 8 and 9 of Part I of Schedule 12A to the Act.*

10. **Wiltshire Pension Fund Administration Budget 2005 – 06** On considering a confidential report by the County Treasurer,

Resolved:

- (1) *To approve the Pension Fund Administration Budget for 2005 – 06, as shown in appendix 1 to the report, totalling £3.023 million.*
- (2) *To note the changes made to the 2004 – 05 budget, set out in appendix 1 to the report, which now totalled £2.622 million.*

11. **Update on Investment Management Issues** On considering a confidential report by the County Treasurer, which updated the Committee on work that had been carried out in relation to investment transaction costs and the reporting of investment risk.

Resolved: *To note the contents of the County Treasurer's report.*

12. **Quarterly Progress Report** Consideration was given to a confidential report by Northern Trust on investment activity and performance of the Fund for the quarter ended 31 December, 2004.

Resolved: *To note the contents of the report.*

13. **Annual Investment Report for 2004** Consideration was given to a confidential report by Hymans Robertson on investment activity and performance during 2004.

Resolved: *To note the contents of the report.*

14. **Investment Strategy & Management Arrangements** On considering a confidential report by the County Treasurer,

Resolved:

- (1) *To approve the following investment changes in principle:*
 - *for Baillie Gifford, the transfer of 20% of their existing overseas allocation (5% of the Fund's value) to their Long Term Global Growth Fund.*
 - *for Capital International, the transfer of 20% of their existing funds (5% of the Fund's value) to their Absolute Income Grower product, to be taken equally from the current UK and overseas allocations.*
 - *the reapportionment of the Fund's strategic equity allocation to 50% UK and 50% overseas by an adjustment to both Baillie Gifford's and Capital International's remaining traditional equity mandates (to 80/20 and 30/70 respectively).*
 - *for Western Asset Management, to adjust the mandate to allow them to invest in Emerging Market Debt and High Yield Bonds up to a limit of 20%, but without a change to the strategic benchmark.*
- (2) *To transfer 25% of Northern Trust Global's existing allocation (5% of the Fund) to Capital International's Absolute Income Grower.*
- (3) *To ask the County Treasurer to finalise negotiations with the relevant managers and establish the arrangements, subject to the agreement of acceptable fee levels.*
- (4) *To note that a report will be brought to a future meeting of this Committee on alternative investment classes.*

15. **Report by Baillie Gifford & Co** The Committee considered a report by Baillie Gifford & Co which outlined action taken to date and policy for the next period, as well as explaining the Global Growth Fund product (see minute 14).

Mr N Morecroft and Ms S Casely answered questions concerning the report.

Resolved: *To note the information contained in the report and the investment policy proposals as detailed by Baillie Gifford & Co.*

16. **Report by Capital International** The Committee considered a report by Capital International which outlined action taken to date and policy for the next period, as well as explaining the Absolute Income Grower product (see minute 14).

Dr N Osborne and Mr J Mant answered questions concerning the report.

Resolved: *To note the information contained in the report and the investment policy proposals as detailed by Capital International.*

17. **Chairman's Closing Remarks** The Chairman expressed his thanks and appreciation to the officers and advisors for all their sound professional advice and assistance during his period as Chairman of this Committee. He also extended his thanks to all members of the Committee for their support and wished the Committee every success in its future endeavours.

(Duration of meeting: 10.00am – 13.40pm)

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