

PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 3 June 2011 commencing at 10.15 am and finishing at 1.00 pm.

Present:

Voting Members: Councillor David Harvey – in the Chair

Councillor Alan Armitage (In place of Councillor Jean Fooks)

Councillor Bill Service (Deputy Chairman)

Councillor Roy Darke

Councillor Stewart Lilly

Councillor Don Seale

Councillor C.H. Shouler

District Council Representatives: District Councillor Richard Langridge
District Councillor Jerry Patterson

Independent Financial Adviser Mr P. Davies

By Invitation: Mr N. Browning - Beneficiaries Observer (in place of Mr A. Cobb)

Officers:

Whole of meeting Mr S. Collins (Oxfordshire Customer Services); Mrs D. Ross (Corporate Finance); Mrs S. Fox (Shared Services); Ms J. Dean.

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with a schedule of addenda tabled at the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and schedule, copies of which are attached to the signed Minutes.

18/11 APPOINTMENT OF CHAIRMAN AND DEPUTY CHAIRMAN FOR THE ENSUING YEAR

(Agenda No. 1)

Councillor David Harvey was elected Chairman and Councillor Bill Service, Deputy Chairman, for the ensuing year.

19/11 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 2)

Councillor Alan Armitage attended in place of Councillor Jean Fooks.

20/11 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda No. 3)

Councillors Armitage, Darke, Harvey, Lilly, Patterson (co-opted member) and Service declared personal interests as members of the Pension Fund Scheme under the provisions of Section 18 of the Local Government & Housing Act 1989.

21/11 MINUTES

(Agenda No. 4)

The Minutes of the meeting of the Committee held on 18 March were approved and signed as a correct record subject to Councillor John Tanner's name being erased from Minute 1/11.

22/11 OVERVIEW OF PAST AND CURRENT INVESTMENT POSITION

(Agenda No. 6)

The Committee was advised that Tables 1 to 10 had been compiled from the custodian's records. The custodian was the Pension Fund's prime record keeper. He had accrued for dividends and recoverable overseas tax within his valuation figures and might also have used different exchange rates and pricing sources compared with the fund managers. The custodian had also treated dividend scrip issues as purchases which the fund managers might not have done. This might mean that there were minor differences between the tabled figures and those supplied by the managers.

Mr Davies reported that the current valuation of the Pension Fund was slightly above the end of March value. The allocation to Bonds yields had fallen to 0.7% below the benchmark with alternative assets 3.4% below the benchmark allocation, balanced by 2.3% in cash and an overweight in equities of 1.8%. In performance terms, the fund had beaten its benchmark by 0.8% in the first quarter and by 0.6% for the year.

RESOLVED: to note the comments of the Independent Financial Adviser and to receive the tables and graphs and that the information contained in them be borne in mind insofar as they related to Items 9, 10 and 11 in the Agenda.

23/11 EXEMPT ITEMS

(Agenda No. 7)

It was **RESOLVED** that the public be excluded for the duration of items 8, 9,10,11 and 12 in the Agenda since it was likely that if they were present during those items there would be disclosure of exempt information as defined in Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it was considered that, in all circumstances of each case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

24/11 OVERVIEW AND OUTLOOK FOR INVESTMENT MARKETS

(Agenda No. 8)

The Committee considered a report (PF8) which set out an overview of the current and future investment scheme and market developments across various regions and sectors. Members asked questions and the Independent Financial Adviser responded to them.

It should be noted that since the meeting, the Financial Adviser had corrected 'Algeria' to 'Tunisia' in line 3, paragraph 4 of his report.

It was **RESOLVED** to receive the report, tables and graphs, to receive the oral report of the Independent Financial Adviser and to bear these comments in mind when considering the reports of the Fund Managers.

25/11 LEGAL & GENERAL

(Agenda No. 9)

The representatives (Mr D.Blass and Mr J.Cloke) reported and reviewed the present investments of their part of the Fund and their strategy against the background of the current investment scene for the period which ended on 31 March 2011. The representatives responded to members' questions.

It was **RESOLVED** to note the main issues arising from the reports.

26/11 UBS

(Agenda No. 10)

The representatives (Mr. S. Lee, Mr T. Bell, Mr A. Sander and Mr. D. Rowe) reported and reviewed the present investments of their part of the Fund and their strategy against the background of the current investment scene for the period which ended on 31 March 2011. The representatives responded to Members' questions.

It was **RESOLVED** to note the main issues arising from the reports.

27/11 REPORT OF MAIN ISSUES ARISING FROM REPORTS OF THE FUND MANAGERS NOT REPRESENTED AT THIS MEETING

(Agenda No. 11)

The Independent Financial Adviser reported that Baillie Gifford had performed very well.

The Committee **RESOLVED** to note the Independent Financial Manager's oral report.

28/11 SUMMARY BY THE INDEPENDENT FINANCIAL ADVISER

(Agenda No. 12)

It was **RESOLVED** to note the Independent Financial Manager's oral report and that the interview process for the appointment of the new Global Equities Manager be managed by Mr Collins, in consultation with the Chairman.

READMITTANCE OF THE PRESS AND PUBLIC

29/11 CONSULTATION ON THE FAIR DEAL POLICY

(Agenda No. 13)

The Committee considered a report (PF13) which identified the key issues arising from HM Treasury's consultation document on the future of the Fair Deal Policy and which set out a draft response to Government for agreement by this Committee.

The Committee **APPROVED** the draft response, as set out at Annex 1, for submission to HM Treasury by the 15 June 2011 deadline.

30/11 RE-BRANDING OF THE PENSION FUND

(Agenda No. 14)

The Committee had before them a report (PF14) which gave details of the project to re-brand the Oxfordshire Pension Fund and which sought Member approval for the way forward.

The Committee **RESOLVED** to request the officer to revisit the possibility of re-branding the Fund at a lower cost on an internal basis and to report the outcomes back to a future meeting.

31/11 GUARANTEED MINIMUM PENSIONS

(Agenda No. 15)

The Committee considered a report (PF15) which set down the issues relating to the over payment of pensions arising from incorrect information held by Pension Services concerning guaranteed minimum pensions and which sought Member approval to the way forward.

Also before the Committee was ANNEX 1 and 2 to report PF15.

The Committee **RESOLVED** not to recover the over payments from the pensioners and to request the officer to inform them accordingly.

32/11 ANNUAL REVIEW OF COMMUNICATIONS POLICY

(Agenda No. 16)

As required under its provisions, the Communications Policy was before the Committee for its annual review (PF16). Copies of the Communication Policy Statement and the Policy itself were attached at PF16 Annexes 1 and 2.

The Committee **RESOLVED** that there should be no change to the current policy.

33/11 WRITE OFF'S

(Agenda No. 17)

The Committee had before them a report (PF17) which informed the Committee of the amounts approved for write off under the Fund's Scheme of Financial Delegation.

The Committee noted the report.

34/11 CORPORATE GOVERNANCE AND SOCIALLY RESPONSIBLE INVESTMENT
(Agenda No. 18)

The Committee noted that there was nothing further to report on this item.

..... in the Chair

Date of signing