

**PRESENT: COUNCILLOR C FARRAR (CHAIRMAN)**

Councillors: C J T H Brewis, E R Chapman, D R Dickinson, Mrs C M H Farquharson, N I Jackson, P S Przyszlak, J M Swanson, Mrs P F Watson, R Wooten and B Young

Added Members: Councillor M Leaning (District Councils), Councillor R Lenton (District Councils) and Mr J Sharman (Employees)

Apologies for absence were received from Councillors R J Phillips, E W Strengiel, A H Turner MBE and Mr M J Scott (Association of Drainage Authorities)

Officers:- Directorate of Resources and Community Safety - Jo Ray (Financial Adviser (Pensions and Investments)), Nick Rouse (Assistant Investment Manager); Chief Executive's Office – Catherine Wilman (Democratic Services Officer)

**37. DECLARATIONS OF MEMBERS' INTEREST**

Councillor Mrs C M H Farquharson declared a personal interest as a contributing member of the Pension Fund in her capacity as a member for Lincolnshire County Council;

District Councillor M Leaning declared a personal interest as a contributing member of the Pension Fund in his capacity as a member of West Lindsey District Council;

Councillor P S Przyszlak declared a personal interest as a contributing member of the Pension Fund in his capacity as a member for South Holland District Council;

Councillor P S Przyszlak declared a personal interest as a member of the South Holland Internal Drainage board;

Councillor P S Przyszlak declared a personal interest as a director of Compass Point Business Services East Coast Ltd;

Councillor P S Przyszlak declared a personal interest as his daughter was a contributing member of the Pension Fund;

Councillor P S Przyszlak declared a personal interest as his daughter was a member of the Lincolnshire Police Authority;

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Councillor Mrs P F Watson declared a personal interest as a contributing member of the Pension Fund in her capacity as a member of East Lindsey District and County Councils.

**38. MINUTES**

**RESOLVED**

That the minutes of the previous meetings held on 13 January 2011 be agreed as a correct record and signed by the Chairman.

**39. PENSION FUND UPDATE REPORT**

Jo Ray presented a report on the current issues and overall Fund performance over the period from 1 October to 31 December 2010.

Councillor N I Jackson reported to the Committee on issues discussed at the Local Authority Pension Fund Forum (LAPFF) and the following points were noted:

- A significant number of members had signed up to the Stewardship Code: 30 of the top companies had signed up. It was felt the Stewardship Code should be considered at a future meeting.
- Due to concerns regarding human rights issues, the Church of England Pensions Board had sold their shares in Vedanta Resources PLC. However, a mining expert had been invited onto the board of directors and substantial progress had been made in addressing the concerns of LAPFF.

**RESOLVED**

That the report be noted.

**40. INVESTMENT MANAGEMENT REPORT**

Jo Ray presented a report on the management of the Fund's assets over the period from 1 October to 31 December 2010.

**RESOLVED**

That the report be noted.

**41. MANAGER PRESENTATION – NEPTUNE INVESTMENT MANAGEMENT – GLOBAL EQUITY PORTFOLIO**

Jo Ray presented a report, and the Committee received a presentation, from Neptune Investment Management who ran one of the three active Global

Equity portfolios for the Fund. This was their first presentation to the Committee since their appointment in April 2010.

RESOLVED

That the report and presentation be noted.

42. MANAGER PRESENTATION – SCHRODER INVESTMENT MANAGEMENT – GLOBAL EQUITY PORTFOLIO

Jo Ray presented a report, and the Committee received a presentation, from Schroder Investment Management who ran one of the three active Global Equity portfolios for the Fund. This was their first presentation to the Committee since their appointment in April 2010.

RESOLVED

That the report and presentation be noted.

43. INDEPENDENT PUBLIC SERVICE PENSIONS COMMISSION – FINAL REPORT

Jo Ray presented a report which summarised 27 recommendations from the Independent Public Service Pensions Commission let by Lord Hutton and explained how they would potentially impact the Local Government Pension Scheme and the Lincolnshire Pension Fund.

The Committee went through each recommendation and the following points were noted:

- **Recommendation 3** – Jo Ray reported that “adequate levels of income” had not been defined. It was the government’s responsibility to decide how much “adequate” would be;
- **Recommendation 5** – It was noted that all Fund members should move to the new scheme;
- **Recommendation 9** – Employers would be encouraged to monitor the opt-out levels;
- **Recommendation 10** – The Local Government Pension Scheme (LGPS) already offered flexible retirement;
- **Recommendation 21** – It was felt the task of comparing fund data covering all LGPS funds on a like-for-like basis would be difficult.

It was reported that the Government would consider the recommendations with a consultation expected in Autumn 2011.

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RESOLVED

That the report be noted.

**44. ANNUAL TRAINING PLAN**

Jo Ray presented a report which set out the training plan for the Pension Committee members for the meetings from April 2011 to April 2012.

The training plan had been formed around the CIPFA Knowledge and Skills Framework. Training would take place through normal Committee attendance and additional training would be provided to cover other areas.

It was suggested the afternoon following meetings of the Pensions Committee could be used for training sessions.

The collective knowledge of the Pensions Committee was important and it was suggested a 'tick box' exercise could be completed at the end of each session to measure understanding of the subject.

RESOLVED

That the training plan for the coming year be supported.

**45. LINCOLNSHIRE COUNTY COUNCIL PENSION FUND – FUNDING STRATEGY STATEMENT**

Jo Ray presented a report which contained the Funding Strategy Statement to the Committee for approval.

The Funding Strategy Statement had been sent to all employers in the Fund for consultation prior to this meeting of the Committee.

RESOLVED

That the Funding Strategy Statement be approved.

The meeting closed at 12.55pm