

**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, J R Marriott, P S Przyszlak, E W Strengiel, J M Swanson, A H Turner MBE, Mrs P F Watson and R Wootten.

Added Members: District Councillor M Leaning (District Councils) and Mr M J Scott (Association of Drainage Authorities).

Apologies for absence: Councillors R J Phillips and B Young.

1. DECLARATIONS OF MEMBERS' INTERESTS

Councillor P S Przyszlak declared a personal interest as a member of South Holland District Internal Drainage Board, Lincolnshire Police Authority, a Director of Compass Point (East Coast Ltd), as contributing member of the Pension Fund in his capacity as a member of South Holland District Council and his daughter was also a contributing member of the Pension Fund.

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

Councillor J R Marriott declared a personal interest as his wife received a pension from the Pension Fund.

District Councillor M Leaning declared a personal interest as he received a pension from the Pension Fund.

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.

2. MINUTES

RESOLVED

That the minutes of the previous meeting held on 15 April 2010 be agreed as a correct record and signed by the Chairman.

3. INVESTMENT ADVISOR'S REPORT

Mr Neil Dunford, Pension Fund's Independent Advisor, presented a report on the current state of global investment markets.

RESOLVED

That the report be noted.

4. INVESTMENT MANAGEMENT REPORT

Jo Ray, Financial Advisor (Pensions and Investments), presented a report on the management of the Pension Fund assets over the period from 1 January to 31 March 2010 and an update of other current issues.

Councillor N I Jackson, the Committee's representative on the Local Authority Pension Fund Forum, reported on issues raised at the recent meeting of the Forum including, amongst others, that the Forum had been accepted as a special advisor on the Local Government Association.

RESOLVED

- (1) That the report be noted.
- (2) That the decision on the appointment of a Custodian be delegated to officers, in consultation with the Chairman, Vice-Chairman and the Pension Fund's Independent Advisor.
- (3) That the revised reporting tolerances around the strategic benchmark be agreed.
- (4) That approval be given to increase the limit on Pension Fund money invested in money market funds from £80m to £140m and to be managed in line with the Treasury Management Strategy.

5. PENSIONS ADMINISTRATION REPORT

Dave Vickers, Pensions Fund Manager, presented a report on the annual communication plan prepared by Mouchel Pensions Administration Service and outlined the current issues for administration of the Pension Fund.

Dave Vickers responded to comments from the Committee stating that Lord Hutton's report in connection with public sector pensions was expected in the Autumn 2010 and its outcome would be reported to the Committee, explained why Councillors were not in the new local government scheme and added that approximately 65-70% of employees participated in the Pension Fund.

RESOLVED

That the report be noted and that when the outcome of Lord Hutton's report into public sector pensions was known it be reported to the Committee.

6. EQUITY VOTING TEMPLATE REVIEW REPORT

Jo Ray, Financial Advisor (Pensions and Investments), presented a report on the voting template amendments suggested by Manifest, the Pension Fund's voting agent, to align voting across all countries and to limit the cross-resolution impact of the current template.

RESOLVED

That the changes to the Equity Voting template be approved.

**7. HYMANS ROBERTSON TRAINING NEEDS ASSESSMENT REPORT**

Jo Ray, Financial Advisor (Pensions and Investments), presented a report on the training needs assessment documentation produced by Hymans Robertson. This was the first stage in complying with the Knowledge and Skills Framework introduced by CIPFA in January 2010.

A training needs analysis document was circulated at the meeting and although there was no compulsion to complete the questionnaire it would provide useful information to help officers assess Members' training needs. Members were asked to complete the questionnaire by the end of September 2010 and were informed that an on-line knowledge centre would be available soon.

RESOLVED

That Members complete the training needs assessment questionnaire and return it by the end of September 2010 and that officers provide details of the outcome to the Committee.

**8. ANNUAL REPORT ON THE FUND'S PROPERTY INVESTMENTS**

Jo Ray, Financial Advisor (Pensions and Investments), presented a report on the performance of the Fund's property and related investments for the year ended 31 March 2010.

RESOLVED

- (1) That the report be noted.
- (2) That representatives from Rreef be invited to present to the next meeting.

**9. INHOUSE PORTFOLIOS ANNUAL REPORT**

Jo Ray, Financial Advisor (Pensions and Investments), presented the annual report for the year ended 31 March 2010 covering the performance of the two index-tracking portfolios managed inhouse of UK equity and the index-linked gilts portfolios.

RESOLVED

That the report be noted.

**10. WM PERFORMANCE MEASUREMENT ANNUAL REPORT**

Jo Ray, Financial Advisor (Pensions and Investments), presented a report in connection with the Pension Fund's investment performance over various time periods ending 31 March 2010.

The Committee noted that the information provided details of benchmarking with other local authorities and that the active manager appointment decisions made by the Committee had not been particularly successful.

**4**  
**PENSIONS COMMITTEE**  
**15 JULY 2010**

RESOLVED

That the report be noted.

The meeting closed at 12:50 pm.