

PENSIONS INVESTMENT SUB-COMMITTEE

Minutes of the meeting held on 11 November 2010

Present:

Councillors Eric Bosshard, Julian Grainger,
Russell Jackson, Paul Lynch (Vice-Chair, in the Chair),
Russell Mellor and Stephen Wells

Also Present:

16 APOLOGIES FOR ABSENCE AND NOTIFICATION OF ALTERNATE MEMBERS

Apologies for absence were received from Councillor Nicholas Bennett.

17 DECLARATIONS OF INTEREST

Councillors Paul Lynch, Eric Bosshard, Julian Grainger, Russell Mellor and Stephen Wells declared Personal Interests as Members of the Bromley Local Government Pension Scheme. Councillor Stephen Wells declared a Personal Interest as an employee of Shell.

18 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 8TH SEPTEMBER 2010, EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

The minutes were agreed.

19 MATTERS OUTSTANDING FROM PREVIOUS MEETING

The issue highlighted - Aegon Pilot Outturn – was covered at Item 8 of the agenda.

In respect of Minute 15 – Investment in Property – Councillor Grainger reported that he would like to see this issue reported as a matter outstanding. The Director of Resources agreed that Officers would review this issue and present further information to a future meeting of the Pensions Investment Sub Committee.

20 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

There were no questions.

21 PENSION FUND PERFORMANCE

The Committee received information on the investment performance of Bromley's Pension Fund for the first two quarters of the financial year 2010/2011. Information was also provided on the general financial and membership trends of the fund along with summarised information on early retirement.

A Member noted that the fund currently held assets of around £450m and asked what was the current solvency level of the fund. The Director of Resources reported that a funding level of 84% (up from 81% at the last full valuation in 2007) was estimated as at 31st March 2010, although this figure had not been confirmed. In response to a question from another Member, the Director of Resources confirmed that the Pension Fund was performing at the top end when compared to other funds of a similar size. The Fund had posted very good returns in recent years and this would enable the Fund's solvency level to be preserved.

A Member considered it would be helpful for the Sub-Committee to have reference to stock indices on the Pension Fund Market Value table on page 18 of the report as this would provide an indication of the performance of the stock market over the same period of time. Councillor Grainger also suggested that it would be helpful to have a 5 or 10 year equity chart as this would provide a watching brief to the Sub-Committee.

The Chairman asked whether any thought had been given to making the fund more conservative as it neared 100%. The Director of Resources acknowledged that it was an appropriate time to review this issue but noted that, in 2006, the Sub-Committee had taken the decision to develop a more aggressive strategy. A Member highlighted that the Pension funds of adjoining Local Authorities had at one point been at 100% but had fallen to around 60% when the stock market fell and, as Trustees of the Fund, the Sub-Committee had a duty to be cautious.

RESOLVED that the report be noted.

22 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND FREEDOM OF INFORMATION ACT 2000

RESOLVED that the Press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

23 CONFIRMATION OF EXEMPT MINUTES - 8TH SEPTEMBER 2010

The Party 2 Minutes were agreed.

24 PENSION FUND - INVESTMENT REPORT

Quarterly performance reports from Fidelity and Baillie Gifford had been circulated to Sub-Committee Members prior to the meeting. The reports were noted and representatives from Baillie Gifford attended the meeting to present the Baillie Gifford six month review and answer questions from Members.

The Meeting ended at 9.05 pm

Chairman