

ITEM NO: 3(b)

GREATER MANCHESTER PENSION FUND MANAGEMENT PANEL

4 March 2011

Commenced: 10.00am

Terminated: 12.25pm

Present: Councillor K Quinn (Chair)

Councillors: Baldwin (Wigan), Buckley, Cooney, Doubleday, J Fitzpatrick, P Harrison, W Harrison, J Lane, Middleton, Mitchell (Trafford), Pantall (Stockport), Pennington (Salford), Ricci, J Smith (Manchester), M Smith, Sullivan, Sweeton, Taylor, White (Bolton)

Apologies for Councillor Ambler absence:

70. DECLARATIONS OF INTEREST

There were no declarations of interest.

71. CHAIR'S OPENING REMARKS

The Chair welcomed everyone to the meeting and introduced a new Member, Councillor Lambert representing Rochdale Council, who had replaced Councillor Gartside.

It was agreed that Councillor Lambert also replace Councillor Gartside on the Information Services and Alternative Investments Working Groups.

72. MINUTES

The Minutes of the proceedings of the meeting of the Pension Fund Advisory Panel held on 3 December 2010 were signed as a correct record.

The Minutes of the proceedings of the meeting of the Pension Fund Management Panel held on 3 December 2010 were signed as a correct record.

73. LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

(a) Urgent Items

- (i) The Executive Director of Pensions updated the Panel with regard to progress on Elisabeth House, 1 St Peter's Square, Manchester. He informed Members that the partner in this venture, Argent, had recently made a request to review the funding arrangements of the project.

The Executive Director of Pensions suggested that this be the subject of an Urgent Matters Panel, should a decision be required prior to the next meeting of the Panel on 1 July 2011.

RESOLVED

That funding arrangements for the above project be the subject of an Urgent Matters Panel, should a decision be required prior to the next meeting of the Panel.

- (ii) The Executive Director of Pensions also made reference to a report submitted to the last meeting of the Panel with regard to Pension Office accommodation (Meeting of 3 December 2010, Minute 63 refers) and informed Members that the options available were currently being evaluated and that should a decision with regard to this matter be required prior to the next meeting of the Panel, that this be the subject of an Urgent Matters Panel meeting.

RESOLVED

That Pension Office accommodation be the subject of an Urgent Matters Panel, should a decision be required prior to the next meeting of the Panel.

(b) Exempt Items

RESOLVED

That under Section 100 (A) of the Local Government Act 1972 the public be excluded for the following items of business on the grounds that:

- (i) **they involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the act specified below; and**
- (ii) **in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information for reasons specified below:**

<u>Items</u>	<u>Paragraphs</u>	<u>Justification</u>
8, 10, 13, 14	3&10, 3&10, 3&10, 1&10	Disclosure would or would be likely to prejudice the commercial interests of the Fund and/or its agents, which could in turn affect the interests of the beneficiaries and/or tax payers.

74. INFORMATION SERVICES WORKING GROUP

The Minutes of the proceedings of the Information Services Working Group held on 21 January 2011, were considered.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

75. ETHICS AND AUDIT WORKING GROUP

The Minutes of the proceedings of the Ethics and Audit Working Group held on 21 January 2011 were considered.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

76. ALTERNATIVE INVESTMENTS WORKING GROUP

The Minutes of the proceedings of the Alternative Investments Working Group held on 28 January 2011 were considered.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

77. PROPERTY WORKING GROUP

The Minutes of the proceedings of the Alternative Investments Working Group held on 29 October 2010 were considered.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

78. FUNDING STRATEGY STATEMENT

Further to Reports of the Executive Director of Pensions to the July 2010 meeting of the Ethics and Audit Working Group and the December 2010 meeting of the Panel regarding the review of the Funding Strategy Statement, the Head of Pension Fund Investments explained that the Funding Strategy Statement was a document required by regulation, the key purpose of which was to ensure the Fund's stability and solvency. A copy of the final draft of the Statement could be viewed at www.gmpf.org.uk/pdf/FSS_consultation_ver_12.pdf. A variety of tools set out within the Funding Strategy Statement, which enable the Fund to achieve this purpose, were outlined.

When reviewing the Funding Strategy Statement, the Fund had a duty to consult with interested parties, including employers, and this consultation period ran from August to September 2010. The Head of Pension Fund Investments commented on consultation responses received.

The Fund's Actuary had to have regard to the ongoing refinement of the Funding Strategy Statement as part of the fund valuation process.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

79. ACTUARIAL VALUATION

A report of the Executive Director was submitted and a presentation by Mr Bowie and Mr McKay of Hymans Robertson, Actuary to the Fund was delivered.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

80. CLG CONSULTATION OF HIGHER EMPLOYEE CONTRIBUTIONS PROPOSALS

The Executive Director of Pensions made reference to a letter sent by the Chair to the Chancellor of the Exchequer, expressing concerns regarding the above proposals. A copy of the letter was appended to the report.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

81. THE DRAFT LGPS (BENEFITS, MEMBERSHIP AND CONTRIBUTIONS) (AMENDMENTS) REGULATIONS 2011

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

82. BUSINESS PLAN

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

83. BOLTON AT HOME LIMITED - ADMISSION TO GREATER MANCHESTER PENSION FUND FOR NEW EMPLOYEES

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

84. REPORTS OF THE MANAGERS

Representatives of UBS Global Asset Management and Capital International attended before Members of the Panel to comment on their investment strategy and to answer questions raised by the Advisers and Members.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

85. GMPF ADMINISTRATION EXPENSES BUDGET 2011/2012

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

86. SUMMARY VALUATION OF THE PENSION FUND INVESTMENT PORTFOLIO AS AT 30 SEPTEMBER 2010 AND 31 DECEMBER 2010

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

87. UNDERWRITING, STOCKLENDING AND COMMISSION RECAPTURE

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

88. EXTERNAL MANAGERS PERFORMANCE

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

89. PROPERTY INVESTMENTS UNIT – QUARTERLY REPORT

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

90. PERFORMANCE STANDARDS IN THE PENSIONS OFFICE

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

91. LGPS COUNCILLORS PENSIONS

A report of the Executive Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

CHAIR