



Meeting **ADMINISTRATION COMMITTEE**

date **13 JULY 2009**

agenda item number **5(b)**

REPORT OF THE SERVICE DIRECTOR (FINANCE)

PENSIONS INVESTMENT SUB COMMITTEE MEETING ON 3RD SEPTEMBER 2009, LGC INVESTMENT SUMMIT AND PENSION FUND PROPERTY INSPECTION 2009

1. Purpose of the Report

1.1 To seek approval for the:-

- a) proposed travel and accommodation arrangements for the Pensions Investment Sub Committee meeting to be held in London on 3 September 2009 in accordance with the Pension Fund's Statement of Investment Principles
- b) attendance of three Members and one officer at the LGC Investment Summit being held on 10 – 11 September 2009 at Newport, South Wales.
- c) proposed travel and accommodation arrangements for the Pension Fund's Property Inspection on 23 and 24 September 2009.

2. Information and Advice

Pensions Investment Sub Committee 3 September 2009

- 2.1 The Pension Fund's Statement of Investment Principles specifies that the Investment Sub Committee should hold eight meetings a year, of which three should take place at the offices of the Fund Managers. At these meetings, the Fund Manager provides Investment training as well as hosting the meeting. On 3 September 2009 a Sub Committee meeting is scheduled to take place at Schroders Investment Management in London with training to be provided by Schroders specialist staff.

The estimated costs assuming a party of 18 Members and officers are:-

	£
Hotel accommodation – 1 night	2430
Travel costs – rail fare	<u>2500</u>
	<u>4930</u>

LGC Investment Summit, 10-11 September 2009, Newport

2.2 The Pensions Investment Sub Committee's training policy encourages Members to attend appropriate conferences to ensure that their investment knowledge is kept up to date in accordance with the Myners Principles. The Principles set out best practice in Pension Fund Management and state that Pension Fund trustees must have appropriate training to carry out their role effectively.

2.3 The LGC Investment Summit is an annual training event which provides a high quality overview of current issues affecting Local Authority Pension Funds. The Pensions Investment Sub Committee has included attendance at the Summit as part of the approved training activities for 2009/10. The Summit will cover a number of important issues including:-

- performance of equity markets and their suitability for continued investment
- the prospects for the 2010 Actuarial Valuations
- key lessons from the economic downturn and the future for pension funds
- diversification strategies and coping with volatile markets
- risk strategies and responsibility.

The estimated costs of the attendance of three Members and one officer are:-

	£
Registration fees and accommodation	4800
Travel expenses – by car	<u>300</u>
	<u>5100</u>

Pension Fund Property Inspection, 23 and 24 September 2009

2.4 The Pension Fund has a larger proportion of its assets invested in property than most pension funds and at the last valuation, the Fund's total investment in property assets amounted to approximately £300m, 15% of the total Fund's value. The bulk of the property portfolio is directly invested in UK property and managed by Aberdeen Property Investors. Each year, Aberdeen arranges a property inspection to better inform Members of the type and quality of property held by the Fund. The inspection accords with the Pensions Act 2004's requirement for trustees to maintain an appropriate level of knowledge and understanding of the investment of the Pension Fund's assets and

also complies with the Myners Principles which highlight the need for trustees to maintain an appropriate level of expertise on investment issues. In addition, the Property Inspection has been identified as part of the Trustees Training Programme for 2009/10.

- 2.5 For 2009, Aberdeen Property Investors are proposing an inspection of properties owned by the Fund in the North West and Manchester area on 23 and 24 September 2009. The estimated cost for 15 Members and officers is approximately £3000, made up of coach hire and accommodation costs.
- 2.6 The overall cost of the Pensions Investment Sub Committee meeting, the attendance at the LGC Conference and the Property Inspection will be met from the Pension Fund's budget for Trustee Activities and Training which is mandatory.

3. Statutory and Policy Implications

- 3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder, human rights and those using the relevant service. Where such implications are material, they have been described in the text of the report.

4. Recommendation

- 4.1 That in order to comply with the Pension Fund's Statement of Investment Principles and its training policy, as well as to meet the requirements of the Myners Principles, that approval be given to:-
 - a) the proposed travel and accommodation arrangements for the Pensions Investment Sub Committee meeting in London on 3 September 2009
 - b) the attendance of three Members and one officer at the LGC Investment Summit to be held in Newport on 10 – 11 September 2009
 - c) the proposed travel and accommodation arrangements for the Pension Fund Property Inspection 2009.

ALAN SUMBY
SERVICE DIRECTOR (FINANCE)

Legal Services Comments (KK 1.07.09)

The Administration Committee is responsible for approving expenditure to be incurred for Members' attendance at conferences and seminars including expenditure on travel, accommodation and associated costs. The proposals in this report, insofar as they relate to Members and are in accordance with

the Council's Travel and Accommodation Policy, are within the remit of this Committee. Officer approval is a departmental matter.

Background Papers Available for Inspection

Nil.

Electoral Divisions Affected

All