

WILTSHIRE PENSION FUND COMMITTEE

PART 1 MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 1 FEBRUARY 2016 AT KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Tony Deane (Chairman), Diane Hall, Cllr Charles Howard (Vice Chairman),
Cllr Mark Packard, Mike Pankiewicz, Cllr Sheila Parker, Cllr Roy While, Michael Hudson,
Joanne Holden and Jim Edney.

Also Present:

Cllr Gordon King, Cllr Bill Moss and Barry Reed

1 Membership

There were no changes to the membership of the Committee.

2 Attendance of non-members of the Committee

Barry Reed (Local Pension Board member) and substitute members of the
Committee, Cllr Bill Moss and Cllr Gordon King were in attendance.

3 Apologies for Absence

Apologies for absence were received from Linda Stuart, Cllr Steve Weisinger,
Cllr Steve Allsopp and Howard Pearce (Chairman of the Local Pension Board).

4 Declarations of Interest

There were no declarations of interest.

5 Chairman's Announcements

There were no Chairman's Announcements.

6 Public Participation and Councillors' Questions

There was no public participation.

7 **Investment Regulations Consultation**

A report proposed a response from the Wiltshire Pension Fund to the Government's consultation on the amendments to the Local Government Pension Scheme (LGPS) Investment Regulations for consideration by the Committee.

The Chairman thanked Catherine Dix, Strategic Pension Manager, for the detailed and thorough response she had prepared to the consultation. It was noted that the proposed new Investment Regulations would give the Secretary of State the power to intervene in Funds to ensure they were pooling their assets.

On Question 1 in the response letter the Committee requested that it be highlighted in the response that the Fund did not wish to see an increased cost incurred from increased use of consultants arising from the deregulation. On Question 2, the Chairman was concerned as to whether the 'Myners principles' would be known to the Government officers, however officers reassured that this terminology would be known to them and offered to include a hyperlink to this term in the response if appropriate.

The Committee discussed Question 3, on whether six months was the appropriate period for the transitional arrangements to remain in place, and was reassured by officers that this should be sufficient time since the Investment Strategy Statement would contain similar information to the Fund's existing Statement of Investment Principles.

Members agreed that Question 4 on derivatives was a very pertinent question and the Fund's advisors agreed that clarification was needed on whether hedge funds would be a permitted investment under the new Regulations. Officers agreed to make this question explicit in their response letter. On the matter of evidence required for Secretary of State intervention discussed in Question 5, the Committee considered that an adverse report from the Pension Fund should be included in the list. On discussion of Question 6 the Committee requested that it be stressed that a timescale be included in the Regulations for Authorities to review their Investment Strategy Statement or to provide evidence following consultation by the Secretary of State (SoS) and that Wiltshire recommended a timescale of 2 months. Questions were raised over Question 7 and whether SoS intervention would be in line with the Fund's investment strategy or whether the Fund could be instructed to update its investment strategy at the request of the SoS. It was agreed that the proposed response addressed the fact that it was unclear what form intervention would look like. Members considered Question 8 and the suggested response that clear guidance was vital and agreed priority should be given to immediately preparing best practice guidance.

The conclusion to the response letter was debated and members asked that an amendment be made to reflect that the Fund expected a response to its

feedback and answers to questions raised by 1 April 2016, as a delayed response could affect the July deadline for detailed submissions on pooling.

Resolved:

To agree the proposed consultation response subject to the following amendments:

- **That under Q1, it be highlighted that the Fund does not expect to incur additional costs arising from the increased use of consultants as a result of deregulation;**
- **That under Q4, the question be explicitly asked as to whether hedge funds would be a permitted investment;**
- **That under Q5, an adverse report from the Pension Fund be a used as evidence of failure requiring Secretary of State intervention;**
- **That under Q6, it be stressed that a timescale be included in the Regulations for Authorities to review their Investment Strategy Statement or to provide evidence following consultation by the Secretary of State and that Wiltshire recommends a timescale of 2 months;**
- **That the conclusion includes a statement indicating that the Fund expects a response to its feedback and answers to questions raised by 1 April 2016 as failure to respond by such a deadline could impact upon the July deadline for details on the Fund's proposed approach to pooling.**

8 Date of Next Meeting

The next ordinary meeting of the Committee was to be held on 10 March 2016.

9 Urgent Items

There were no urgent items.

10 Exclusion of the Public

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Number 11 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the Act and the

public interest in withholding the information outweighs the public interest in disclosing the information to the public.

11 **LGPS Investment Reform Criteria Consultation and Proposed Options for Pooling of Investment Assets**

A confidential report outlined the current options with regards to pooling of assets in the South West and proposed a draft response to the Government's consultation for Committee's consideration.

Resolved:

- a) to support the proposed submission to DCLG in response to the Government's LGPS Investment Reforms consultation as outlined in Appendix 1; and**
- b) to authorise the Chairman of the Pension Committee to sign the accompanying letter, as amended, on behalf of the Fund in support of the Project Brunel proposal.**

(Duration of meeting: 3.00 - 4.35 pm)

The Officer who has produced these minutes is Libby Beale, of Democratic Services, direct line 01225 718214, e-mail elizabeth.beale@wiltshire.gov.uk

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