

WILTSHIRE PENSION FUND COMMITTEE

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 14 MARCH 2019 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Steve Allsopp, Cllr Tony Deane (Chairman), Cllr George Jeans, Cllr Gordon King, Cllr Christopher Newbury and Cllr Roy While (Vice-Chairman)

Also Present:

Cllr Richard Britton, Mr Jim Edney, Mrs Diane Hall, Mr Mike Pankiewicz and Mr Howard Pearce

1 Apologies for Absence

There were no apologies.

2 Chairman's Announcements

The Chair announced that George Jeans joined the committee and that Tom Rounds had left the committee.

Chris Moore was welcomed as an observer pending his appointment as employer representative on the committee.

The Chair announced that Jim Edney had decided to relinquish his role after 9 years as Independent Governance Adviser to the Fund. The Chair and the Committee thanked him for his valued service.

3 Wiltshire Pension Fund Committee Minutes Part 1

Resolved

The minutes of the meeting held on 12 December 2018 were approved.

4 Declarations of Interest

There were no declarations of interest.

5 Public Participation

There were no members of the public present.

6 Minutes and Key Decisions of the Investment Sub-Committee

Resolved

The minutes of the Investment Sub-Committee from the meeting held on 21 February 2019 were approved.

7 Minutes and Key Decisions of the Local Pensions Board

Resolved

The minutes of the Local Pension Board held on 24 January 2019 were noted.

8 Scheme, Legal, Regulatory and Fund Update

Officers talked through a report that updated the Committee on legal and regulatory issues.

Reform to public sector exit payments continued to be delayed. The Pensions Regulator (tPR) was very active, but currently focused on funds other than Wiltshire Pension Fund. The Fair Deal consultation released by MHCLG's aims was explained as being a step in the right direction but concerns still existed if the approach would be effective; officers will respond to the consultation. The cost cap mechanism had been stalled whilst the McCloud case was concluded. Wiltshire Pension fund enjoyed the highest level of compliance required by the Financial Reporting Council, and officers will review practice and report to Committee to maintain that status. CIPFA guidance remained unpublished.

The discussion addressed communications from tPR, the need for active scanning of tPR's work and priorities. The Committee gave assurances to officers that scrutiny beyond the 'light-touch' could be subject to representation to tPR from the Committee.

Resolved

The Committee noted the report.

9 Pension Fund Risk Register

Officers talked through the latest Risk Register, there were no changes since the last meeting. Officers plan to reformat the risk register to bring it in line with the latest corporate approach and to make it easier to understand how mitigating actions have affected the risk assessment.

Resolved

The Committee noted the report.

10 **Key Performance Indicators**

Officers talked through a report on key performance indicators (KPI).

The value of KPIs in identifying issues and clarifying paths to improved performance was discussed. Officers stated that KPIs indicate a snapshot of current performance whilst actions aimed at improved performance were detailed in further reports, for example, the Data Improvement Plan.

The Chair of the Local Pensions Board stated his concerns were about deadlines and workloads and emphasised that he was assured by the direction of travel towards compliance with statutory guidelines.

The Chair re-iterated the desire to manage backlogs within available resources to minimise costs and noted the work of the pensions team to reduce the occurrence of backlogs in the longer term.

Resolved

The Committee noted the report.

11 **AVC Training and Options**

Richard Bullen, Fund Governance & Performance Manager, introduced the provision of options for members to make Advanced Voluntary Contributions (AVC). The only open scheme for new members was the Prudential, the others being Equitable Life, Clerical Medical and NPI/Pheonix. A key update was the proposed buy-out of Equitable Life by Reliance Life and its parent company, the Life Company Consolidation Group, that may result in a capital distribution payment for members, subject to court rulings expected at the end of 2019.

A discussion also took place on the Fund's review arrangements for its AVC service providers and the impact of Wiltshire Council's AVC Wise campaign on officer resources, which were agreed to be currently sufficient.

The extent to which AVC options should be promoted was also considered and it was concluded that emphasis should be placed on ensuring no advice is provided, but ensuring that Scheme members are aware of the whole benefit structure offered by the Fund.

Resolved

To continue to delegate management of AVC options for members to officers and for officers to report to committee by exception.

12 **Additional Voluntary Contributions (AVCs) New Fund Proposals**

Officers talked through a report that detailed the work done in increasing the offer to members seeking to make Advanced Voluntary Contributions (AVC). A number of funds were identified as vehicles for widening the choice available to members.

Resolved

To approve the additions to funds to AVC fund choices as recommended by officers.

To approve the four new Lifestyle options and to adopt the cash options strategy for members who wish to take a tax free lump sum on retirement and the retirement options strategy.

To approve the retirement options Lifestyle strategy as the default option into which existing Lifestyle funds will be transferred on 22nd July.

13 **Data Improvement Plan**

Officers talked through the report on Data Improvement that seeks to enhance the quality of data. The plan focused on tightening internal operations and improving reconciliation with external data sources, with the key intentions of enabling the Fund to operate more efficiently, ensuring members data is accurate and fulfilling the requirements laid down by the Pension Regulator. Two recently purchased software applications, i-Connect and member-self-service (MSS) were two initiatives that would assist in improving data quality over time.

The Chair of the Local Pensions Board suggested that the fund's understanding of its data quality would be improved by the process of its data being interrogated as part of the actuarial valuation and subsequent updating. Metrics on data queries arising from the valuation & MSS changes by members should therefore be recorded.

The Chair thanked officers for their work in clarifying where the fund stands in respect of data quality and the work done to date to create a direction of travel.

Resolved

To approve the report noting the comments of The Chair of the Local Pensions Board and to bring a report back to Committee in 12 months time.

14 **Business Plan**

Officers talked through the Business Plan that set out a vision and actions for Year 1 (2019).

The business plan was welcomed by the Committee. Officers were asked to highlight the importance of training implicit in the plan to ensure that developing

people was understood as being central to organisational health over the longer term.

Resolved

To approve the business plan subject to any further comments provided by Committee members following circulation.

15 **Administration Budget 2019/2020**

The budget, which indicates an overall rise of 7.1%, was talked through by officers. The value of legal support, procurement issues and sur-charge costs were all discussed.

Diane Hall stated that the rise in recharges from Central Finance appeared disproportionate and questioned the method of arriving at the new figure.

Resolved

To approve the budget subject to the Chair obtaining clarification from the Section 151 Officer on how the rise in recharges was arrived at.

16 **Clarification of governance roles**

The Independent Adviser, Jim Edney, welcomed developments on governance and clarification of the relationship of Board to Committee as being what was required by the fund.

Resolved

The Committee noted the report.

17 **Committee's requests to the Board**

The committee made no specific requests for support or research of the Board.

18 **Date of Next Meeting**

The next meeting of the pensions committee will be on 18 July 2109.

19 **Urgent Items**

There were no urgent items.

20 **Exclusion of the Public**

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 Numbers 21-27 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.

21 **Triennial Valuation 2019**

Assumption on scaled withdrawals

Resolved

To increase the default assumption by 40% for full-time males and 40% and 50% respectively for full-time and part-time females respectively and adopt the default assumption for part-time males.

Assumption on death in service

Resolved

To adopt the default assumption for death in service for both males and females.

Assumption on salary scale

Resolved

To adopt the default salary scale for both males and females.

Assumption Ill Health

Resolved

To adopt the default assumption for males and part-time females and apply scaling of 120% for full-time females.

To adopt the default assumption for tier 2 ill health retirements.

Assumptions on demographics

Resolved

To adopt Hymans Robertson's demographic assumptions.

Assumptions on salary growth

Resolved

To use the more prudent scenario 2 (RPI less 0.6%) and review at the next valuation.

Establishing a level of prudence and its impact on the discount rate

Resolved

To maintain the status quo in the level of prudence (two thirds probability of achieving returns) subject to final confirmation once the new investment strategy has been confirmed at the next meeting.

22 Brunel Pension Partnership update

The Investment Manager gave a verbal update on Brunel pensions Partnership.

23 Investment Quarterly Progress Report

Resolved

The committee approved the decision of Investment Sub-Committee to invest in listed infrastructure through with Magellan's Global Select Infrastructure Fund.

24 Investments - Listed Infrastructure Recommendation

Resolved

The committee approved the decision of Investment Sub-Committee to invest in listed infrastructure through with Magellan's Global Select Infrastructure Fund.

25 Part 2 Minutes and Key Decisions of the Investment Sub Committee

Resolved

The part 2 minutes of the Investment Sub Committee held on 21 February 2019 were approved.

26 Local pension Board Minutes Part 2

Resolved

The part 2 minutes of the Local Pension Board held on 24 January 2019 were noted.

27 Wiltshire Pension Fund Committee Minutes Part 2

Resolved

The minutes of the meeting held on 12 December 2018 were approved.

(Duration of meeting: 10.30 am - 2.00 pm)

The Officer who has produced these minutes is Jim Brewster of Democratic Services,
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