

WILTSHIRE PENSION FUND COMMITTEE

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 11 DECEMBER 2014 AT COMMITTEE ROOM C - COUNCIL OFFICES, MONKTON PARK, CHIPPENHAM, SN15 1ER.

Present:

Cllr Steve Allsopp, Cllr Tony Deane (Chairman), Cllr Brian Ford, Diane Hall, Cllr Charles Howard (Vice-Chair), Cllr Mark Packard, Mike Pankiewicz, Cllr Sheila Parker, Linda Stuart and Cllr Roy While

Also Present:

Jim Edney, Joanne Holden, and Mike Pankiewicz.

94 **Membership**

There were no changes to the membership of the Committee.

95 **Attendance of Non Members of the Committee**

There were no non-members of Committee present.

96 **Apologies**

Apologies for absence were received from Tony Gravier and Cllr Dick Tonge.

97 **Minutes**

Resolved:

To sign as a true and correct record minutes of the meeting held on 11 September 2014.

98 **Chairman's Announcements**

The Chairman welcomed Diane Hall to the Committee.

99 **Declarations of Interest**

There were no declarations of disclosable interests.

100 **Public Participation and Councillors' Questions**

There were no questions or statements submitted.

101 **CIPFA Business Services Update**

For Members' information, a verbal update was given by Robert Summers, CIPFA Business Services, on current activities and the latest developments and issues within the LGPS (Local Government Pension Scheme) sector.

It was explained that CIPFA helped to share best practice within the sector and had produced three best practice publications over the year. Key updates included that responses from the DCLG (Department for Communities and Local Government) following consultation were expected in early 2015 and a future DCLG consultation on investment regulations was expected. Additionally, Local Pension Boards were now required nationally and would need to be established by 1 April 2015. The CIPFA Pension Panel current Work Plans were outlined alongside the future issues facing the funds.

The Chairman thanked Robert Summers for the informative presentation

Resolved:

To note the update.

102 **Update on the Current Governance Consultations**

An update was provided from the Head of Pensions on the latest consultations from the DCLG and the Shadow Scheme Advisory Board of the proposed Governance Regulations.

The DCLG had issued a consultation titled 'Better Governance and Improved Accountability in the Local Government Pension Scheme' and it was noted this had the benefit of allowing local flexibility, which was the basis of the Fund's response.

The draft Shadow Scheme Advisory Board (SAB) guidance was considered thorough and would accompany the new governance regulations, when finalised, in relation to the setting up and operation of a Local Pension Board.

Members discussed key differences between the latest set of draft regulations and the previous versions, in particular whether an independent Chairman for the Local Pension Board would be permitted under the guidance.

The Committee was advised that the Local Pension Board would act as an assurance tool to the Committee by monitoring its work.

Resolved:

To note the update.

103 **Local Pension Boards & Governance Arrangements Review**

The Head of Pensions updated the Committee on the proposed establishment of a Local Pension Board from 1 April 2015 and review of the governance arrangements between the Committee and the Investment Sub-Committee.

It was explained that the Local Pensions Board would assist the scheme manager, ensure compliance with pension scheme regulations and would review the Fund's processes. The Committee noted its satisfaction with the Terms of Reference and key issues arising from them were discussed. It was explained that following the final regulations from the DCLG the Terms of Reference would be finalised in the New Year.

The Committee heard that The Investment Sub-Committee could be expanded to allow the full Committee to further examine the governance and administration of the pension scheme. Strategic investment allocations and strategy would continue at full Committee however the detailed monitoring of investment managers, appointment of new managers and the review of emerging opportunities could be conducted by the Investment Sub-Committee.

The Committee expressed concern over the resourcing of 12 meetings per year in terms of the additional officer and Member time required. The Committee also encouraged officers to proactively seek suitable candidates to sit on the Local Pensions Board.

Resolved:

To:

- a) note the update on the current position in relation to the proposed establishment of Local Pension Boards; and**
- b) agree to expand the role of the Investment Sub-Committee and request that officers finalise the attached draft Terms of Reference and update the Fund's governance compliance statement appropriately.**

104 **Pension Fund Risk Register**

The Committee was updated on the Wiltshire Pension Fund Risk Register. In particular it was noted that due to HMRC changes all member's records would need to be reviewed and the Fund was currently recruiting two Data Quality Analysts to provide additional resource to the Pensions team.

The Committee suggested that the establishment of a Local Pension Board and expansion of the Investment Sub-Committee should be added to the risk

register as 'red' due to concern over insufficient resources to support the additional meetings, the lack of expertise of the Fund to manage governance issues and the risk that suitable candidates could not be recruited to support the additional work. It was noted that a professional, independent Chairman for the Local Pension Board would be desirable.

Resolved:

To note the Risk Register and measures being taken to mitigate risks.

To add the creation of the Local Pension Board and expansion of the Investment Sub-Committee to the Risk Register as 'red'.

105 **Date of Next Meeting**

The next regular meeting of the Committee would be held on Thursday 12 March 2015.

106 **Urgent Items**

There were no urgent items.

107 **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 Numbers 108-111 because it is likely that if members of the public were present there would be disclosure to them of exempt information defined in paragraph 3 of Part 1 of the Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

108 **CIPFA Pension Administration Benchmarking Club Report**

The Committee received a confidential report reviewing the Fund's performance compared to the other members of the CIPFA Pension Administration Benchmarking Club.

Resolved:

To note the report.

109 **Investment Quarterly Progress Covering Report**

The Committee was updated on the performance of the Fund's investments for the quarter.

Resolved:

To note the two investment reports and the update provided by officers and advisers at the meeting.

To agree that, in the event of officers noting concern with Barings between Committee meetings, investment may be transferred from the manager into passive global equity, subject to the agreement of the Chairman and Vice-Chairman of the Committee.

110 **CBRE- Review of 2013-14 & Plans for the Future**

Members considered a confidential Annual Report from CBRE and a verbal update detailing its strategy and performance in managing the Fund's investments.

Resolved:

To note the report and verbal update.

111 **Berenberg - Review of 2013-14 & Plans for the Future**

Members considered a confidential report from Berenberg bank and verbal update on its strategy and performance in managing the Fund's investment.

Resolved:

To note the report and verbal update.

(Duration of meeting: 10.35 am - 2.25 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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