

WILTSHIRE PENSION FUND COMMITTEE

PART 1 MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 30 JUNE 2016 AT THE SALISBURY ROOM - COUNTY HALL, TROWBRIDGE.

Present:

Cllr Steve Allsopp, Cllr Tony Deane (Chairman), Diane Hall, Cllr Charles Howard (Vice Chairman), Cllr Gordon King (Substitute - Part II), Mike Pankiewicz, Cllr Sheila Parker, Linda Stuart, Cllr Steve Weisinger and Cllr Roy While

Also Present:

Mr Jim Edney and Joanne Holden

34 Membership

It was noted that Councillor Tim Swinyard had been appointed as the nominated substitute member for the Swindon Borough Council members of the Committee, in place of Councillor Oliver Donachie.

It was also agreed that while Diane Hall of Selwood Housing was undertaking a sabbatical year, Sue Eley of Selwood Housing would serve on the Committee in a non-voting capacity.

35 Attendance of non-members of the Committee

There were no non-members present.

36 Apologies for Absence

An apology was received from Councillor Mark Packard, who was substituted by Councillor Gordon King.

37 Minutes

Resolved:

Subject to the addition of Sue Eley among the list of attendees for the Part 1 section of the meeting, to approve and sign as a true and correct record the minutes of the meeting held on 10 March 2016.

38 **Declarations of Interest**

There were no declarations.

39 **Chairman's Announcements**

At the conclusion of the meeting it was announced a pensioner member of the Fund had contacted the Council to ask that officers be thanked for the excellent and accessible newsletter produced for members of the Fund, and that this be brought to the attention of the Committee.

40 **Public Participation and Councillors' Questions**

A question from Mr Sigurd Reimers together with response was noted in the agenda papers.

41 **Appointment of the Investment Sub Committee**

Resolved

In accordance with the approved terms of reference, to appoint the membership of the Investment Sub-Committee as follows:

Councillor Tony Deane

Councillor Charles Howard

Councillor Steve Weisinger

Councillor Mark Packard, or other Liberal Democrat Committee Member as approved at the July Meeting of Wiltshire Council.

42 **Update from the Local Pension Board**

The Committee considered notes from the Local Pension Board, and were informed Sarah Holbrook of Wiltshire Police had replaced Kirsty Cole of Swindon Borough Council as a representative.

The Committee were informed the Board did not cost a large amount to run, but it would need to be reviewed to ensure it could be properly resourced.

Resolved:

To note the update.

43 **SWAP Internal Audit Report**

A report was received from Kerry Chisholm on the 2015/16 audit undertaken by the Fund's internal auditors, South West Audit Partnership (SWAP), identifying risks to be addressed along with an action plan for the forthcoming year.

The Committee discussed the report, seeking details on staff resourcing, reviewing the guaranteed minimum pension, reconciliation checks, and provision for data backups.

At the conclusion of discussion, it was,

Resolved:

To approve the report and action plan.

44 **Pension Fund Administration Outturn Statement 2015-16**

The Pension Fund Administration Outturn Statement for 2015-16 was presented for consideration. The budget underspend of £0.160m was noted, due in part to vacancies which had now been filled.

Resolved:

To note the Outturn statement for 2015-16.

45 **Draft Statement of Accounts**

The Draft Statement of Accounts was presented for consideration. The final report would be considered in September 2016, and audits had not identified any key issues at the present time. It was confirmed accounts would go to the July meeting of the Audit Committee for approval.

The Committee considered the draft statement. Details were sought on employers' contributions increasing and on the transfer of liabilities from the magistrate's courts.

At the conclusion of discussion, it was,

Resolved:

To approve the draft statement of accounts 2015-16 for publication, subject to completion of the audit.

46 **Amendment Regulations Consultation**

A report from the Head of Pensions was received on the proposed response from the Wiltshire Pension Fund on the latest Government consultation in respect of the amendment regulations issued in May 2016. The closing date for responses is 20 August 2016.

The Committee considered the report on the proposed response, which included supporting the proposed approach to adopt the reformed Fair Deal requirements making it compulsory for providers to provide the Local

Government Pension Scheme for members except those previously transferred to a broadly comparable scheme. Comments were provided on the implications of the proposed changes to inform any response.

At the conclusion of discussion, it was,

Resolved:

To delegate approval of the formal response from the Fund to the Chairman and Vice-Chairman in consultation with officers.

47 **Statement of Investment Principles**

The Committee received the annual statement of investment principles. It was noted that the Department of Communities and Local Government had proposed revoking the regulations requiring an annual statement, instead replaced with an investment strategy statement. However, these new regulations were still to be implemented. Details were sought on changes in asset allocation.

Resolved:

To approve the 2016 statement of investment principles.

48 **Pension Fund Risk Register**

The Committee received the latest quarterly update on the Pension Fund's Risk Register. Since the last update in March 2016 two additional risks had been added to the register. These would be to monitor any impact from the government's policy on encouraging further academisation, as well as operational decisions to mitigate market volatility in the event, since realised, of a vote to exit the European Union on the referendum held on 23 June 2016.

Details were sought on the decision taken to mitigate the risks, as well as the potential for swift increases in the number of academies and the impact on the Fund.

Resolved:

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

49 **Date of Next Meeting**

The date of the next meeting was confirmed as 29 September 2016.

50 **Urgent Items**

There were no urgent items.

51 **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 52-56 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 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.

52 **Minutes**

Resolved:

To approve and sign as a true and correct record the Part 2 minutes of the meeting held on 10 March 2016.

53 **Investment Pooling- proposed response to Government Consultation**

The Committee received a confidential report on continued work with the Brunel Pension Partnership to provide a response to the government consultation on investment reforms regarding pooling of pension investment funds.

Resolved:

To approve the joint submission of the Brunel Pension Partnership as its detailed proposal to the government's consultation on investment reforms.

54 **Ill Health Insurance for Employers**

The Committee received a confidential report on a potential risk mitigation tool for the Fund's employers in respect of ill-health early retirement claims.

Resolved:

To set up a Fund ill-health insurance policy which is automatic for all employers, unless they confirmed in writing that they understood the risks and wished to opt out.

55 **Potential Class Action**

The Committee received a confidential report on whether it wished the Fund to be considered as a lead plaintiff in litigation against company which it had invested in. As

a class action lawsuit had been instigated in the United States, the Fund would be automatically added as a plaintiff unless it opted out. As a lead plaintiff the Fund would have greater control over the action.

Resolved:

To consent to put the Fund forward as a lead or co-lead plaintiff in the case against Lending Club Corporation based on the current details outlined in the report.

56 **Investment Quarterly Progress Report Update**

The Committee received a confidential report on the Fund's investment performance up to 31 March 2016 from Mercers, its investment advisers.

Resolved:

To note the investment reports.

(Duration of meeting: 10.30 am - 1.45 pm)

The Officer who has produced these minutes is Kieran Elliott, of Democratic & Members' Services, direct line 01225 718214, e-mail elizabeth.beale@wiltshire.gov.uk

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