

## WILTSHIRE PENSION FUND COMMITTEE

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### MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 25 JUNE 2015 AT COUNTY HALL, TROWBRIDGE.

#### Present:

Cllr Steve Allsopp, Cllr Tony Deane (Chairman), Diane Hall, Cllr Charles Howard (Vice Chairman), Cllr Mark Packard, Cllr Sheila Parker, Linda Stuart and Cllr Steve Weisinger

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#### 28 Membership

Following the latest appointments by each Local Authority contributing Members to the Committee, Cllr Brian Ford was no longer a member of the Committee.

Councillor Steve Weisinger was appointed as a Member of the Committee and Investment Sub-Committee.

#### 29 Attendance of non-members of the Committee

There were no non-members present.

#### 30 Apologies for Absence

An apology for absence was received from the Cabinet Member for Finance, Councillor Richard Tonge.

#### 31 Minutes

The minutes of the meetings held on 12 March and 21 May 2015 were presented for consideration, along with the minutes of the Investment Sub-Committee for 4 June 2015.

#### Resolved:

**That subject to a correction to Minute 27 - Urgent Items - of the 21 May 2015 minutes to add 'recently reported historical' in place of 'recent', and a correction to Minute 1 of the 4 June 2015 to delete the word 'not' in the last paragraph and Minute 14 of the 4 June 2015 minutes to replace 'Marion' with 'Marino', to approve and sign as a correct record the minutes of the meetings held on 12 March, 21 May and 4 June 2015.**

32 **Declarations of Interest**

Mr Jim Edney, Independent Adviser to the Pension Fund, declared an interest in Item 11 - Business Plan 2015-18 - owing to his contract being an item up for a regularly scheduled review as part of the Business Plan.

33 **Chairman's Announcements**

The Chairman encouraged as many members as possible attend the Investment Review Away Day on 13 July 2015 at the St John's Conference Centre in Trowbridge.

34 **Public Participation and Councillors' Questions**

There were no questions or statements submitted.

35 **SWAP Internal Audit Report**

The Head of Pensions presented a report from the council's internal auditors, the South West Audit Partnership (SWAP). It was reported SWAP had declared a 'reasonable assurance' opinion of the controls and procedures in relation for the Fund, with no significant findings to report. Three mediums risks in relation to procedures, inaccurate service recording and lack of prompt payments were identified

The Committee discussed the report, and noted the level of assurance from the auditors remained satisfactory and approved of the measures detailed to address the medium risks identified further, which it was stated would therefore be mitigated by the end of September 2015. There was some discussion as to whether reductions in resources at with Wilshire Council or SWAP had impacted on the risks identified, and requested further updates as the risks were addressed.

**Resolved:**

**To note the Internal Audit Report and Agreed Action Plan.**

36 **Pension Fund Administration Outturn Statement 2014-15**

The Strategic Pensions Manager presented the Pension Fund Administration Outturn statement for consideration. It was stated no unexpected issues had arisen.

**Resolved:**

**To note the update**

37 **Draft Statement of Accounts**

The Head of Pensions presented the draft Statement of Accounts for 2014-15, prepared in accordance with the Code of Practice on Local Authority Accounting. It was stated the complete Annual Report would be presented to the Committee in September 2015.

The Committee discussed the draft, noting that the external auditors KPMG were currently considering the Statement, and some small changes might arise from that work, and that asset value for the Fund was higher due to better performance.

In response to a query regarding the recovery of a long debt which was accrued through the covering the liabilities for magistrate pensions, it was confirmed this was to take place over 10 years of payments, and was progressing as expected. Members also discussed future increases in cost pressures and the possibility the cash flow from the Fund would turn negative as the maturity of the Fund profile increased.

**Resolved:**

**To approve the draft Wiltshire Pension Fund Financial Statements 2014-15 for publication, subject to the completion of the audit.**

38 **Business Plan 2015-18**

The Head of Pensions presented the draft Business Plan 2015-18 for the Pension Fund, which had last been reviewed in 2011. It was stated 8 of 33 actions from that plan remained on-going or to be completed, and had been incorporated into the updated Plan.

The Committee discussed the proposed plan and the difficulty in developing in the face of longer term uncertainties, in particular noting the continued delay the government's response to the recent consultation on the future of the scheme. It was also supported that the Committee monitor the progression of the plan annually.

**Resolved:**

**To approve the draft Wiltshire Pension Fund Business Plan 2015-18, and to receive annual updates on progress.**

39 **Communications Policy**

The Head of Pensions presented a revised Communications policy to the Committee, last approved in 2011 and a requirement under Regulation 61 of the Local Government Pension Scheme (Administration) Regulations 2013. It was reported that this was a statement of existing good practice, but drew attention to implementation of an Annual General Meeting, updating the Fund website

and literature, and seeking contributing employers' comments if the policy were approved.

The Committee welcomed commitments to further increase electronic communication and access, including ability for Fund members to upload changes to databases, which also came with significant cost benefits.

**Resolved:**

**To approve the Communications Policy.**

40 **Statement of Investment Principles**

The Strategic Pensions Manager presented a report providing an annual update to the Statement of Investment Principles for the Pension Fund. It was stated there were no main changes in terms of asset allocation since the previous Statement was approved.

The Committee discussed the report and updated statement, in particular the requirement to produce a compliance statement with a Stewardship Code which was introduced in 2010 to outline how investors disclose and discharge their stewardship responsibilities.

**Resolved:**

**To approve the 2015 Statement of Investment Principles.**

41 **Pension Fund Risk Register**

The Head of Pensions presented the Pension Fund Risk Register, highlighting three changes since the last report in March 2015. These were increased risks for 'Lack of Expertise of Pension Fund Officers' and 'Over-reliance on Key Officers' as a result of two resignations from the team as detailed in the report, and a reduction in risk from 'Establishment of the Local Pension Board and Investment Sub-Committee' as these Committees were now established.

The Committee discussed the changes, and debated whether the salary level of Pension Fund officers was suitably competitive to attract and retain key staff, and the status of the Fund as a semi-autonomous separate entity from Wiltshire Council were raised. It was agreed discussions would take place led by the Chairman and Vice-Chairman to consider further what options could mitigate such risks as identified above from developing or continuing.

**Resolved:**

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

42 **Date of Next Meeting**

The Committee was informed that as a result of the date of a Wiltshire Full Council meeting being moved to 29 September, the date of the next Pension Fund Committee would need to be moved. A date would be circulated to all Committee Members as soon as possible.

43 **Urgent Items**

There were no urgent items, but questions were raised about whether there would be an increase of Parish Councils into the Fund following rulings following responsibilities to those with certain numbers of employees.

44 **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 45 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.**

45 **Investment Quarterly Progress Report Update**

The Strategic Pension Manager presented the quarterly progress report on the performance of the Fund Investment Managers, as previously considered by the Investment Sub-Committee.

Following consideration by the Committee, it was,

**Resolved:**

**To note the investment reports and the actions taken by the Investment Sub-Committee at its meeting on 4 June 2015.**

(Duration of meeting: 10.30 am - 12.00 pm)

The Officer who has produced these minutes is Kieran Elliott, of Democratic Services, direct line 01225 718214504, e-mail [elizabeth.beale@wiltshire.gov.uk](mailto:elizabeth.beale@wiltshire.gov.uk)

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