



Committee and Date

Pensions Committee

20 September 2013

10.00 am

Item No

3

Public

MINUTES OF THE MEETING HELD ON 18 JUNE 2013

10.00am – 12.45pm

Responsible Officer Michelle Dulson

Email: michelle.dulson@shropshire.gov.uk

Telephone: 01743 252727

Present: Mr T H Biggins, Mrs A Chebsey, Mr A Davies, Mr M G Pate and Mr R Pugh.

1. Election of Chairman

1.1 It was proposed, seconded and **RESOLVED:** that Mr M Pate be elected Chairman for the ensuing municipal year.

2. Apologies for Absence and Substitutions

2.1 Apologies were received from, Mr B McClements, Mr M Smith and Mr C Tranter.

3. Appointment of Vice Chairman

3.1 It was proposed, seconded and **RESOLVED:** that Mr M Smith be appointed Vice-Chairman for the ensuing municipal year.

4. Disclosable Pecuniary Interests

4.1 Members were reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

5. Minutes

5.1 **RESOLVED:** that the non-exempt minutes of the meeting held on 22 February 2013 be approved and signed by the Chairman as a correct record.

6. Public Questions

6.1 There were no public questions.

7. Exclusion of the Press and Public

7.1 It was **RESOLVED** that under paragraph 10.2 of the Council's Access to Information Procedure Rules that the proceedings of the Committee in relation to Agenda item 8 shall not be conducted in public on the grounds that it involves the likely disclosure of exempt information as defined by the category specified against it.

8. Appointment of New Hedge Fund Manager

8.1 Bevan Howard Asset Management

8.1.1 Danny Bernheim and Dan Riggs from Brevan Howard Asset Management gave a presentation.

8.2 BlueCrest Capital Management

8.2.1 Greg Clerkson and Payal Shah from BlueCrest Capital Management gave a presentation.

8.3 The Committee received the exempt report of the Head of Treasury & Pensions.

9. Shropshire County Pension Fund Audit Plan

9.1 The Committee receive the report of Grant Thornton UK LLP (copy attached to the signed Minutes) which set out the Audit Plan for the Shropshire County Pension Fund for year ended 31 March 2013.

9.2 Mr Bagnall introduced the Audit Plan and he informed the Committee that in planning their audit they needed to understand the challenges and opportunities facing the pension fund and how these would be dealt with by Grant Thornton UK LLP. Mr Bagnall also explained that the impact of key developments in the sector affecting the fund had to be considered together with national audit requirements.

9.3 Mr Bagnall drew attention to the Audit approach, which would be focused on areas where they have identified a risk of material misstatement in the accounts. No issues had arisen as a result of the interim audit work and he was happy with the arrangements for internal audit. The fee for the audit would be £23,425 which was a 40% reduction from 2011/12.

9.4 **RESOLVED:** to note the contents of the report.

10. Statement of Investment Principles

10.1 The Committee received the report of the Head of Treasury and Pensions (copy attached to the signed Minutes) which provided Members with an update to the Pension Fund's Statement of Investment Principles to reflect changes to the Fund's investment management arrangements.

10.2 **RESOLVED:** to approve the revised Statement of Investment Principles set out at Appendix A to the report.

11. Corporate Governance Monitoring

11.1 The Committee received the report of the Head of Treasury and Pensions (copy attached to the signed Minutes) which informed Members of corporate governance and socially responsible investment issues arising in the quarter to 31 March 2013.

- 11.2 **RESOLVED:** To accept the position as set out in the report, Manager Voting Reports (Appendix A) and F&C Responsible Engagement Overlay Viewpoint Reports (Appendix B).

12. Governance Compliance Statement

- 12.1 The Committee received the report of the Pension Administration Manager (copy attached to the signed Minutes) which outlined the requirement to produce a Governance Compliance Statement in line with best practice principles published by the Community & Local Government Department.
- 12.2 **RESOLVED:** To approve the revised Governance Compliance Statement set out at Appendix A.

13. Communications Policy Statement

- 13.1 The Committee received the report of the Pension Administration Manager (copy attached to the signed Minutes) which provided Members with an update to the Communications Policy Statement that the Fund is required to publish under Local Government Pensions Scheme (LGPS) Regulations.
- 13.2 The Pension Administration Manager explained that the Communications Policy Statement had been updated to incorporate changes made to the communication techniques used by the fund which includes the removal of payslips and more collaborative working with other funds.
- 13.3 The Pensions Administration Manager confirmed that if anyone really needed a payslip this could be accommodated at the moment.
- 13.4 **RESOLVED:** to approve the revised Communications Policy Statement set out at Appendix A.

14. Pensions Administration Monitoring

- 14.1 The Committee received the report of the Pension Administration Manager (copy attached to the signed Minutes) which provided Members with monitoring information on the performance of and issues affecting the Pensions Administration Team.
- 14.2 The Pensions Administration Manager drew attention to the Council's responses to the consultation on whether Councillors should be allowed to remain in the new Local Government Pension Scheme when it is introduced in April 2014, set out in Paragraph 8 of the report.
- 14.3 In response to Question 1, the Council's preferred option was no change as Councils could decide whether or not to offer the scheme to Councillors already. In response to a query, the Pensions Administration Manager agreed to provide information on the annual amount of employer contributions paid on behalf of Councillors. It was felt that the percentage was very small compared to that paid on behalf of employees.
- 14.4 In response to Question 3, the Council agreed that tiered contribution rates be introduced similar to those paid by employees but with a limit of 6% contribution rate.

14.5 RESOLVED:

- A. To accept the position as set out in the report.
- B. To agree the response to the Councillors Consultation set out at Appendix B to the report.
- C. To approve the revised Administration Strategy Statement set out at Appendix D to the report.

15. Exclusion of the Press and Public

15.1 It was **RESOLVED** that under paragraph 10.2 of the Council's Access to Information Procedure Rules that the proceedings of the Committee in relation to Agenda items 16 - 19 shall not be conducted in public on the grounds that they involve the likely disclosure of exempt information as defined by the category specified against them.

16. Minutes (Exempted by category 3)

16.1 **RESOLVED:** that the Exempt Minutes of the meeting held on 22 February 2013 be approved and signed by the Chairman as a correct record.

17. New Admission Bodies and Scheme Employers

17.1 The Committee received the exempt report of the Pension Administration Manager.

18. Property Update from Aon Hewitt

19. Investment Monitoring - Quarter to 31 March 2013 (Exempted by Category 3)

19.1 The Committee received the exempt report of the Head of Treasury & Pensions.

Signed.....(Chairman)

Date.....22 July 2013.....