



Pensions Committee

16 March 2018

9.30 am

**MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 24 NOVEMBER 2017  
10.00 AM - 12.45 PM**

**Responsible Officer:** Tim Ward  
Email: tim.ward@shropshire.gov.uk

Tel: 01743 257713

**Present:**

Members of the Committee:

Councillor Thomas Biggins (Chairman)  
Councillors Chris Mellings, Brian Williams and Michael Wood

Co-Opted Members (Voting):

Councillors David Wright

Co-Opted Members (Non-Voting):

Jean Smith

**32 Apologies for Absence**

32.1 Apologies for absence had been received from Charles Smith and Nigel Neat.

**33 Minutes of the Last Meeting**

33.1 The minutes of the meeting held on 22 September 2017 had been circulated.

**33.2 RESOLVED:**

That the minutes of the meeting of the Pensions Committee held on 22 September 2017 be approved as a true record and signed by the Chairman.

**34 Investment Strategy Recap**

34.1 Members received a presentation from Louis Paul Hill which gave a recap on the Investment Strategy and an update on the various classes of investments available.

**35 Insurance Linked Securities**

35.1 The meeting received a presentation from Lorenzo Volpi on Insurance Linked Investments in which he outlined the opportunities offered by, and the benefits of investing in this this class of investment. He then took questions from Members.

## 36 **Property Debt**

36.1 The meeting received a presentation from Dale Lattanzio which gave an overview of Property Debt investments and the opportunities presented by this type of investment. He then took questions from Members.

36.2 Following further discussion it was **RESOLVED**:

That the Pensions Committee agrees in principle to invest in Property Debt and Insurance Linked Securities and Officers in conjunction with advisors commence work to select Managers to present at the next Pensions Committee meeting in March in order to make a formal decision. The allocations to each asset class, once decided, will be funded by reducing the overall equity allocation.

## 37 **Corporate Governance Report**

37.1 Members received the report of the Investment Officer which gave an update on corporate governance and socially responsible investment issues arising in the quarter 1 July 2017 to 30 September 2017.

37.2 **RESOLVED**

That Members accept the position as set out in the report, Manager Voting Reports at Appendix A and BMO Global Asset Management Responsible Engagement Overlay Activity Report at Appendix B.

## 38 **Pensions Administration Monitoring Report**

38.1 The Meeting received the report of the Pensions Administration Manager which provided Members with monitoring information on the performance of and issues affecting the Pensions Administration Team.

38.2 The Pensions Administration Manager advised the meeting that previously pensions had been paid through the Shropshire Council Employee payroll system but that due to changes in the system being used it was proposed to purchase the payroll module for the current pension Administration System and that permission was sought to renegotiate the contract for the Pensions Administration System using the Northumberland Framework.

38.3 The Pensions Administrations Manager gave an update on the new General Data Protection Regulation (GDPR) which would be coming into force in May 2018, and the work being carried out by the Scheme in order to be compliant with the Regulations.

38.4 **RESOLVED**:

- That Members accept the position as set out in the report and
- That Members agree to the use of the Northumberland Framework and approve the sealing of contracts with the County seal.

### 39 Annual Allowance - Voluntary Scheme Pays

39.1 The meeting received the report of the Pensions Administration Manager which set out the availability of "Voluntary Scheme Pays" for those members of the Pension Scheme who breached the HMRC annual allowance limit for pension saving growth in any financial year and asking Members to agree to offer this option to the members of the Shropshire Fund.

39.2 In response to a query the Pensions Administration Manger advised that Scheme Members would be advised of the availability of "Voluntary Scheme Pays" through the annual pension savings statement.

#### 39.3 **RESOLVED**

That Members approve the use of 'Voluntary Scheme Pays' (VSP) where;

- a member's pension savings within the Shropshire County Pension Fund are subject to the tapered annual allowance, **and**
- the tax breach stems only from the member's Shropshire County Pension Fund LGPS benefits rather than via growth in multiple pension schemes, and
- The application is received in writing by Shropshire County Pension Fund by 30 November in the tax year following the year to which the tax charge relates to, should the member wish the tax to be paid by 31 January to ensure no late payment penalties become due, if not then no later than the Mandatory scheme pays deadline. But extend the deadline this year to 31 December 2017.

### 40 Exclusion of Press and Public

#### 40.1 **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 10 to 14 shall not be conducted in public on the grounds that they involve the likely disclosure of exempt information as defined by the categories specified against them.

### 41 Exempt Minutes

41.1 The exempt minutes of the meeting held on 22 September 2017 had been circulated.

#### 41.2 **RESOLVED:**

That the exempt minutes of the meeting of the Pensions Committee held on 22 September 2017 be approved as a true record and signed by the Chairman.

### 42 Investment Monitoring Report

42.1 The Committee received the exempt report of the Head of Treasury and Pensions (copy attached to the Exempt signed Minutes) which provided Members with monitoring information on investment performance and managers for the quarter period to 30 September 2017, and reported on the technical meetings held with managers since the quarter end.

**42.2 RESOLVED:**

That the position and updates as set out in the exempt report by the Head of Treasury and Pensions be noted.

**43 New Admission Bodies**

43.1 The Committee received the exempt report of the Pension Administration Manager which provided Members with details regarding two new employer admissions to the Fund, all under Schedule 2 Part 3 Regulation 1(d)(i) of the Local Government Pension Scheme Regulations 2013 and details of two new admissions that had been approved by the Chairman between meetings, under the Urgency Procedures.

**43.2 RESOLVED:**

That the recommendations in the exempt report of the Pension Administration Manager be approved.

**44 Record of Breaches**

44.1 Members received the report of the Pensions Administration Manager which informed them of breaches arising in the quarter 1<sup>st</sup> July to 30<sup>th</sup> September 2017.

**44.2 RESOLVED:**

That Members note the content of Appendix A to the report.

*(The full version of Minutes 41 to 44 constitutes exempt information under Categories 2 and 3 of Paragraph 10.4 of the Council's Access to Information Rules and has accordingly been withheld from publication).*

Signed ..... (Chairman)

Date: .....