



Pensions Committee

21st September 2018

10.00 a.m.

**MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 27 JULY 2018
10.00 AM - 1.10 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, Michael Wood and Malcolm Smith (Vice Chairman)

Co-Opted Members (Voting):

Councillors David Wright

Co-Opted Members (Non-Voting):

Jean Smith

1 Election of Chairman

RESOLVED:

that Councillor Tom Biggins be elected Chairman for the ensuing municipal year.

2 Apologies & Substitutions

No apologies were received.

3 Appointment of Vice-Chairman

RESOLVED:

That Councillor Malcolm Smith be appointed Vice-Chairman of the Pensions Committee for the forthcoming municipal year.

4 Disclosable Pecuniary Interests

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

5 Minutes of the Previous Meeting

RESOLVED:

that the minutes of the meeting held on 16th March 2018 be approved and signed by the Chairman as a correct record.

6 **Public Questions**

There were no public questions.

7 **LGPS Central Update**

Joanne Segars and Andrew Warwick-Thompson were in attendance to present this item [presentation attached to the signed minutes]. They provided Members with a progress review and gave an overview of the plan for 2018/19.

8 **Internal Audit out turn Report for Shropshire County Pension Fund 2017/18**

The meeting received the report of the Head of Internal Audit which provided members with details of work undertaken by Internal Audit for the year ending 31 March 2018.

The Head of Internal Audit informed Members that the final performance had been good and 100% of the plan had been delivered and that five good assurances had been made.

RESOLVED:

that the Committee endorse:

- a) Performance against the Audit Plan for the year ended 31 March 2018; and
- b) The Audit Manager's positive year end opinion on the Fund's internal control environment for 2017/18 based on the work undertaken and management response received.

9 **External Audit - The Audit Findings for Shropshire County Pension Fund 2017/18**

The meeting received the report of Grant Thornton which set out the external audit findings for the Shropshire County Pension Fund. Members were advised that an unqualified audit opinion would be given in respect of the financial statements for the year ending 31 March 2018.

10 **Pension Fund Annual Accounts 2017/18**

The Committee received the report of Head of Finance, Governance and Assurance which provided Members with the Shropshire Council Pension Fund Annual Report 2017/1 and an update on the annual audit.

RESOLVED:

that the Committee approve the Pension Fund Annual Report 2017/8 and the letter of representation for Grant Thornton which was signed by the Chair and Head of Finance Governance & Assurance.

11 **Introduction to Absolute Return Investing**

Louis Paul Hill of Aon Hewitt gave a presentation on the opportunities of Absolute Return Investing [presentation attached to signed minutes]. He gave an overview of

the risk /return spectrum of absolute return strategies, and outlined the risks associated with different investment fund types. He then took questions from Members.

12 Hedge Fund and Alternative Risk Premia

David Kingsley and Harry Skaliotis of Man Group gave a presentation to Members [copy attached to signed minutes]. They gave an overview of the Man Group and outlined the differences between traditional asset managers and hedge funds. They went on to discuss Alternative Risk Premia and the yields and risks associated with them. They answered Members questions.

RESOLVED:

that further investigation of infrastructure be made and information be obtained about Alternative Risk Premia.

13 Corporate Governance Report

Members received the Corporate Governance Monitoring report. The report informed Members of the Corporate Governance and socially responsible investment issues arising in the quarter 1st January 2018 to 31st March 2018.

RESOLVED:

that the contents of the Corporate Governance Monitoring Report be noted.

14 Investment Strategy Statement

The Head of Treasury and Pensions advised Members that the Investment Strategy Statement had previously been approved in March 2017 and September 2017. The statement had been subsequently updated to include details of new allocations to Insurance Linked Securities and Property Debt as agreed at the previous Pension Committee meeting in March 2018.

RESOLVED:

that the updated Investment Strategy be approved. The date funds are due to start transferring from SCPF to LGPS Central will be amended in the document.

15 Pensions Administration Monitoring

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

Members noted that at April 2018 member take up of its online area Member Self Service (MSS) known as 'My Pension Online' had a take up of 37.3% of active members and 29.7% of deferred members.

RESOLVED:

that Members accept the position as set out in the report

16 Pensions Administration Strategy Statement

The Pensions Manager introduced this report, which provided Members with information on a recent review of the Pensions Administration Strategy Statement and the resulting updated policy.

RESOLVED:

that the Pension Administration Strategy be approved.

17 Exclusion of Press and Public

RESOLVED:

that under paragraph 10.2 of the Council's Access to Information Procedure Rules that the proceedings of the Committee in relation to Minutes 18 to 22 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.

18 Exempt Minutes of the Previous Meeting (Exempted by Categories 2 and 3)

RESOLVED:

that the Exempt Minutes of the meeting held on 16th March 2018 be approved and signed by the Chairman as a correct record.

19 Investment Strategy and Equity Options

Louis Paul Hill of Aon Hewitt presented this item [copy attached to signed confidential minutes].

RESOLVED:

that the decision as detailed in the Exempt Minutes be implemented.

20 Investment Monitoring - Quarter to 31 March 2018 (Exempted by Category 3)

The Committee received the exempt report of the Head of Treasury and Pensions which provided Members with monitoring information on investment performance and managers for the quarter period to 31 March 2018, and reported on the technical meetings held with managers since the quarter end.

RESOLVED:

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

21 New Admission Bodies (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager which provided Members with details of the following:

- Full details regarding two new employer admissions to the Fund under Schedule 2 Part 3 Regulation 1(d)(i) of the Local Government Pension Scheme Regulations 2013. The admissions were due to services transferring from Scheme Employers under service contract.
- Confirmation that one new employer admission, was approved by the Chairman between Committee meetings to allow the sealing of the Admission.

- Update on New Schedule 1 Part 1 Scheme Employers (Designated Bodies).

RESOLVED:

that the recommendations in the exempt report by the Pensions Administration Manager be approved.

22 Record of Breaches (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager which informed them of breaches arising in the quarter 1st January 2018 to 31st March 2018, which had been recorded in the breaches log.

RESOLVED:

that the content of Appendix A to the report which detailed breaches in the last quarter, be noted.

(The full version of Minutes 19 to 22 constitutes exempt information under Categories 2 and 3 of paragraph 10.2 of the Council's Access to Information Procedure Rules and has accordingly been withheld from publication.)

Signed (Chairman)

Date: