



Pensions Committee

21 September 2016

10.00 am

**MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 28 JUNE 2016
10.00 - 11.25 AM**

Responsible Officer: Sarah Townsend
Email: sarah.townsend@shropshire.gov.uk Tel: 01743 257721

Present:

Members of the Committee:

Councillor Malcolm Pate (Chairman)

Councillors Thomas Biggins, Andrew Davies and Roger Evans (Substitute) (substitute for Anne Chebsey)

Co-Opted Members (Voting):

Councillors Malcolm Smith and David Wright

Co-Opted Members (Non-Voting):

Jean Smith

1 Election of Chairman

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

2 Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Anne Chebsey and Mr Nigel Neat.

Councillor Roger Evans substituted for Councillor Anne Chebsey.

Apologies for absence were also received from Mr Roger Bartley (Independent Advisor to the Committee).

The Chairman welcomed Councillor David Wright (Co-Opted Member – Voting) to his first meeting and it was noted that he had replaced Councillor Charles Smith as Committee Member.

3 Appointment of Vice-Chairman

It was proposed, seconded and **RESOLVED:** that Councillor Malcolm Smith be appointed Vice-Chairman for the ensuing 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**

RESOLVED:

That the Minutes of the meeting held on 18 March 2016 be approved and signed by the Chairman as a correct record.

6 **Public Questions**

There were no public questions.

7 **Investment Strategy - Next Steps**

Mr Louis-Paul Hill, from Aon Hewitt, was asked to provide an update to the Committee in relation to the recent referendum which determined whether the United Kingdom should leave or remain in the European Union. He explained that whilst the Brexit result had come as a surprise to financial markets with an uncertain outcome predicted, the Fund was reasonably well positioned.

In terms of the Investment Strategy, it was noted that a training day was planned for all Members of the Pensions Committee and Pensions Board on 28 July 2016. It was proposed that a Pension Regulation update, introduction to illiquid assets, Private Equity, Infrastructure and hedge funds would be looked at during this training session.

It was noted that Aon Hewitt would circulate a survey to all Members of the Pensions Committee, Pensions Board and Officers in order to gain people's opinions on the potential future direction of the Shropshire Pension Fund Investment Strategy. The results of the survey would be reported to the 21 September 2016 Pensions Committee meeting and at the 25 November 2016 meeting, a proposal would be considered regarding potential changes to the Investment Strategy.

8 **Policy Update - Pensions Administration Strategy**

The Committee received the report of the Pension Administration Manager (copy attached to the signed Minutes) which outlined the requirement to produce and keep updated certain Policies under the Local Government Pension Scheme legislation and in line with the best practice principles published by the Communities and Local Government Department. The report recommended updates to the Pension Administration Strategy.

RESOLVED:

That the revised Pension Administration Strategy be approved (Appendix A).

9 Pensions Administration Monitoring

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.

It was noted that Annual Benefit Statements for active members would be issued electronically via the Fund's website for the first time this year, unless a member had requested to continue to receive a paper copy instead.

RESOLVED:

That the position as set out in the report by the Pension Administration Manager be accepted.

10 Corporate Governance Monitoring

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 01 January 2016 to 31 March 2016.

RESOLVED:

That the position as set out in the report, Manager Voting Reports (Appendix A) and BMO Global Asset Management Responsible Engagement Overlay Activity Report (Appendix B) be accepted.

11 Exclusion of Press and Public

That under paragraph 10.2 of the Council's Access to Information Procedure Rules, the proceedings of the Committee in relation to Minutes 12 to 17, be not conducted in public on the grounds that they might involve the likely disclosure of exempt information as defined by the category specified against them.

12 Exempt Minutes (Exempted by Category 3)

RESOLVED:

That the Exempt Minutes of the meeting held on 18 March 2016 be approved and signed by the Chairman as a correct record.

13 New Admission Bodies (Exempted by Category 3)

The Committee received the exempt report of the Pension Administration Manager (copy attached to the Exempt signed Minutes) which provided Members with details regarding three new employer admissions to the Fund, all under Schedule 2 Part 3 Regulation 1(d)(i) of the Local Government Pension Scheme Regulations 2013. Two of the admissions were due to services transferring from Scheme Employers, under service contracts and the other was as a result of a service contract being novated to a new Company.

Confirmation of the closure of an Admission Agreement was also detailed within the report.

RESOLVED:

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

14 Appeals Under The Internal Disputes Resolution Procedure (Exempted by Category 2)

The Committee received the exempt report of the Pension Administration Manager (copy attached to the Exempt signed Minutes) which informed Members of stage two appeals to the appointed person under the Internal Disputes Resolution Procedure.

RESOLVED:

That the exempt report of the Pension Administration Manager be noted.

15 LGPS Central - Investment Pooling (Exempted by Category 3)

The Committee received the exempt report of the Head of Treasury and Pensions (copy attached to the Exempt signed Minutes) which provided an update on progress regarding the pooling of investments in the Local Government Pension Scheme.

RESOLVED:

That the recommendations in the exempt report by the Head of Treasury and Pensions be approved.

16 Brevan Howard Disinvestment (Exempted by Category 3)

The Committee received the exempt report of Aon Hewitt (copy attached to the Exempt signed Minutes) which provided Members with information and recommendations regarding the actions Shropshire should take in respect of Brevan Howard Disinvestment.

RESOLVED:

That the recommendation contained within paragraph 2.2 of the Head of Treasury and Pensions Investment Monitoring – Quarter to 31 March 2016 report (Agenda Item 17), be approved.

17 Investment Monitoring - Quarter to 31 March 2016 (Exempted by Category 3)

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 31 March 2016, 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.

(The full version of Minutes 12 to 17 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: