



Pensions Committee

23 June 2017

10.00 am

**MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 17 MARCH 2017
10.00 AM - 1.20 PM**

Responsible Officer: Tim Ward

Email: tim.ward@shropshire.gov.uk Tel: 01743 257713

Present:

Members of the Committee:

Councillor Malcolm Pate (Chairman)

Councillors Thomas Biggins and Andrew Davies

Co-Opted Members (Voting):

Councillors David Wright

Co-Opted Members (Non-Voting):

Jean Smith

53 Apologies for Absence and Substitutions

- 53.1 Apologies for absence were received from Councillor Anne Chebsey, Councillor Malcolm Smith and Mr Nigel Neat

54 Disclosable Pecuniary Interests

- 54.1 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

55 Minutes of the Last Meeting

- 55.1 The minutes of the meeting held on 25 November 2016 had been circulated

55.2 RESOLVED:

That the minutes of the meeting held on 25 November 2016 be approved as a true record and signed by the Chairman

56 Public Questions

- 56.1 There were no questions from members of the public.

57 Investec (Global Equities)

- 57.1 Steven Lee and Ian Vose from Investec gave a presentation which gave an overview of the company and an update of the performance to date. They then took questions from Members

58 Aon Hewitt (Investment Strategy Review)

- 58.1 Members received a presentation on the Investment Strategy Review from Louis-Paul Hill and John Belgrove from AON Hewitt. They reminded Members that a review of the Investment Strategy was carried out every three years following the Actuarial Valuation and set out various options and strategies.
- 58.2 It was agreed that more information in relation to equity protection strategy options be brought to the next meeting of the Pensions Committee prior to a decision being made.

59 Pimco (Illiquid and Opportunistic Credit Market)

- 59.1 Edward Berry and Salim Jaffer from Pimco gave a presentation on the opportunities in illiquid credit. They reminded Members that illiquid credit was a form of financing provided to borrowers who could not access public credit markets or required non-standard customised terms for their lending, and took the meeting through the various opportunities arising from the market. They then took questions from Members.

60 Grant Thornton - Shropshire County Pension Fund Audit Plan 2016/17 and Audit Risk Assessment for the Shropshire County Pension Fund 2016/17

- 60.1 Members received the reports of Grant Thornton which set out The Audit Plan, and the Audit Risk Assessment for Shropshire County Pension Fund.
- 60.2 Mr John Gregory, was in attendance to present the report. And took questions from Members
- 60.3 RESOLVED
- That the contents of the reports be noted

61 Funding Strategy Statement

- 61.1 Members received the report of the Head of Treasury and Pensions which informed them of the requirement to publish an updated Funding Strategy Statement, and setting out the updated Funding Strategy Statement which had formed the basis for the 2016 Actuarial Valuation.
- 61.2 The Head of Treasury and Pensions advised Members that in consultation with Mercers, the Funding Strategy Statement had been updated to incorporate the most up to date valuation assumptions, and that in line with regulations employers had been consulted and had not made any comments. He added that following approval of the Strategy Statement copies would be circulated to employers, investment managers and independent advisors.

61.3 RESOLVED:

That the Funding Strategy Statement be approved.

62 Investment Strategy Statement

62.1 Members received the report of the Head of Treasury and Pensions which set out the Investment Strategy Statement

62.2 The Head of Treasury and Pensions advised Members that under regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, an Investment Strategy Statement must be approved prior to 1 April 2017. He reminded Members that the document laid out in broad terms the things that were considered by the Fund when making investment decisions and included the types of investments that could be held. He added that following approval of the Investment Strategy Statement copies would be circulated to employers, investment managers and independent advisors and would also be available on the Fund website

62.3 RESOLVED:

That the Investment Strategy Statement be approved

63 Pension Fund Treasury Strategy 2017-18

63.1 Members received the report of the Head of Treasury and Pensions which proposed a Pension Fund Treasury Strategy for 2017-18.

63.2 The Head of Treasury and Pensions reminded Members that the strategy referred to the small cash balances that the Administering Authority maintained to manage the day to day transactions of the Fund, which included the payment of pensions and transfers out together with the receipt of contributions from employers and transfers into the Fund.

63.4 RESOLVED:

- a) That delegated authority be given to the Scheme Administrator (Section 151 Officer) to manage the Pension Funds day to day cash balances
- b) That the Pension Fund Treasury Strategy be approved
- c) That the Scheme Administrator (Section 151 Officer) be authorised to place deposits in accordance with the Pension Fund's Treasury Strategy.
- d) That delegated authority be given to the Scheme Administrator (Section 151 Officer) to add or remove institutions from the approved lending list and amend cash and period limits as necessary in line with the Administering Authority's creditworthiness policy

64 Schedule of Committee and Other Meetings 2017/18

64.1 Members received the report of the Head of Treasury and Pensions which set out the schedule of meeting of the Committee and outside bodies on which the Committee is represented

64.2 RESOLVED:

That the schedule of Committee meetings be agreed

That the representation at other conferences and training events as set out in the report be approved

65 Corporate Governance Monitoring

65.1 The meeting received the report of the Investment Officer which set out Corporate Governance and socially responsible investment issues arising in the quarter 1st October 2016 to 31st December 2016

42.2 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

66 Pensions Administration Monitoring report

66.1 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.

66.2 RESOLVED

That Members accept the position as set out in the report

67 Exclusion of Press and Public

67.1 RESOLVED

That under paragraph 10.2 of the Council's Access to Information Procedure Rules the proceedings of the Committee in relation to Agenda Items 16 to 18 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

68 Exempt Minutes (Exempted by Categories 2 and 3)

68.1 The exempt minutes of the meeting held on 25 November 2016 had been circulated

68.2 RESOLVED:

That the exempt minutes of the meeting held on 25 November 2016 be approved as a true record and signed by the Chairman

69 Investment Monitoring Report (Exempted by Category 3)

69.1 The meeting received the exempt report of the Head of Treasury and Pensions which provided Members with monitoring information on investment performance and managers for the period to 31 December 2016.

69.2 RESOLVED:

That Members note the position as set out in the report

70 Record of Breaches (Exempted by Category 3)

70.1 Members received the report of the Pensions Administration Manager which informed them of breaches arising in the quarter 1 October 2016 to 31 December 2016

70.2 RESOLVED:

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

(The full version of Minutes 68 to 70 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: