



Pensions Committee

27 July 2018

10.00 a.m.

**MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 16 MARCH 2018
9.30 AM - 3.45 PM**

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

Present:

Members of the Committee:

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

Co-Opted Members (Non-Voting):

Jean Smith

45 Apologies for Absence / Notification of Substitutes

Apologies for absence were received from Councillors Malcolm Smith and David Wright.

Apologies for absence were also received from Councillors Lee Carter and Adrian Lawrence (Substitute Members).

46 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.

47 Minutes of the Previous Meeting

RESOLVED:

That the Minutes of the meeting held on 24 November 2017 be approved and signed by the Chairman as a correct record.

48 Public Questions

There were no public questions.

49 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 50 to 55, 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.

50 Recap on Insurance Linked Securities and Managers Presenting (Exempted by Category 3)

Mr Louis-Paul Hill, Aon Hewitt, was in attendance to present this item.

51 Insurance Linked Securities Presentations (Exempted by Category 3)

Forty Five minutes were allocated to each candidate to make their presentation and for Members to ask questions. In making their presentations, the managers had been asked to cover specific areas.

52 Insurance Linked Securities Report (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 further information in relation to the appointment of an Insurance Linked Securities Manger.

RESOLVED:

That the decisions as detailed in the Exempt Minutes be implemented.

53 Recap on Property Debt and Managers Presenting (Exempted by Category 3)

Mr Louis-Paul Hill, Aon Hewitt, was in attendance to present this item.

54 Property Debt Presentations (Exempted by Category 3)

Forty Five minutes were allocated to each candidate to make their presentation and for Members to ask questions. In making their presentations, the managers had been asked to cover specific areas.

55 Property Debt Report (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 further information in relation to the appointment of a Property Debt Manager.

RESOLVED:

That the decisions as detailed in the Exempt Minutes be implemented.

(The full version of Minutes 50 to 55 constitutes exempt information under Category 3 of paragraph 10.2 of the Council's Access to Information Procedure Rules and has accordingly been withheld from publication).

(From this point, the proceedings of the Committee were conducted in public session in relation to Minutes 56 to 62).

56 Grant Thornton - The Audit Plan for Shropshire County Pension Fund 2017/18 and Informing The Audit Risk Assessment for Shropshire County Pension Fund 2017/18

In respect of 'The Audit Plan for Shropshire County Pension Fund 2017/18', the Committee received the report of the External Auditor, Grant Thornton, (copy attached to the signed Minutes) which set out the external audit plan for Shropshire County Pension Fund for the year ending 31 March 2018.

Mr David Rowley, Executive for Grant Thornton, was in attendance to present the report. It was noted that the audit fee for 2017/18 would be the same as it was for 2016/17 (£23,427).

RESOLVED:

That the contents of the report by the External Auditor, Grant Thornton, be noted.

In respect of 'Informing The Audit Risk Assessment for Shropshire County Pension Fund 2017/18', the Committee received the report of the External Auditor, Grant Thornton, (copy attached to the signed Minutes) which detailed responses received from the Fund's management in respect of a series of questions relating to the areas of fraud, laws and regulations, going concern, related parties and accounting estimates.

Mr David Rowley, Executive for Grant Thornton, was in attendance to present the report.

RESOLVED:

That the contents of the report by the External Auditor, Grant Thornton, be noted.

57 LGPS Central Update

Joanne Segars and Andrew Warwick-Thompson were in attendance to present this item. They provided Members with a progress review, looked at the structure of the Governance Framework and presented the key deliverables for 2018/19.

58 Corporate Governance Monitoring

The Committee received the report of the Investment Officer (copy attached to the signed Minutes) which informed Members of Corporate Governance and socially responsible investment issues arising in the quarter 01 October 2017 to 31 December 2017.

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.

59 Pension Fund Treasury Strategy 2018/19

The Committee received the report of the Head of Treasury and Pensions (copy attached to the signed Minutes) which proposed the Pension Fund Treasury Strategy for 2018/19 for the small cash balances that the Administrating Authority maintained to manage the day to day transactions of the Fund. These transactions included the payment of pensions and transfers out together with the receipt of contributions from employers and transfers into the Fund.

In response to a question, the Head of Treasury and Pensions confirmed that the Fund does lend to some Local Authorities, but not many.

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.

60 Pensions Administration Monitoring

The Committee received the report of the Pensions 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.

RESOLVED:

- (a) That the position as set out in the report by the Pensions Administration Manager be accepted.
- (b) That the decision to not collect overpayment of pension due to incorrect GMP information being held in accordance with guidance that the Pensioner would not have known their pension was incorrect due to the complexity of the Contracting out legislation, be approved.

61 Employer Events Policy

The Committee received the report of the Pensions Administration Manager (copy attached to the signed Minutes) which informed Members of the recently drafted

'Employer Events Policy' which replaced the Fund's Termination Funding Policy. It was noted that there had been a consultation period in relation to this new policy.

RESOLVED:

That the 'Employer Events Policy' be approved.

62 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 63 to 67, 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.

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

That the Exempt Minutes of the meeting held on 24 November 2017 be approved and signed by the Chairman as a correct record.

64 Equity Protection Strategy Update (Exempted by Category 3)

Mr Charles Iversen, Aon Hewitt, was in attendance to present this item.

RESOLVED:

That the decisions as detailed in the Exempt Minutes be implemented.

65 Investment Monitoring - Quarter to 31 December 2017 (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 December 2017, 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.

66 New Admission Bodies (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager (copy attached to the Exempt signed Minutes) which provided Members with details of the following:

- Two new employer admissions to the Fund under Schedule 2 Part 3 Regulation 1 (d) (i) of the Local Government Pension Scheme Regulations 2013. These were due to services transferring from Scheme Employers, under a service contract.

- Confirmation that one new admission had been approved by the Chairman between committee meetings.
- One admission agreement, reported at the last Pensions Committee meeting, which did not take place.

RESOLVED:

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

67 Record of Breaches (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager (copy attached to the Exempt signed Minutes) which informed them of breaches arising in the quarter 01 October 2017 to 31 December 2017, which had been recorded in the breaches log.

RESOLVED:

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

(The full version of Minutes 63 to 67 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: