



<u>Committee and Date</u>	<u>Item</u>
Pensions Committee	3
4 th October 2019	Public

MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 24 JULY 2019

10.00 AM - 12.10 PM

Responsible Officer: Shelley Davies

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Present

Members of the Committee:

Councillor Thomas Biggins (Chairman)

Councillors Chris Mellings, Brian Williams, Michael Wood and Adrian Lawrence (Substitute)

Co-Opted Members (Voting):

Councillor Adrian Lawrence (Substitute)

Co-Opted Members (Non-Voting):

Jean Smith

1 Election of Chairman

RESOLVED:

That Councillor Tom Biggins be appointed Chairman of the Pensions Committee for the forthcoming municipal year.

2 Apologies and Substitutions

Apologies for absence were received from Councillors Malcolm Smith (Substitute: Councillor Adrian Lawrence) and Leon Murray.

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 15th March 2019 be approved and signed by the Chairman as a correct record.

6 Public Questions

There were no public questions.

7 Actuarial Valuation Update

John Livesey, Mercer Human Resource Consulting was in attendance to present this item. He provided Members with background information and outlined the existing funding strategy and the preliminary 2019 valuation results. He then took questions from Members.

8 Third Line of Assurance: Internal Audit Outturn Report for Shropshire County Pension Fund 2018/19

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 2019.

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

RESOLVED:

That the Committee endorse:

- a) Performance against the Audit Plan for the year ended 31 March 2019; and
- b) The Head of Audit's substantive year end opinion on the Fund's internal control environment for 2018/19 based on the work undertaken and management response received.

9 External Audit - The Audit Findings for Shropshire County Pension Fund 2018/19

The meeting received the report of Grant Thornton which set out the external audit findings for the Shropshire County Pension Fund. Mr David Rowley, Executive for Grant Thornton, was in attendance to present the report.

Members were advised that an unqualified audit opinion would be given in respect of the financial statements for the year ending 31 March 2019. It was noted that the audit fee for 2018/19 was £20,039 – a reduction from 2017/18.

10 Pension Fund Annual Accounts 2018/19

The Committee received the report of the Director of Finance, Governance and Assurance which provided Members with the Shropshire Council Pension Fund Annual Report 2018/19 and an update on the annual audit.

In response to queries, the Director of Finance, Governance and Assurance explained the reason why Shropshire Council had paid 3 years contributions in advance as

detailed in paragraph 6.1 of the report and it was noted by the Pensions Administration Manager that the bulk payment in relation to staff leaving was due to one of the colleges which had moved out of the County and to another fund.

RESOLVED:

The Committee approved the Pension Fund Annual Report 2018/19.

11 Pension Fund Treasury Strategy 2019/20

Members received the report of the Head of Treasury and Pensions which proposed the Pension Fund Treasury Strategy for 2019/20 for the small cash balances that the Administering Authority maintains to manage the day to day transactions of the Fund.

RESOLVED:

- a) Members delegated authority to the Scheme Administrator (Section 151 Officer) to manage the Pension Funds day to day cash balances.
- b) Members approved the Pension Fund Treasury Strategy.
- c) Members authorised the Scheme Administrator (Section 151 Officer) to place deposits in accordance with the Pension Fund's Treasury Strategy.
- d) Members delegated authority 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.

12 Corporate Governance Monitoring

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 2019 to 31st March 2019.

RESOLVED:

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

13 Pensions Administration Monitoring

Members 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.

The Pensions Administration Manager noted that the Valuation data had been provided to the Fund's Actuary on time and that the project to produce the annual benefit statements for all active and deferred members as at 31st March 2019 was underway.

In response to a question in relation to the mortality and member tracing service, the Pensions Administration Manager confirmed that any overpayment that was made to a member that had passed away was followed up and recovered if possible.

RESOLVED:

That Members accept the position as set out in the report.

14 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 15 to 20 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.

15 Exempt Minutes of the Previous Meeting (Exempted by Category 3)

RESOLVED:

That the Exempt Minutes of the meeting held on 15th March 2019 be approved and signed by the Chairman as a correct record.

16 Equity Protection Update (Exempted by Category 3)

Louis Paul Hill of Aon Hewitt was in attendance to present this item which provided Members with an update in relation to equity protection. He then took questions from Members.

RESOLVED:

That the presentation be noted.

17 Investment Monitoring - Quarter to 31 March 2019 (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 2019, and reported on the technical meetings held with managers since the quarter end.

RESOLVED:

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

18 Governance (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 2019 to 31st March 2019, 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.

19 New Employers (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 three 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.
- Update on New Schedule 1 Part 1 Scheme Employers (academies) and New Schedule 2 Part 2 Scheme Employers (designated bodies).

RESOLVED:

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

20 Cost Cap, McCloud and Exit Credits - Implications for Employer Events Policy (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager which provided Members with details of the implications to the Fund of the Cost Cap and McCloud Case on exit credits.

RESOLVED:

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

(The full version of Minutes 15 to 20 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: