

# MINUTES

meeting: **PENSIONS COMMITTEE**

date: **27 FEBRUARY 2013**

## **PRESENT:-**

Councillor T Singh (Chair) - Wolverhampton City Council  
Councillor Walkling – Birmingham City Council  
Councillor Silvester - Sandwell MBC  
Councillor Zahid Ali - Walsall MBC  
Councillors Bateman, Bilson, M Evans, S Evans, Heap, Johnson,  
Reynolds and T H Turner – Wolverhampton City Council

## **TRADE UNION REPRESENTATIVES:-**

M Cantello - UNISON  
I Smith - UNITE (Retired)

## **EXTERNAL ADVISORS IN ATTENDANCE:-**

W Marshall - Hymans Robertson

## **OFFICERS IN ATTENDANCE:-**

### **Wolverhampton City Council**

G Drever - Director of Pensions  
C Duggan - Compliance and Risk Manager  
N Perrins - Chief Pensions Service Manager  
M Taylor - Chief Financial Officer  
M Webb - Solicitor-Head of Service-Delivery  
M Fox - Democratic Support

**Wolverhampton**  
City Council



**APOLOGIES FOR ABSENCE:-**

Apologies for absence were submitted on behalf of:

Councillors Bains (Coventry City Council), Martin (Solihull MBC), Clarke, McGregor and Shah (Wolverhampton City Council), M Clift (Trade Union Observer) and John Fender (External Adviser)

**PART I – OPEN ITEMS**

**Substitute Councillors**

- 44 Councillor Silvester attended the meeting on behalf of Councillor Eling (Sandwell MBC).

**Welcome to Councillors**

- 45 The Chair welcomed Councillors Walkling and Ali to the meeting.

**Declarations of Interest**

- 46 No interests were declared.

**Minutes**

- 47 Resolved:-  
(a) That the minutes of the meeting of the Pensions Committee held on 21 November 2012 be approved as a correct record.  
(b) That the minutes of the meeting of the Investment Advisory Sub-Committee held on 16 January 2013 be adopted.  
(c) That the minutes of the meeting of the Pensions Joint Consultative Panel held on 5 December 2012 be received.

**Trustee Training (Resolution 33)**

- 48 Favourable comment was passed on the recent 2 day trustee training course and the quality of the presentations given during the event.

**Fund Logo (Resolution 37)**

- 49 It was noted that the new logo will be launched on 28 March 2013, together with the web-portal promotions.

**Order of Agenda**

The Chair suggested a revision to the prepared agenda for the meeting.

- 50 Resolved:-  
That the order of the agenda be amended by considering items 12-19, followed by items 6-11.

**WMPF Medium-Term Financial Plan Update and 2013/14 Operating Budget (Appendix 1/28)**

The report detailed the update to the 2015 medium-term financial plan and the 2013/14 operating budget.

- 51 Resolved:-  
That the update to the 2011/2015 medium-term financial plan are set out in section 5 of the report and the provisional detailed operating budget for 2013/14 as detailed in section 6 of the report be approved.

**Service Plan Monitoring 2012/13 (Appendix 1/29)**

This report provided an update to the medium-term financial plan along with the Fund's financial and business plan monitoring.

- 52 Resolved:-  
That the financial monitoring along with the Fund's key performance indicators be noted.

**Compliance Monitoring (Appendix 1/30)**

- 53 Resolved:-  
That the report detailing the findings of the Compliance Monitoring Programme and including any other compliance issues for the period 1 July – 30 September 2012 be received.

**Combined Governance Activity – February 2013 (Appendix 1/31)**

- 54 Resolved:-  
That the issues being raised and discussed by the Local Authority Pension Fund Forum as detailed in the attached minutes of the business meeting held on 24 October 2012, together with the Quarterly Engagement Report and the Autumn Newsletter be noted.

**Member Services And Operational Management Report from 1 October 2012-31 January 2013 (Appendix 1/32)**

- 55 Resolved:-  
(a) That the work undertaken by Pensions Member Services and other operational matters during the period 1 October 2012-31 January 2013 be noted.

(b) That the Admitted Bodies applications as detailed in paragraph 7.2 the report be approved.

**Local Government Pension Scheme 2014: Draft Regulations on Membership, Contributions and Benefits (Appendix 1/33)**

The report provided a brief summary on the draft regulations for the new Local Government Pension Scheme, which will be effective from 1 April 2014.

56 Resolved:-  
That the report be noted.

**State Pension Reform And the Local Government Pension Scheme (Appendix 1/34)**

This report provided a brief summary on the recently published White Paper on state pension reform and the implications for the Local Government Pension Scheme.

57 Resolved:-  
That the report be noted.

**Trade Union Representation on Investment Advisory Sub-Committee (Appendix 1/35)**

The report asked the Committee to give further consideration to a recommendation to increase the number of Union representatives who sit as observers on the Investment Advisory Sub-Committee. It was noted that an issue had arisen concerning the method of appointment for the retired member representative and consideration was also given to the implications of new pensions legislation.

58 Resolved:-  
That the decision of the Pensions Committee on 21 November 2012 to increase trade union observer representation on the Investment Advisory Sub-Committee from 1 to 2 representatives, alongside the retired members' representative, making three representatives in total, be reaffirmed.

**Exclusion of Press and Public**

59 Resolved:-  
That in accordance with Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from consideration of the items of business in Part II of the agenda on the grounds that, in view of the nature of the business to be transacted or the nature of the proceedings, exempt information falling within paragraph 3 of Schedule 12A of the Act, is likely to be disclosed.

**PART II - EXEMPT ITEMS**

**Organisational Restructure of West Midlands Pension Fund  
(Appendix 1/36)**

The report outlined the proposed restructure of the pensions service, which provides services to the West Midlands Pension Fund and the West Midlands Integrated Transport Agency. Cllr Johnson, in moving the approval of the report, suggested the addition of a recommendation that a full report be submitted on implementation of the restructure, to include the issue of staff resources.

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Resolved:-

(a) That the proposed structure together with the appendices and the S151 Officer Protocol as detailed in the report be approved.

(b) That the Chair of the Pensions Committee, in consultation with the Chief Executive and Director of Pensions, be authorised to make minor amendments to the structure following consideration of the outcomes of the consultation with employees and Trade Unions.

(c) That it be agreed to implement the restructure as soon as possible following consultation taking into account minor amendments following consultation and in line with the Council's HR Policies and Procedures.

(d) That it be agreed that if the Chair of the Pensions Committee in consultation with the Chief Executive and the Director of Pensions considers that the outcome of the consultation requires major change to the proposals contained in this report, then a further report be submitted to the next available Pensions Committee.

(e) That a further report be submitted following implementation of the new structure, to include the issue of staff resources.

**Employer Covenant Monitoring (Appendix 1/37)**

This report detailed the process of monitoring and assessing the covenant of all participating employers, primarily to mitigate the risk of the Fund in terms of these employers being unable to meet their associated pension liabilities. Some discussion took place regarding the number of cases where this had proved to be a problem in the past and the likely costs of future cases. The Director of Pensions responded to questions about monitoring arrangements for new bodies, including academies and Councillors requested that regular updates be submitted on covenant monitoring.

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Resolved:-

That the report be noted and that regular updates be submitted to the Committee on employer covenant monitoring.

**Update Report on EU Tax Reclaims (Appendix 1/38)**

The report updated the committee on the current position of tax reclaims being made in the EU territory.

- 62 Resolved:-  
That the report be noted.

**Economic and Market Commentary (Appendix 1/39)**

William Marshall, on behalf of Hymans Robertson, submitted a report which reviewed conditions in the global economy and investment markets and also reviewed current tactical asset allocation policy.

- 63 Resolved:-  
That the report be received.

**Valuation of Investments as at 31 December 2012 (Appendix 1/40)**

The valuation document had been made available at the meeting for inspection. The Director of Pensions also confirmed the current value of the Fund.

- 64 Resolved:-  
That the valuation be received.

**Timing of Meetings**

The Chair suggested that future meetings of the Committee and Investment Advisory Sub-Committee be rescheduled to commence at 13:30 hours.

- 65 Resolved:-  
That future meetings of the Pensions Committee and the Investment Advisory Sub-Committee be rescheduled to commence at 13:30 hours.