

MINUTES

meeting: **PENSIONS COMMITTEE**

date: **17 APRIL 2013**

PRESENT:

Councillor T Singh (Chair) - Wolverhampton City Council
Councillor Walking – Birmingham City Council
Councillor Bains – Coventry City Council
Councillor Silvester - Sandwell MBC
Councillor Martin - Solihull MBC
Councillors Bateman, Bilson, M Evans, Heap, Johnson, McGregor,
Reynolds, Shah and T H Turner – Wolverhampton City Council

TRADE UNION REPRESENTATIVES:

M Cantello - UNISON
M Clift - UNITE
I Smith - UNITE (Retired)

EXTERNAL ADVISORS IN ATTENDANCE:

G Johnston - Hymans Robertson
M Rowe - PwC
A Stoke - PwC

EMPLOYEES IN ATTENDANCE:

Wolverhampton City Council

G Drever - Director of Pensions
J Alexander - Principal Auditor
C Duggan - Compliance and Risk Manager
P Farrow - Head of Audit
N Perrins - Chief Pensions Service Manager
M Taylor - Assistant Director- Finance
M Fox - Democratic Support

Wolverhampton
City Council



APOLOGIES FOR ABSENCE:

Apologies for absence were submitted on behalf of:

Councillors Eling (Sandwell MBC) and Clarke (Wolverhampton City Council)

PART I – OPEN ITEMS

Substitute councillors

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

Declarations of interest

67 No interests were declared.

Minutes

68 Resolved:-
That the minutes of the meeting of the Pensions committee held on 27 February 2013 be approved as a correct record.

Trustee training (minute 48)

69 It was noted that further training has been arranged on 23 April for those councillors who had missed the earlier sessions. The Chair stressed the importance of the training sessions.

Update of fund strategy and policy statements (appendix 1/41)

The report asked the committee to approve the update of various fund strategy and policy statements.

70 Resolved:-
That the updated fund strategy and policy statements as detailed below be approved:-

Statement of Investment Principles
Investment Strategy Statement
Compliance with Myners Principles
Social Responsibility Investment Statement
Governance Compliance Statement
Compliance with the Stewardship Code
Communication Policy Statement
Pensions Administration Strategy

Service plan monitoring 2012/13 (appendix 1/42)

This report provided an update to the 2015 medium term financial plan along with the Fund's financial and business plan monitoring.

- 71 Resolved:-
That the report be noted.

Assurance framework supporting the annual governance statement – April 2013 (appendix 1/43)

This report appended the assurance framework supporting the annual governance statements and included the background to the framework and updated operational practices.

- 72 Resolved:-
That the report be noted.

2013 Chancellor's budget and the impact for pensions (appendix 1/44)

The report detailed any changes in the budget which impacted on pension schemes.

- 73 Resolved:-
That the report be noted.

Strategy for internal audit 2013/14 – 2015/16 (appendix 1/45)

The Head of Audit presented the strategy for internal audit for review and approval. Malcolm Cantello asked a question about the availability and publication of the risk register and the Director of Pensions responded that the register is reviewed at quarterly intervals by the Fund's officers and that risk management is covered within the regular training offered to councillors and other members serving on the committee and also within various documents eg business plans. The Director added that a risk workshop will be arranged for committee members in the near future. Cllr Billson added that committee members need to have an appreciation of the risk but rely on external advisers and council officers for advice.

- 74 Resolved:-
That the strategy for internal audit 2013/2014 - 2015/2016 be approved.

PwC – External audit plan 2012/13 (appendix 1/46)

PwC presented their external audit plan for 2012/13. Cllr Bateman asked about the meaning of the paragraph relating to the Freedom of Information Act as detailed within the report. The external advisers responded that this is a standard paragraph which is always

included in plans of this nature and that, if PwC receive any such requests, these are forwarded to the City Council.

- 75 Resolved:-
That the report be noted.

Compliance monitoring (appendix 1/47)

- 76 Resolved:-
That the report detailing the findings of the compliance monitoring programme and including any other compliance issues for the period 1 October – 31 December 2012 be received.

Combined governance report (appendix 1/48)

- 77 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 23 January 2013, together with the LAPFF annual report 2012, be noted.

Pensions administration report from 1 February -31 March 2013 (appendix 1/49)

- 78 Resolved:-
(a) That the work undertaken by Pensions Member Services and other operational matters during the period be noted.

(b) That the admitted bodies applications as detailed in paragraph 7.2 the report be approved.

Exclusion of Press and Public

- 79 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 paragraphs 1 and 3 of Schedule 12A of the Act, is likely to be disclosed.

PART II - EXEMPT ITEMS

Appointment of representatives to a special appointments committee and organisation restructure update (appendix 1/50)

This report detailed progress with the implementation plan for the approved organisation restructure and asked the committee to appoint two district council members to the special appointments committee arranged to select an Assistant Director (Investments) as part of the restructure proposals. The Director of Pensions advised that 3 executive search and recruitment advisor proposals were considered

and that Jordan Davis Group have been appointed to assist with the recruitment process.

80 Resolved:-
(a) That progress on the organisation restructure be noted.

(b) That councillors Walkling (Birmingham City Council) and Martin (Solihull MBC) or substitutes be appointed to serve on the special appointments committee for the Assistant Director post (Investments), subject to compliance with political balance rules.

Employer covenant update report (appendix 1/51)

This report provided an update on the employer covenant monitoring framework implemented by the Fund. Cllr Bateman expressed concern about the issues arising on academies and particularly the employer watchlist as attached at appendix A. The Director of Pensions responded that the issues posed by the report are being pursued regularly and she undertook to bring regular updates to the committee.

81 Resolved:-
That the report be noted and that regular reports be submitted to the committee on employer covenant monitoring, in view of the concerns raised regarding the employer watchlist.

Economic and market commentary (appendix 1/52)

Graeme Johnston, 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.

82 Resolved:-
That the report be noted.

External investment advice (appendix 1/53)

This report considered the review of external investment advisors and the associated fees payable for 2013/2014.

83 Resolved:-
That the arrangements for external investment advice 2013 /2014, as detailed in the report, be approved.

Investment portfolio valuation - 28 February 2013 (appendix 1/54)

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

84 Resolved:-
That the valuation be received.

Vote of thanks

Reference was made to the service of the Chair to the committee during the year.

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Resolved:-

That the thanks of the committee to the Chair for his service during the year be placed on record.