

# MINUTES

meeting: **SUPERANNUATION COMMITTEE**

date: **4 APRIL 2012**

## **PRESENT:-**

Councillor T Singh (Chair) - Wolverhampton City Council  
Councillor Bains - Coventry City Council  
Councillor Taylor – Dudley MBC  
Councillor Silvester - Sandwell MBC  
Councillors Bilson, Clarke, Heap, Holdcroft, Inston, Mrs Samuels and Turner  
– Wolverhampton City Council

## **TRADE UNION REPRESENTATIVES:-**

M Cantello - UNISON  
I Smith - UNITE

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

E Korosis - Hermes GPE

## **OFFICERS IN ATTENDANCE:-**

### **Wolverhampton City Council**

G Drever - Director of Pensions  
S Kembrey - Assistant Director - Governance  
P Main - Assistant Director – Corporate Services  
M Crutchley - Head of Communications, Marketing and Business Support

K Dervey - Senior Investment Manager  
N Perrins - Pensions Service Manager  
M Fox - Democratic Support

**Wolverhampton**  
City Council



**APOLOGIES FOR ABSENCE:-**

Apologies for absence were submitted on behalf of:-

Councillors Martin(Solihull MBC), Councillor Johnson (Wolverhampton City Council), Martin Clift (Trade Union Representative) and Peter Gale (External Adviser)

**PART I – OPEN ITEMS**

**Declarations of Interest**

44 No declarations were declared.

**Minutes**

45 Resolved:-

(a) That the minutes of the meeting of the Superannuation Committee held on 7 December 2011 be approved as a correct record.

(b) That the minutes of the meeting of the Investment Advisory Sub-Committee held on 18 January 2012 be adopted.

(c) That the minutes of the meeting of the Superannuation Joint Consultative Panel held on 15 February 2012 be received.

**Pension Service Medium Term Financial Plan Update and 2012/13 Operating Budget (Appendix 1/27)**

The Director of Pensions submitted the update to the 2015 Medium-Term Financial Plan and 2012/13 Operating Budget. It was noted that the staff budgets reflect the staffing re-structure which is taking place and that the investment management budget excludes fees paid within investment funds (indirect and direct) and performance fees.

46 Resolved:-

That the update to the 2011-2015 Medium-Term Financial Plan as set out in Section 5 of the report and the detailed Operating Budget for 2012/13 as detailed in Section 6 of the report be approved.

**Assurance Framework Supporting the Annual Governance Statement (Appendix 1/28)**

A report was submitted which set out the assurance framework which supports the Council's Annual Governance Statement, and which gave an assurance to the Committee and interested parties that the administration of the Fund is operating in a satisfactory manner.

47 Resolved:-

That the report detailing the background to the assurance framework and updated operational practices of the Fund be noted.

**Compliance Monitoring (Appendix 1/29)**

48

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 2011 be received.

**Member Services and Operational Management Report From 1 November 2011 – 29 February 2012 (Appendix 1/30)**

The updated member services and operational management report was submitted. Members were also advised that the Fund had recently been awarded the Investors in Excellence Specialist Category Award in Lean Process Service. The Chair and Members were pleased to note the recent award.

49

Resolved:-

That the report detailing the work undertaken by Pensions Member Services during the period 1 November 2011 – 29 February 2012 be noted.

**Local Government Pension Scheme (Administration) Regulations 2008 - Applications for Admission Body Status (Appendix 1/31)**

50

Resolved:-

That the application from Premier Support Services (Holy Trinity Roman Catholic School) Birmingham for Admission Body status be accepted, subject to:-

(i) the inclusion, if necessary, of additional compensatory clauses to protect the position of the Pension Fund;

(ii) confirmation, if necessary that such action will not prejudice the Fund's exempt status on the payment of US Withholding Tax.

**Local Government Pension Scheme (Administration) Regulations 2008 - Applications for Admission Body Status (Appendix 1/32)**

51

Resolved:-

That the action of the Director of Pensions, in consultation with the Chair and Vice-Chair, in approving the applications from:-

Acivico (Building Consultancy) Limited, Birmingham

Acivico (Design, Construction and Facilities Management) Limited, Birmingham

Birmingham Museum Trust Company, Birmingham

Initial Catering Services (Wednesbury Learning Campus), Sandwell

Interserve Facilities Management Limited (OCOS/WODO/Tipton Schools), Sandwell

Interserve Facilities Management Limited (Rowley Campus), Sandwell

Interserve Facilities Management Limited (Smethwick Campus),  
Sandwell  
Lawrence Cleaning (Woodthorne Primary School), Wolverhampton  
Leisure & Community Partnership Limited (Harborne Pool),  
Birmingham  
Premier Support Services (St Edmund Campion School), Birmingham  
Wolverhampton Leisure Trust, Wolverhampton

for Admission Body Status be accepted, subject to:-

(i) the inclusion, if necessary, of additional compensatory clauses to protect the position of the Pension Fund;

(ii) confirmation, if necessary, that such action will not prejudice the Fund's exempt status on the payment of US Withholding Tax.

**Combined Governance Activity From October to December 2011 (Appendix 1/33)**

The report provided an outline of the current issues being raised by the Local Authorities Pension Fund Forum, and the West Midlands Pension Fund's proxy voting activity for the quarter.

52 Resolved:-  
That the report be noted.

**Investment Policy and Performance Report 1 January – 31 December 2011 (Appendix 1/34)**

This report advised Members of the investment policy, investment strategy and investment returns earned on the Pension Fund in 2011 and in earlier years. The Director of Pensions responded to a question about the benchmark for the strategy and Cllr Billson commented on the performance of the Fund for the 3 year period ending 31 December 2012 being better than the longer term position.

53 Resolved:-  
That the report be received.

**Exclusion of Press and Public**

54 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**

**Investment Review and Recommendations (Appendix 1/35)**

A report by Hermes GPE was submitted which reviewed investments and set out a recommended asset allocation policy for the future. Elias Korosis provided more information about the economic climate and predictions for growth in the future.

55 Resolved:-

That the report prepared by Hermes GPE be received and that the proposed tactical asset distribution for the ensuing period be approved.

**Valuation of Investments as at 29 February 2012 (Appendix 1/36)**

56 Resolved:-

That the Valuation of Investments as at 31 October 2011 be received.

(NOTE :The External Adviser was not in attendance during consideration of the following item).

**External Investment Advice (Appendix 1/37)**

The report asked The Committee to consider the fees payable for external investment advice for the year 2012/2013.

57 Resolved:-

That the fees payable for external investment advice for the year 2012/2013, as detailed in the report be approved and that it be noted that the Director of Pensions will review the service provided by Hermes.

**Skills and Knowledge for Elected Representatives and Senior Officers**

58

A booklet which had been produced by the West Midlands Pension Fund, with the assistance of other parties, was submitted for information. Members noted that this had been prepared by Brian Bailey, previous Director of Pensions, prior to his retirement from the Council.