

M I N U T E S

meeting: **PENSIONS COMMITTEE**

date: **21 NOVEMBER 2012**

PRESENT:-

Councillor T Singh (Chair) - Wolverhampton City Council
Councillor Allport - Solihull MBC
Councillor Silvester - Sandwell MBC
Councillors Bateman, M Evans, S Evans, Heap, McGregor and Turner -
Wolverhampton City Council

TRADE UNION REPRESENTATIVES:-

M Clift - UNITE
I Smith - UNITE

OFFICERS IN ATTENDANCE:-

G Drever - Director of Pensions
F Davis - Head of Service, Governance and
Regulatory
P Main - Assistant Director – Corporate Services
N Perrins - Chief Pensions Service Manager
M Fox - Democratic Support Officer (Delivery)
S Soni - Democratic Support Officer (Delivery)

APOLOGIES FOR ABSENCE:-

Apologies for absence were submitted on behalf of:

Councillors- Ali (Walsall MBC), Bains (Coventry City Council), Bilson (Wolverhampton City Council), Clarke (Wolverhampton City Council), Eling (Sandwell MBC), Johnson (Wolverhampton City Council), Martin (Solihull MBC), Reynolds (Wolverhampton City Council), Shah (Wolverhampton City Council), Walkling (Birmingham City Council), M Cantello (Trade Union Observer) and J Fender (External Advisor)

Wolverhampton
City Council



PART 1 - OPEN ITEMS

Substitute Members

- 26 Councillor Allport attended on behalf of Councillor Martin (Solihull MBC) and Councillor Silvester attended on behalf of Councillor Eling (Sandwell MBC)

Declarations of Interest

- 27 Councillor Bateman had declared an interest in Agenda Item 17, which he had considered to be a Disclosable Pecuniary Interest and withdrew from the meeting at that point (he had previously been Chair of The West Midlands Passenger Transport Authority whose employees were the subject referred to in paragraph 4.1).

Minutes

- 28 Resolved:-

(a) That the minutes of the meeting of the Pensions Committee held on 20 June 2012 be approved as a correct record, subject to the addition of an apology for absence which had been submitted by Councillor McGregor (Wolverhampton City Council).

(b) That the minutes of the special joint meeting of the Pensions Committee and Joint Consultative Panel held on 18 July 2012 be approved as a correct record.

(c) That the minutes of the special meeting of the Pensions Committee held on 18 September 2012 be approved as a correct record.

(d) That the minutes of the meeting of the Investment Advisory Sub-Committee held on 17 October 2012 be adopted.

(e) That the minutes of the meetings of the Pensions Joint Consultative Panel held on 18 July and 19 September 2012 be received.

Matters Arising:

Local Government Pension Scheme 2014 – Employer Overview (Resolution 20)

- 29 It was noted that Option 1, as referred to in paragraph 3, was still under consideration.

Actuarial Valuation 2013 (Appendix 1/15)

- 30 Resolved:-
- (a) That the report, providing an update on financial matters and the work being done to enable the Actuarial Valuation for 2013, be received.
 - (b) That a further report on Employers within the Fund who have gone into administration and Employers' Covenants be submitted to a future Committee meeting.

Public Service Pension Bill (Appendix 1/16)

- 31 Resolved:-
- That the report, providing formation on the proposed new pensions scheme as contained in the Bill, its key provisions, the timetable for its enactment and the implications for the Local Government Pensions Scheme, be noted.

Pension Service 2012/13 Business Plan, KPI and Operating Budget Monitoring (Appendix 1/17)

- 32 Resolved:-
- That the report, providing an update on the Medium Term Financial Plan, the 2012/13 operating budget and the key performance indicators, in particular the reduction of payslips frequency from 2013, be noted.

Trustee Training Policy(Appendix 1/18)

The Director of Pensions proposed a training policy for Pension Fund Trustees, including training dates for 2013 as part of the Fund's aims to achieve good standards of governance.

- 33 Resolved:-
- That the Trustee Training Policy and training dates for 2013 be approved.

Pensions Administration Strategy (Appendix 1/19)

The Chief Pensions Service Manager briefed the Committee on the framework of the Pensions Administration Strategy of the Fund which had been developed to address the important issues of data quality and timeliness in terms of Auto-Enrolment. The Strategy was developed in consultation with the 7 major employers and the Committee were advised of the policies and performance standards to be achieved and the timetable for implementation, which would be January 2013.

- 34 Resolved:-
- (a) That the Pensions Administration Strategy be approved.

(b) That the on-going consultation between the Fund and employers be noted.

(c) That it be noted that a report on the re-structure of the Pensions Service would be submitted to the next meeting.

Policy Statement for Administering Unclaimed Benefits (Appendix 1/20)

35 Resolved:-

That the report on procedures undertaken by the Fund in respect of unclaimed benefits be received.

Compliance Monitoring (Appendix 1/21)

36 Resolved:-

That the report detailing the findings of the Compliance Monitoring Programme for the period 1 April – 30 June 2012, during which no issues have arisen, be received.

Member Services and Operational Report From 1 May 2012 – 30 September 2012 (Appendix 1/22)

The report informed the Committee of the work undertaken by Pensions Member Services and other operational matters during the period. It also asked the Committee to approve the Admitted Bodies Applications as detailed in paragraph 7.3.

37 Resolved:-

- (a) That the report detailing the work undertaken by Pensions Member Services during the period 1 May 2012 – 30 September 2012 be noted.
- (b) That the Admitted Bodies Applications detailed in paragraph 7.3 of the report be approved.
- (c) That the change to the West Midlands Pension Fund logo and its launch in March 2013 be approved.
- (d) That the arrangements for the replacement of Superlink detailed in paragraph 9.6 of the report be approved.

Trade Union Representation on Investment Advisory Sub-Committee (Appendix 1/23)

The Committee considered a recommendation from the Pensions Joint Consultative Panel that Trade Union Observer representation on the Investment Advisory Sub-Committee be increased from 1 to 2 representatives, alongside the Retired Members' Representative.

- 38 Resolved:-
That the Trade Union Observer representation on the Investment Advisory Sub-Committee be increased from 1 to 2 representatives, alongside the Retired Members' Representative, making 3 representatives in total.

Exclusion of Press and Public

- 39 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

Economic and Market Commentary(Appendix 1/24)

Hymans Robertson, the Fund's advisors, presented a report on global economic conditions and investment markets the third quarter of 2012. The Committee were advised that in view of the investment project/transition plan agreed by the Investment Advisory Sub Committee, as well as the review of the Fund's Strategic Investment Allocation Benchmark, it was proposed that current Tactical Asset Allocations decisions should be temporarily suspended.

- 40 Resolved:-
(a) That the content of the review prepared by the Fund's Advisor, Hymans Robertson, be received.
(b) That due to the on-going review of the Strategic Investment Allocation Benchmark (SIAB), current Tactical Asset Allocation decisions be temporarily suspended until full implementation of the SIAB has taken place.

Pension Fund 2011/12 Report and Accounts (Appendix 1/25)

The 2011/12 Report and Accounts had been circulated and PwC, the Fund's auditors, gave a presentation on the Annual Audit report for the West Midlands Pension Fund and advised of some key points included in the audit report.

- 41 Resolved:-
(a) That the Annual Report and Accounts be received.
(b) That the Report be published on the Fund's website.

**Strategic Investment Allocation Benchmark Update Review
(Appendix 1/26)**

A report was submitted which provided an update from Hymans Robertson on the Fund's current Strategic Investment Allocation Benchmark and recent activity following the preparation of an implementation plan as contained in Appendix A.

- 42 Resolved:-
That the report be noted.

**Investment Portfolio Valuation, 30 September 2012 (Appendix
1/27)**

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

- 43 Resolved:-
That the Valuation of Investments as at 30 September 2012 be received.