



Pensions Committee

Minutes – 26 June 2013

Attendance

Members of the Committee (Wolverhampton)

Cllr Bert Turner (chair)
Cllr Neil Clarke
Cllr Mark Evans
Cllr Steve Evans
Cllr Mike Heap
Cllr Lorna McGregor
Cllr John Reynolds
Cllr Sandra Samuels
Cllr Zahid Shah

District members

Cllr Zahid Ali (Walsall MBC)
Cllr Damian Gannon (Coventry CC)
Cllr Rachel Harris (Dudley MBC)
Cllr Alan Martin (Solihull MBC)
Cllr Vic Silvester (Sandwell MBC)

Trade union observers

Mr Martin Clift (Unite)

Staff

Geik Drever	Director of Pensions
Mark Taylor	Assistant Director - Finance
Michael Webb	Head of Service - Delivery
Nadine Perrins	Chief Pensions Service Manager
Claire Duggan	Compliance and Risk Manager
Mike Hardwick	Investment Manager
Jane Hazeldine	Pensions Assistant
Martin Fox	Democratic Support Officer

External advisers

Mike Daggett (CBRE
Global Investors)
John Fender (John
Fender Consultancy)
Mick Roult (CBRE
Global Investors)

Apologies

Apologies for absence were received from Cllrs Peter Bilson, Tersaim Singh, Muhammad Afzal (Birmingham City Council) and Steve Eling (Sandwell MBC), Malcolm Cantello and Ian Smith (Trade union observers).

Part 1 – items open to the press and public

<i>Item No.</i>	<i>Title</i>	<i>Action</i>
MEETING BUSINESS ITEMS		
2.	Substitute members Cllr Silvester attended the meeting on behalf of Cllr Eling (Sandwell MBC).	
-	Chair's announcements The Chair gave a briefing about the challenges facing the Local Government Pension scheme and the Pension Fund in the coming year, including: <ul style="list-style-type: none">• LGPS 2014 – New Scheme• Governance/Trustee knowledge and understanding• Merger/consolidation of 89 LGPS funds in England and Wales• Actuarial valuation 2013• Investment strategy review	
3.	Declarations of interest No interests were declared.	
4.	Minutes (a) Pensions committee (17 April 2013) Resolved: That the minutes of the meeting held on 17 April 2013 be approved as a correct record and signed by the Chair. (b) Investment advisory sub- committee (3 April 2013) Resolved: That the minutes of the meeting held on 3 April 2013 be adopted.	Martin Fox
5.	Matters arising There were no matters arising.	

DECISION ITEMS

6. **Appointment of sub-committee and forum and dates of meetings 2013/2014**

Martin Fox

Resolved:-

- (a) That the following Members be appointed to the Investment Advisory Sub-Committee for the ensuing municipal year:-

Councillor Bert Turner - Chair
Councillor Zahid Shah- Vice Chair
Councillor Bilson- Wolverhampton City Council
Councillor Heap- Wolverhampton City Council
Councillor Muhammad Afzal- Birmingham CC
Councillor Zahid Ali - Walsall MBC
Councillor Damian Gannon- Coventry CC
Councillor Rachel Harris- Dudley MBC
Councillor Allan Martin- Solihull MBC
Councillor Vic Silvester- Sandwell MBC
3 Trade Union Observers

- (b) That the following Members be appointed to the Pensions joint consultative forum for the ensuing municipal year:-
All Members of the Investment advisory sub-committee
1 Representative of the Council's Cabinet (Resources) Panel
Councillors Mark Evans and John Reynolds – Representing the Pensions committee
11 Representatives of the Trade Unions representing employees who participate in the benefits of Local Government Pension Scheme

- (c) That, during the ensuing municipal year, meetings of the Pensions committee be held on Wednesdays at 1330 hours on:-

25 September 2013
8 January 2014
26 March 2014

- (d) That, during the ensuing municipal year, meetings of the Investment advisory sub-committee be held on Wednesdays at 1330 hours on:-

3 July 2013
11 September 2013
11 December 2013
12 March 2014

- (e) That, during the ensuing municipal year, meetings of the joint consultative forum be held at 1330 hours on the following dates:-

4 September 2013
4 December 2013
5 March 2014

- (f) That the Chair and Vice-Chair of the Pensions committee be appointed to serve in the same capacity on the sub-committee and forum.

DECISION ITEMS

7. **Pensions administration report from 1 April – 31 May 2013** Nadine Perrins
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 6.0 of the report be approved.
(c) That the proposal to review the fund administration KPI's in line with future pension regulator data requirements and provide an assurance that costs are deducted and quality maintained be approved.
(d)

INFORMATION ITEMS

8. **New member update information** Geik Drever/
Resolved: Nadine Perrins
That the report providing an outline for existing and new members to the pensions fund, the management arrangements and clarification of future trustee training requirements be noted.
9. **Trustee training activity and forward plan** Geik Drever
The Director of Pensions submitted a report which reviewed activity in 2012/13 against the Trustee Training Policy and detailed proposed training for 2013./14. In discussion, members mentioned difficulties in taking time off work for training courses and asked whether more flexible arrangements could be introduced and whether training and suggested reading material could be sent regularly to members and count be towards the training requirements. The Director undertook to be flexible in the approach to training.
Resolved:
That the report be noted.

10. **Compliance monitoring** Mark
Resolved: Taylor/Geik
That the report detailing the findings of the compliance Drever
monitoring programme and any other compliance issues for
the period 1 January – 31 March 2013 be noted.
11. **Combined governance activity – June 2013** Geik Drever
The Director of Pensions submitted a report which detailed the
issues being raised by the Local Authority Pension Fund Forum.
Cllr Reynolds raised a question about Apple (AGM) – USA and it
was suggested that future reports should highlight the view of the
Fund should the issue be raised again.
Resolved:
That the issues being raised and discussed by the Local
Authority Pension Fund Forum be noted and that a copy of
the “Investing for Growth” report be sent to Cllr Reynolds.
12. **Local Government Pension Scheme 2014 – Update on progress** Geik Drever
The Director of Pensions submitted a report which noted activity
and progress to date in respect of the new LGPS scheme.
Resolved:
That the report be noted.
13. **Investment policy and performance report 2012/13** Geik Drever
The Director of Pensions submitted a report which advised
members of the investment policy, investment strategy and
investment returns earned on the pension fund as at 31 March
2013 and earlier years.
Resolved:
That the report be noted.

EXCLUSION OF PRESS AND PUBLIC

14. **Exclusion of press and public**
Resolved:
That in accordance with Section 100A(4) of the Local
Government Act 1972, the press and public be excluded
from the meeting for the following item(s) of business as
they involve the likely disclosure of exempt information
falling within the paragraphs of Schedule 12A of the Act set
out below:

<i>Item No.</i>	<i>Title</i>	<i>Applicable paragraph</i>
15.	Recovery of overpayments and write-off procedures	3

16.	Property portfolio review and annual strategy 2013-14	3
17.	Employer covenant update report	3
18.	Statement of accounts 2012/13	3
19.	Economic and market commentary	3
20.	Global emerging markets manager appointment	3
21.	WMPF Restructure update	3
22.	Valuation of investments as at 31 March 2012 – document to be available at the meeting for inspection	3

Part 2 – exempt items, closed to the press and public

15. **Recovery of overpayments and write-off procedures** Geik
The Director of Pensions submitted a report which asked the committee to formalise the recovery of overpayment and write off Drever/Nadine
procedures for the Fund and to agree the application of these Perrins
procedures to existing and future cases. A question arose about unclaimed pensions and whether the funds could be donated to charity rather than reverting to the Treasury. Employees undertook to check whether a question could be added to the nomination form giving members the option to donate to charity.
Resolved:
That the overpayment and write off policy for the West Midlands Pensions Fund, together with the write off of the sum of £16041.97 be approved.

16. **Property portfolio review and annual strategy 2013-14** Geik Drever
The Annual Property Review was presented and consisted of a summary report, a more detailed report, which was tabled at the meeting, and a presentation. The representatives responded to questions raised by Members, including issues such as the geographical spread of properties.
Resolved:-
That the report be received.
17. **Employer covenant update report** Geik Drever/Nadine Perrins
The Director of Pensions submitted a report which updated members on Employer Covenant Monitoring. A question was raised about liabilities on a particular case and the Director responded as appropriate
Resolved:
That the report be noted.
18. **Statement of accounts 2012/13** Geik Drever
The Director of Pensions submitted the draft accounts for the Pension Fund.
Resolved:
(a) That the accounts be approved and submitted to the External Auditor for audit purposes.
(b) That the operating budget outturn and service planning, as detailed in the report, be noted.
19. **Economic and market commentary** Geik Drever
The Director of Pensions submitted a report prepared by the Fund's advisor, Hymans Robertson, which reviewed conditions in the global economy and investment markets and reviewed current tactical asset allocation policy.
Resolved:
That the report be noted, together with the fact that current tactical asset allocation decisions have been temporarily suspended until full implementation of the Strategic Investment Allocation Benchmark has taken place.
20. **Global emerging markets manager appointment** Geik Drever
The Director of Pensions submitted a report which provided an update on the appointment of a panel of managers that will provide investment management services for the global emerging markets portfolio.
Resolved:
That the report be noted.

21. **WMPF Restructure update** Geik
Drever/Nadine
Perrins
The Director of Pensions submitted a report which detailed progress on the implementation of the new organisational structure. It was also noted that interviews for the post of Assistant Director – Investments would be held on 5 July 2013.
Resolved:
That the report be noted.
22. **Valuation of investments as at 31 March 2012** Geik Drever
The valuation document had been made available at the meeting for inspection.
Resolved:
That the valuation be received.