

PENSIONS COMMITTEE

11 JANUARY 2017

Present: Councillor Hinchey (Chairperson), Councillors Elsmore

Also

Present: Gareth Henson, Christine Salter, Kumi Ariyadasa, Erin Kidd, Gary Watkins and Michael Prior

10 : APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Jonathan Evans, and Councillor Graham Thomas.

11 : DECLARATIONS OF INTEREST

No declarations of interest were received.

12 : MINUTES

The minutes of the meeting on 28 September 2016 were agreed as a correct record.

13 : WALES INVESTMENT POOL

Members were updated on the progress being made with the development of the Wales Investment Pool. Representatives of the Welsh Funds met the Minister for Local Government on 16 November to discuss the proposals for the Wales pool. Consequent to that meeting the Minister wrote to the eight administering authorities confirming acceptance of the proposals.

Members were advised that a Draft Inter Authority Agreement (IAA) has been prepared and has been considered at the Joint Chairs Group meeting which took place today. Members were advised by the Chair that considerable amendment has been made to the draft IAA.

The aim is for the eight authorities to approve the IAA at their Full Council meetings at the end of February or the beginning of March 2017.

Members referred to the 82% actuarial valuation and queried whether the joint Wales pool will have a positive impact. Members were advised that it will not direct individual Council plans although it would mean there may be better access to funding arrangements.

The Chair of the Local Pensions Board advised that the progress being made has been reported at their meetings however, concern has been raised regarding the input the Local Pension Board will have in the governance arrangements. The Chair advised that it was a subject raised at the meeting of the Joint Chair's Group when considering the Draft IAA, that document will contain specific reference to liaison with Local Pension Boards and it was noted that they are a legitimate part of the governance structure.

RESOLVED:

- to note the progress in the development of the Wales Investment Pool.

14 : ACTUARIAL VALUATION 2016

Members were provided with an update. It was noted that Demographic assumptions had been amended to reflect the outcome of the longevity study. The data and analysis indicated that life expectancy factors could be changed when reducing would have the effect of the Fund's projected liabilities.

Members were advised that the current funding ratio is 85%, with a deficit of £299m which compares with a funding ratio 3 years ago of 82% and a deficit of £311m. Increases in liabilities from worsening financial assumptions have been offset by reductions from changes in demographic assumptions and gains from investments and deficit contributions. Members were advised that investment returns are relatively healthy.

Members were informed that the administering authority is required to maintain and publish its Funding Strategy Statement (FSS) by the end of March and it will be submitted for approval to the Committee at its meeting in February.

The Valuation report and employer's contribution certificate are currently being prepared and will be issued by the Actuaries before 31 March 2017.

RESOLVED:

- to note the progress of the triennial valuation
- to note the proposed timetable for preparing and publishing the FSS.

15 : RELATIONSHIP WITH THE LOCAL PENSION BOARD

At its last meeting on 18 October 2016 the Local Pension Board reviewed the changes in the Councils' Constitution relating to pensions and noted the Terms of Reference of the Pensions Committee. The Board requested that the Committee consider how the relationship between the two bodies could be developed to enable both to carry out their respective roles effectively.

The Chair of the Local Pension Board advised that the Board is pleased that the Pensions Committee has been established and are confident that there will be a good working relationship which will benefit all involved. He extended an invitation for Committee Members to attend the Local Pension Board Meetings; advising that they meet three times a year and, on the whole, are well attended. The Committee were asked to consider extending the Terms of Reference to include working together in administering the Pension Scheme.

The Corporate Director was in agreement that the Pensions Committee and Local Pension Board should be working together, however, felt that as both had separate Terms of Reference, each should be true to them. It was felt that minutes should be exchanged as a matter of course, and that the Chairs should attend meetings as an observer. A suggestion was made that consideration be given to arranging an informal joint meeting once a year to provide a platform for networking and the

exchange of ideas. Members were advised however that at the present time nothing has been finalised.

RESOLVED:

- to note, discuss and consider further the matters raised

16 : MINUTES OF INVESTMENT PANEL MEETING OF 20 SEPTEMBER 2016

This item is confidential and not for publication by virtue of paragraph 14 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

The Minutes of the Investment Panel meeting of 20 September 2016 were noted.

17 : DATE OF NEXT MEETING

The next meeting of the Pensions Committee is on Wednesday 15 February 2017 at 5.00 in CR 1.

The meeting terminated at 5.46 pm

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