
PENSIONS COMMITTEE, 07.10.13

Present: Councillor Peter Read (Chairman)

Councillors Stephen Churchman, Trevor Edwards, Dafydd Meurig, Peredur Jenkins, John P. Roberts and Councillor Margaret Lyon (representative of Conwy County Borough Council).

Officers:- Dilwyn Williams (Corporate Director), Dafydd Edwards (Head of Finance Department), Caroline Roberts (Investment Manager), Gareth Jones (Pensions Manager) and Lowri Haf Evans (Member Support and Scrutiny Officer).

Apologies: Councillor Hywel E. Jones (Representative of Isle of Anglesey County Council)

1. WELCOME AND APOLOGIES

Everyone was welcomed to the meeting by the Chairman, Peter Read. The above-mentioned apologies were noted.

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received from any members present.

3. URGENT ITEMS

No urgent items were received.

4. MINUTES

The Chairman signed the minutes of the previous meeting of this committee held on 22 March 2013 as a true record.

5. MONITORING PROPERTY INVESTMENTS

A report had been received from the Corporate Director proposing a change to the arrangements of monitoring joint property investments in the property field (that were now in four funds in order to disperse risk).

A draft suggestion had been received from Hymans Robertson to arrange a full day with the managers of joint property funds in order to discuss and monitor the investments effectively. A change to the current arrangement would be equivalent to having 'two additional monitoring sessions' each year with the February and May meetings being held in London and the July and November meetings in Caernarfon.

It was highlighted that the arrangement would strengthen links and that holding meetings with managers of all four funds together would be beneficial. It was hoped that the new arrangement would be implemented from February 2014 onwards.

RESOLVED

a) The recommendation was accepted with a one-year trial period.

6. **ACTUARIAL VALUATION 2013: TREATMENT OF SMALLER EMPLOYER POOLS**

Submitted – a report from the Corporate Director noting why some employers had been grouped together for the purpose of valuation and to establish the employer's rate, and recommending that the two pools established for the triennial actuarial purposes of smaller employers be disbanded as insurance against ill-health retirements was available, and it provided an alternative way of covering the risk to these employers.

The insurance premium was a percentage of the employers payroll in the same way as employers contributions were calculated. An indicative figure for the cost of this insurance was 1.1% for small employers and the employers contribution rate as calculated by the actuary would be reduced by the percentage paid for insurance. There would be no additional costs to the employer.

It was recognised that some employers would face higher increases in their contributions than others as a result of this change (due to the different age profiles they had) and there was a need to manage the situation carefully.

Initial meetings with some employers had been held (all members of the pool had been invited) to share information and raise awareness about the ill-health insurance. Now that ill-health insurance was available, it was recommended that the two pools for smaller employers be disbanded and that ill-health insurance be compulsory for the employers concerned.

It was intended to disband the pool by the end of March 2014.

RESOLVED

- a) **that both pools for small employers be disbanded, and;**
- b) **that ill-health insurance be compulsory for the employers concerned.**

7. **TREASURY MANAGEMENT 2012/13**

Submitted – the report of the Head of Finance Department reporting, for information, on the actual results of the Council's Treasury Management activity in the previous financial year, in accordance with the requirements of the CIPFA Code of Practice. It was noted that the same report had been submitted to the Audit Committee outlining how the Fund's cash had been invested jointly with Council finances in 2012/2013. He explained that interest rates had been very low, but that the principal sum had not been lost, and that the target credit score had been reached.

RESOLVED to accept the report.

8. **CONFERENCE ATTENDANCE AT THE LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) ON 4 - 6 DECEMBER 2013**

It was explained that there was an opportunity for a member to attend the above conference in Bournemouth. The main aim of the conference was to raise awareness of how companies were managed and about the role of pension fund stewardship. Attention was drawn to the fact that a meeting of the full Council would be held on 5 December. It was noted that membership of the LAPFF would provide two places for each Fund, and that Caroline Roberts (Investment Manager) would attend but that one other nomination for a place was also available.

RESOLVED

The Investment Manager to share information with Cllr John Pughe Roberts.

9. LGC INVESTMENT SUMMIT 4 – 6 SEPTEMBER 2013

A report had been received from the Investment Manager outlining the highlights of the LGC Investment Summit 2013. Councillor Hywel Eifion Jones, Councillor Dafydd Meurig and Caroline Roberts, Investment Manager had attended the event. It was highlighted that the conference had been a good opportunity for networking with the investment managers and representatives from other funds and to discuss current issues.

THE INFORMATION WAS ACCEPTED**10. EXCLUSION OF PRESS AND PUBLIC**

RESOLVED to exclude the press and public from the meeting during the discussion on the following item because of the likely disclosure of exempt information as defined in paragraph 14, Part 4, Schedule 12A of the Local Government Act 1972. This report deals with matters which are commercially sensitive namely the price of supplying software and licenses. Disclosure of this information could affect the commercial position of the Council by undermining market confidence that the Council deals appropriately with it and therefore dissuade them from bidding in the future. Disclosure of this information could also give an advantage to competitors by revealing details of prices and offers by the company. Although there is a public interest in understanding the Council's expenditure on contracts this has to be balanced against the interest in ensuring that commercially sensitive information is respected in order to protect the Council's ability to treat the market appropriately in order to ensure value for money.

11. PENSIONS ADMINISTRATION SOFTWARE UPGRADE TO ACCOMMODATE LGPS 2014

Submitted - the report of the Head of Finance Department.

RESOLVED to approve the additional budget in accordance with the recommendations to upgrade the pensions administration software in order to address the requirements of the 'new' Local Government Pension Scheme from April 2014 onwards.

The meeting commenced at 2:00pm and concluded at 2:30pm.