



## PENSION COMMITTEE

**MINUTES of the meeting of the Pension Committee held on Wednesday 29 March 2017 commencing at 1.30 pm.**

**PRESENT  
MEMBERSHIP:**

Cllr David Brown	Cllr Nigel Cooper
Cllr Jasminder Gill	Peter Clark
Cllr Colin Hay	Cllr Ray Theodoulou
Cllr Shaun Parsons	

**Apologies:** Lynden Oliver Stowe and Sharon Crane

**In Attendance:** Cllr Moor, Jo Walker, Graham Burrow, Mark Spilsbury, Steve Tyson (Independent Advisor), Andy Gilbert (BlackRock) and Andrea Griffiths.

**16. MINUTES -**

Cllr Theodoulou thanked Graham for his contributions to the committee and wished him well in retirement.

The minutes of the meeting held on 10 February 2017 were agreed as a correct record and signed by the Chairman.

**17. DECLARATIONS OF INTEREST -**

No additional declarations were made to those already recorded.

**18. PUBLIC QUESTIONS -**

No public questions were received.

**19. MEMBERS' QUESTIONS -**

No Members' questions were received.

**20. REVIEW OF THE FUND'S RISK REGISTER**

20.1 Graham Burrow introduced the risk register explaining that it had been reviewed in August 2016. Following feedback from the Pension Board the Pension Committee

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had agreed that in the future a report on the Risk Register would be considered at each of their regular quarterly meetings.

- 20.2 The risk register was a live document and therefore it was important for it to reflect the discussion carried out by the Committee. The committee requested that comments be included in the risk register to recognise the active monitoring and management of risk.
- 20.3 The Committee were informed that F1 (Fund assets fail to deliver returns in line with the anticipated returns underpinning valuation of liabilities over the long-term) & F5 (Active investment manager under-performance relative to benchmark) areas of risk were being monitored and would be kept under review by officers.
- 20.4 One member felt that AIR1 (Significant additional costs resulting from changes to national pension requirements and / or HMRC rules) should also reflect the administration to the fund. Jo Walker agreed that this point would be addressed.  
**Action – Graham Burrow**
- 20.5 In response to a question relating to G6 (lack of relevant expertise, knowledge and skills at officer and member level in relation to administering the LGPS), the residual risk likelihood score of 2 was questioned in context of the current performance against PI's. Mark Spilsbury agreed that this would be reviewed in the context of current performance. **Action Mark Spilsbury**
- 20.6 One member commented that it was worth noting on AIR3 (Loss of funds through fraud or misappropriation) that the Authority had experienced Counter Fraud Unit within Internal Audit and that Internal Audit also worked with Counter Fraud colleagues in the Districts and Health. It was agreed that the risk description should be expanded to include this. **Action – Graham Burrow**
- 20.7 One member requested that AIR4 (Does the fund have sufficient resources to provide sufficient input to the development of the South West Regional Pool without having a detrimental effect on the service provided) be reviewed and the wording be amended to reflect the Brunel risk. It was also agreed that the directional arrows be reintroduced and the colour coding in relation to risk appetite be checked and amended where necessary. **Action – Graham Burrow**
- 20.8 Councillor Moor gave feedback from the Pension Board. He explained that it was necessary to clarify the risks referred to under G7 (failure to hold personal data securely and keep pension records up-to-date and accurate) of the risk register and to confirm whether the risks were internal or external related risks.

**It was resolved that:**

**The Committee reviewed and agreed the Risk Register, subject to the approved amendments.**

## **21. SUPREME COURT RULING ON NOMINATION FORM RE PENSION BENEFITS FOR PARTNERS**

- 21.1 Graham Burrow informed the Committee that the Supreme Court had ruled there was no justification for the LGPS in Northern Ireland to require a member to complete a nomination form as a pre-requisite for a co-habiting unmarried partner to be eligible for a survivor's pension.
- 21.2 The Court ruled it was sufficient that the survivor met the definition of a co-habiting partner. This definition is:
- the partner and scheme member were living together for 2 years or more.
  - had some shared financial commitments and
  - neither was already married, in a civil partnership or in another long-term relationship with anyone else.
- 21.3 It was noted that this decision did not have an impact on any procedural changes for the Gloucestershire LGPS as the regulations were amended for England and Wales in 2013 (as part of the new 2014 LGPS) removing the nomination requirement for unmarried couples and just requiring that the survivor met the definition of a co-habiting partner.
- 21.4 As requested at a previous Pension Committee meeting, Officers asked the Fund's actuary to advise whether they had taken account of these potential pension costs in their assumptions when calculating liabilities. The actuary confirmed they had taken account of this in their assumptions and did not expect this ruling to have any significant impact on the Fund liabilities.

### **Resolved**

**That the report be noted.**

## **22. EXCLUSION OF THE PRESS AND PUBLIC**

It was resolved

That in accordance with Section 100 A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following agenda items, because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 & 5 of Part 1 of Schedule 12 A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

## **23. EXEMPT MINUTES**

- 23.1 Mark Spilsbury updated the committee in relation to item 15.3 from the exempt minutes. It was noted that further legal advice was being sought and officers would continue to pursue this matter in consultation with the chair Cllr Theodoulou and update the committee at their next meeting.

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23.2 The exempt minutes of the meeting held on 10<sup>th</sup> February 2017 were agreed as a correct record and signed by the Chairman.

**24. REPORT ON TRANSITION OF INVESTMENT MANDATE**

24.1 Graham Burrow introduced the report and updated the Committee on the transition of the Investment Mandate.

**25. CONSIDERATION OF OPTIONS FOR THE STRATEGIC ASSET REVIEW AND THE INVESTMENT STRATEGY STATEMENT (ISS)**

25.1 Mark Spilsbury updated members on the options for the Strategic Asset Allocation and the Investment Strategy Statement.

**26. REVIEW OF INVESTMENT MANDATE**

26.1 Graham Burrow updated the Committee on the Investment Mandate.

**CHAIRMAN**

Meeting concluded at 3.23 pm