

PENSION FUND COMMITTEE DELEGATED RESPONSIBILITIES

Minutes from discussion held at County Hall, Mold on Tuesday, 24 March 2015 (commencing approximately 10am)

PRESENT:

Councillors: Haydn Bateman (Vice Chair) and Brian Dunn
 Co-opted Members: Councillor Steve Wilson (Wrexham County Borough Council)

Officers and advisers: Gary Ferguson (Corporate Finance Manager), Philip Latham (Clwyd Pension Fund Manager), Peter Evans (Democracy and Governance Manager), Alwyn Hughes and Debbie Fielder (Pensions Finance Managers), Karen McWilliam (Independent Advisor – Aon Hewitt)

BACKGROUND TO REASON FOR DISCUSSION:

The Pension Fund Committee was scheduled to meet at 10.30am on 24 March 2015. As a result of apologies made in advance, it was noted that the Committee would not be quorate and therefore could not meet as planned.

The Pension Fund Committee had previously agreed a number of delegated responsibilities including the following:

Function delegated to PFC	Further Delegation to Officer(s)	Delegated Officer(s)	Communication and Monitoring of Use of Delegation
The Committee may delegate a limited range of its functions to one or more officers of the Authority. The Pension Fund Committee will be responsible for outlining expectations in relation to reporting progress of delegated functions back to the Pension Fund Committee.	Other urgent matters as they arise	PFM and either CFM or COPR, subject to agreement with Chairman and Deputy Chairman (or either, if only one is available in timescale)	PFC advised of need for delegation via e-mail as soon as the delegation is necessary. Result of delegation to be reported for noting to following PFC.

Key: PFC – Pension Fund Committee / PFM – Pension Fund Manager / CFM – Corporate Finance Manager / COPR - Chief Officer, People & Resources

It was considered that there were a number of items that were due to be considered at the Pension Fund Committee that required urgent attention and therefore they would be dealt with under the delegation outlined above as the following delegated persons were in attendance:

- PFM - Philip Latham
- CFM – Gary Ferguson
- Deputy Chairman – Councillor Haydn Bateman.

MINUTES:

Councillor Hadyn Bateman chaired the discussion and invited the other Pension Fund Committee members, officers and advisers to remain for the discussion and input as they considered appropriate.

Item 1 - Conflicts of Interest Policy (item 4 of Pension Fund Committee agenda)

The Clwyd Pension Fund Manager highlighted it is good practice to have a Pension Fund specific Conflicts of Interest Policy and that this had been incorporated in recent guidance from the Shadow Scheme Advisory Board and The Pensions Regulator. The Democracy and Governance Manager reminded the elected members of the Pension Fund Committee that they were still also bound by the Flintshire County Council Members' Code of Conduct. He explained there was some overlap with some potential conflicts not being covered by the Code of Conduct whereas others would be covered by both the Code of Conduct and the Fund's Policy. The Clwyd Pension Fund Manager highlighted the examples in Appendix 1 to the Policy.

The councillors highlighted the difficulty in determining whether to declare small gifts such as those received at conferences and examples were provided such as pens, notebooks, conference bags and golf balls. The Independent Advisor acknowledged that it would be inappropriate to list all such gifts and it was agreed the draft Policy should be updated to clarify the treatment of small gifts. The Independent Advisor also suggested an update to the declaration in Appendix 2 (suggesting acknowledgement of responsibility under the Policy) and including additional examples such as a potential conflict for officers providing information to the local Pension Board.

The Deputy Chairman, Pension Fund Manager and Corporate Finance Manager agreed the Conflicts of Interest Policy subject to the three amendments outlined above being made.

Item 2 – Business Plan 2015/16 to 2017/18 (item 7 of Pension Fund Committee agenda)

The Clwyd Pension Fund Manager highlighted the proposed move to a three year business plan (from the one year plan currently used). He also highlighted the plan was focussed on major projects and new items of business and therefore it excluded any business as usual items or project type tasks which were carried out annually or more frequently.

Councillor Steve Wilson highlighted that many smaller employers such as community and town councils would be reaching their auto-enrolment staging dates in the forthcoming years. The Independent Adviser acknowledged that this would likely continue to cause work for the Pension Fund Administration Team but it was now considered business as usual.

The Independent Advisor highlighted that the delivery of the business plan would likely be challenging as there were a number of external factors which were outside of the Council's control.

Councillor Hadyn Bateman asked for clarity on what is meant by in-house investments on page 61 and net cashflows. The Clwyd Pension Fund Manager responded and highlighted that the budgets were estimates and he expected updates to be reported each quarter.

Councillor Steve Wilson highlighted his concern about the pressure that staff are under and expressed a view that such matters relating to Pension Fund business might be better if they were separated from the Council to aid retention of staff and we should compare remuneration packages with other Funds. The Clwyd Pension Fund Manager noted that the business plan included an item called people strategy which would consider any staffing pressures.

Councillor Haydn Bateman highlighted that the Actuarial Fees were increasing and asked about the Advisor Fees (all on page 62). The Pensions Finance Manager (Debbie Fielder) explained that the 2014/15 budget was understated in relation to potential actuarial fees. The Clwyd Pension Fund Manager explained the Advisor Fee was being driven by the establishment of the local Pension Board and assistance with delivering the business plan. He highlighted that the Governance Expenses should be considered in the context of the overall fund value at £1.3bn.

Councillor Hadyn Bateman referred to page 56 and asked if there were substitutes on the Pension Fund Committee and it was confirmed by the Pension Fund Manager that there were for FCC only but the substitutes had to have attended training to participate in decision making. It was briefly discussed whether the size of the Pension Fund Committee was appropriate but the Independent Advisor cautioned against a review at this stage given it was still relatively new.

Councillor Hadyn Bateman expressed his satisfaction with the new layout and this was agreed by the other Councillors in attendance.

The Deputy Chairman, Pension Fund Manager and Corporate Finance Manager agreed the Business Plan.

Item 3 – Governance Update (item 8 of Pension Fund Committee agenda)

The Clwyd Pension Fund Manager highlighted the recommendation on page 95 (4.01(1)) to approve the changes to the Service Plan 2014/15 as outlined in paragraph 3.32 on page 94.

The Deputy Chairman, Pension Fund Manager and Corporate Finance Manager agreed the changes to the Service Plan 2014/15.

Conclusion to meeting

The Clwyd Pension Fund Manager highlighted to the Deputy Chairman that the delegation requirements stated that the PFC should be advised of the need for delegation via e-mail as soon as the delegation is necessary and the result of the delegation should be reported for noting to following PFC. The Clwyd Pension Fund Manager confirmed he would put the necessary arrangements in place to ensure these requirements were met.