
PENSIONS COMMITTEE
07-02-08

Present: Councillor Glyn Owen (Chairman)

Councillors: Robert J. Hughes, Peredur Jenkins, Arwel Jones, J.R. Jones, Alan Williams and Evie M. Jones (ex-officio member)

Also present: Dilwyn Williams (Strategic Director - Resources), Marina Parry Owen, (Pensions and Investments Officer) and Gwyn Parry Williams (Committee Officer)

Apologies: Councillors Trevor Roberts and Dave Cowans (co-opted member and Conwy County Borough Council Representative)

Welcome

The Chairman welcomed Councillor Evie M. Jones, Vice-chairman of the Council to his first meeting of this committee.

1. DECLARATION OF PERSONAL INTEREST

Councillor Robert J. Hughes declared a personal interest in the item pertaining to the Funding Strategy Statement as he was a part-time employee of Coleg Meirion-Dwyfor.

2. URGENT ITEM – LOCAL GOVERNMENT INVESTMENT SEMINAR – CHESTER - 28/29 FEBRUARY 2008

(This item was not included on the agenda, however, the Chairman agreed to its inclusion under Section 100B (4)(b), Local Government Act 1972, because the details of the seminar were received after the agenda was sent to members, and due to the urgency to respond)

Submitted – the report of the Strategic Director – Resources noting that two representatives were usually sent to the Annual Investment Seminar held in September in Newport. However, an invitation had been received recently to send representatives to the Local Government Investment Seminar in Chester on 28/29 February 2008. He drew attention to the fact that 28 February 2008 was the day of the Council meeting when council tax would be determined, and he asked, in light of that, whether a member wished to attend the seminar or not.

RESOLVED that Councillor J.R. Jones was to attend the seminar.

3. MINUTES

The Chairman signed the minutes of a meeting of this committee, held on 14 December 2007, as a true record.

Minute 3 – Ethical Investing

A member asked about the latest situation with regard to this matter.

RESOLVED to place the item on the agenda for the next meeting to be held on 25 February 2008.

4. EMPLOYERS RESPONSE TO THE CONSULTATION ON THE FUNDING STRATEGY STATEMENT

Submitted – the report of the Strategic Director – Resources, noting that it was required to review and publish the Funding Strategy Statement by 31 March 2008, and as part of this review, the administering authority had to consult with every employer that was part of the scheme, with the fund's actuary and adviser and with any other persons who were deemed as appropriate.

On 14 December 2007, this committee resolved the following policies:-

- a) that the anticipated excess return from investing in equities rather than gilts should be 1.75%, namely, the same as it was in the 2004 valuation.
- b) to increase the period for recovering the deficits of Coleg Menai, Coleg Meirion-Dwyfor and Coleg Llandrillo to 15 years, and to accept that the recovery periods used for the other employers in the 2004 valuation was acceptable for the 2007 valuation.
- c) that employers facing an increase of less than 1% should move to the new rate immediately. However, if there was an increase in excess of 1% of employers' contributions from the rate that should be paid following the final point of the 2004 valuation and the new rate, then the Committee would consider phasing in the new rate.

On the 20 December 2007, a consultation letter was sent out to all of the scheme's employers, the Fund's actuary and adviser and to representatives of Unison, TGWU and the GMB, consulting on the aforementioned three policies and requesting any observations by 25 January 2008. Three responses to the consultation were received from North Wales Police, Isle of Anglesey Council and Careers Wales. The first two authorities were satisfied with the changes, whilst the other wanted to request for the increase in contributions to be phased in over a period of three years. In 2007/08, the rate of Careers Wales as an employer was 15.6%, and the result of the draft valuation noted that it should increase to 17.3%, which was an increase of 1.7%.

He gave details of the amended Funding Strategy Statement – Appendix A.

RESOLVED

- a) To adopt the amended Funding Strategy Statement (Appendix A).**
- b) To allow Careers Wales only to phase in the increase in its contributions over a period of three years, with everybody else to move to their new rate immediately.**

In relation to changes deriving from a previous resolution of this committee pertaining to the future of UBS, the Strategic Director – Resources further informed the committee that the Fund had a 33% restriction on investments that could be placed in one insurance fund, but that the regulations allowed 35%. As a result of the proposed changes, it was suggested that it would be beneficial to increase this restriction to the maximum allowed in the regulations in order to facilitate the changes in question.

RESOLVED to increase the restriction figure for the total allowed to be invested in any individual insurance contract from 33% to 35%.

The meeting commenced at 10.30am and concluded at 10.50am