

Minutes of the Annual Meeting of the Local Pension Committee with the Contributors to, and Beneficiaries of the Pension Fund, held at County Hall, Glenfield on Friday, 11 January 2019.

PRESENT:

Leicestershire County Council

Peter Osborne CC (Chairman)
Mr T. Barkley CC

Employee Representatives

Mr. N. Booth
Ms. J. Dean

222. Minutes.

The minutes of the meeting held on 11 January 2018 were taken as read, confirmed and signed.

223. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

224. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

225. Urgent Items.

There were no urgent items for consideration.

226. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. No declarations were made.

227. Pension Fund Annual Report and Accounts 2017/18.

The Director of Corporate Resources gave a presentation on the annual report and accounts of the Pension Fund 2017/18. A copy of the report, marked '6' and presentation is filed with these minutes.

Arising from the presentation the following points were noted:

228. The latest triennial valuation, which determined the solvency of the Fund and set the level of contributions payable by each participating employer,

was last held in April 2016 and evidenced that the Fund had a £1 billion overall deficit and was 76.2% funded. The funding level remained volatile due to investment returns, however the long term trend had seen a reduction in the deficit.

229. The next triennial valuation was due 31 March 2019. The valuation would provide the funding position, and future employer contribution rates between 1 April 2020 to 31 March 2023. The Fund were aware that Government were considering moving the valuation to a quadrennial cycle to fit with Governments valuation of public service pension schemes.
230. Nationally Local Government Pension Scheme (LGPS) costs had been assessed and had been found to be more than 2% below the expected cost threshold, which triggered a review of the scheme design. The Scheme Advisory Board (SAB) were preparing proposed scheme changes to present to the Treasury, if accepted it would be expected to come into effect from 1 April 2019. The Fund was considering what benefit could be passed onto employee's.
231. In May 2018 new regulations came into effect on Exit Credits and Pass Through arrangements. The new regulations meant employers who left the scheme with a funding surplus would be refunded. The Fund, working with the Actuary (Hymans), proposed changes to the Leicestershire Pension Fund Funding Strategy Statement to address this. The proposed changes were intended to make it easier for the letting employer, the contractor and the Fund, which would in turn protect Scheme Member benefits. The implementation would likely come into effect from 1 April 2019 after consultation with employers.
232. As of 31st March 2018 the Fund had £4.1 billion total assets, an increase from £3.9 billion in 2017.
233. In April 2018 LGPS Central was formed, made up of nine funds with a total of £40 billion assets. It was designed to manage investments while asset and liabilities remained with each Fund. LGPS Central would deliver saving by reducing management expenses through economies of scale that individual funds could never achieve. No investments were currently managed by LGPS however the first transfer was planned in February 2019 for the Global Equities asset class. The Local Pension Committee would continue to monitor LGPS Central and any funds that were invested into it.

Arising from questions raised by employees of the Fund the Director reported that as with previous year's employer's contributions it was expected these would continue to rise by 1% a year.

The Fund was unable to predict the effect arising from the continuing uncertainty over the UK's departure from the EU, the Fund was mitigating the currency risk through its hedging arrangements.

RESOLVED:

That the report be noted.

228. Report of the Employee Representatives of the Local Pension Committee.

Employee representatives of the Local Pension Committee provided members with an update on the work undertaken by the committee over the preceding year. A copy of the report, marked '7', is filed with these minutes.

It was noted that the Local Government Pension Scheme was one of the top benefits of working in local government with the contribution rates from employers that accompanied it. Since automatic enrolment was introduced non enrolment had been very low.

RESOLVED:

That the report be noted.

229. Election of Employee Representative to the Local Pension Committee.

The Chairman reported that one nomination for the position of Employee representative on the Local Pension Committee had been received. The nomination was for a Ms. J. Dean. No ballot was therefore required. It was noted that current staff representatives elected to the Committee were:

Mr N Booth (to remain an employee representative for a period of 2 years, expiring at the Annual Meeting in 2021).

Mr R Bone (to remain an employee representative for a period of 1 years expiring at the next Annual Meeting).

RESOLVED:

That Ms. J. Dean be appointed Employee Representative for a period of three years, expiring at the Annual Meeting in 2022.

230. Election of Employee Representatives to the Local Pension Board.

The Chairman reported that two nominations for the positions of Employee representative on the Local Pension Board had been received. The nomination was for a Ms C. Fairchild and Ms D Haller. No ballot was therefore required. It was noted that current staff representatives elected to the Board were:

Ms D Stobbs (to remain an employee representative for a period of 1 year, expiring at the next Annual Meeting).

RESOLVED

That Mrs. C. Fairchild be appointed Employee Representative for a period of two years, expiring at the Annual Meeting in 2021.

That Mrs. D. Haller be appointed Employee Representative for a period of three years, expiring at the Annual Meeting in 2022.

231. Date of Next Meeting.

RESOVLED

That officers be requested to determine an appropriate date and time for the next Pension Fund Annual Meeting and publicise this date on the County Council's website.

CHAIRMAN