



THE TOWN COUNCIL
OF
ROYAL LEAMINGTON SPA
TOWN HALL, THE PARADE,
ROYAL LEAMINGTON SPA
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ROBERT NASH ACIS DMS
Clerk to the Town Council

Our Ref: RN/

Date: 24th February, 2020

Dear Councillor,

A meeting of the **POLICY AND RESOURCES COMMITTEE** will be held in Room 5, Town Hall, Parade, Royal Leamington Spa on **MONDAY 2nd MARCH, 2020 at 6.00 pm.**

The business will be as set out below.

Yours faithfully,

CLERK TO THE TOWN COUNCIL

To Councillors: Janet Alty, Sarah Boad, Alan Boad, Will Bryce, Mubarik Chowdry, Judith Clarke, Bill Gifford, Louisa Radice and Susan Rasmussen

(All other Members of the Town Council – Agenda for information only)

AGENDA

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

Members of the Committee are invited to declare any interest they may have in items identified for discussion at the Meeting.

3. **PUBLIC FORUM**

To receive representations from members of the public in accordance with the Council's Standing Orders.

4. **MINUTES**

To consider and approve as a correct record the Minutes of the Meeting held on 3rd February, 2020 (Report No. 4)

5. MATTERS ARISING FROM THE MINUTES

(i) RAILWAY BRIDGES – PIGEON CONTROL MEASURES

Town Clerk to report on progress relation to the complaint made to Network Rail.

(ii) TOWN COUNCIL OBJECTIVES

At the last meeting it was RESOLVED

(i) that Objectives 4 and 6 are translated into SMART objectives and actions at the next meeting of the Committee. (Report No 5 herewith)

6. CLIMATE CHANGE TASK AND FINISH GROUP

To consider the Minutes of the meeting of the Climate Change Task and Finish Group held on 10th February 2020 (Report No. 6).

7. WARWICK DISTRICT COUNCIL CONCESSIONARY PARKING

Town Clerk to report on the offer of 2 days' annual concessionary parking in Leamington Town Centre to be determined by the Town Council.

8. ALLOTMENT RENTALS 2020-2023

To consider the attached Report (Report No.8)

9. WARWICKSHIRE LOCAL GOVERNMENT PENSION FUND

To consider the attached Report (Report No (9)

10. ACCOUNTS

To approve a schedule of accounts arising for payment since the last meeting.

**MINUTES OF A MEETING OF THE POLICY AND RESOURCES COMMITTEE HELD ON
3rd FEBRUARY 2020 AT THE TOWN HALL, LEAMINGTON SPA**

Present: Councillors Sarah Boad (Chair), Alan Boad, Will Bryce, Mubarik Chowdry, Bill Gifford, Louisa Radice, Susan Rasmussen and Nick Wilkins (substituting for Cllr Alty).

66. **APOLOGIES**

Apologies for absence were received from Councillors Janet Alty and Judith Clarke.

67. **DECLARATIONS OF INTEREST**

There were no declarations on this occasion.

68. **MINUTES**

Consideration was given to the Minutes of the Meeting held on 6th January, 2020 (Report No. 4).

RESOLVED that the Minutes of the Meeting of the Policy and Resources Committee held on 6th January, 2020 re confirmed and signed as a correct record.

69. **MATTERS ARISING FROM THE MINUTES**

(i) **RAILWAY BRIDGES – PIGEON CONTROL MEASURES**

The Town Clerk reported that a further reminder had been sent to Network Rail since the last meeting regarding the pigeons roosting under the Lower Avenue railway bridge. A reply dated the 28th January had been received confirming that the matter had been placed in the hands of the Liabilities Team at Network Rail. A response to the Council's correspondence would be pursued further.

The Town Clerk also reported a reply from the Commonwealth Games Project Manager at Warwick District Council which thanked the Council for its support in helping to resolve the problems associated with pigeons roosting above the Lower Avenue footway.

RESOLVED that the problems associated with the Lower Avenue railway bridge continue to be pursued with Network Rail and a report is made to the next meeting.

70. **CLIMATE CHANGE TASK AND FINISH GROUP**

Consideration was given to the Minutes of the meeting of the Climate Change Action Group held on 9th January, 2020. (Report No. 6).

The progress achieved by the Group since its inception was welcomed by the Committee. It was noted that a further meeting was to take place on the 10th February with a view to a final report being made to the Council in March.

Reference was made to the public meeting hosted by the local Member of Parliament in 2019 to consider potential solutions to improve air quality around central Leamington. It was considered that the success of this initial meeting should be developed at the Annual Town Assembly to be held on 6th April, 2020.

RESOLVED

(i) that the Minutes of the meeting of the Climate Change Task and Finish Group held on 9th January, 2020 are received and actions therein noted; and

(ii) that the Annual Town Assembly on 6th April is arranged on a theme of “Clean Air Leamington” and that the Town Clerk, in consultation with the Chairman of Council, prepare a draft Agenda and invitation list.

71. **TOWN COUNCIL OBJECTIVES**

Consideration was given to a Report (Report No.9) which detailed the previously agreed objectives for the Town Council for the year 2019/20. The Committee had previously resolved to consider measures to monitor achievement of the objectives and to allocate responsibilities to the relevant Committees of the Council. A schedule of these responsibilities had been prepared by the Town Clerk and a copy circulated at the Meeting.

The Committee acknowledged that two of the six main objectives were most closely related to actions under the Council's direct influence whereas others required co-operation and joined up delivery across multiple agencies. It was therefore proposed that the following objectives are prioritised for consideration at the next meeting:-

Objective 4 – Promote equality for all, particularly in the more socially deprived areas of the Town

Objective 6 – Raise awareness of the role of the Town Council.

Once SMART objectives had been determined for the above areas of the strategy, individual Committees would be asked to monitor performance on a periodic basis. Reference was made to the importance of maximising engagement through web based media which was a matter to be considered by the Communications Working Group.

RESOLVED

(i) that Objectives 4 and 6 are translated into SMART objectives and actions at the next meeting of the Committee;

(ii) that the Communications Working Group is convened to consider specific actions arising from Objective 6, in particular the review of the Council's communications strategy.

72. **BUDGET MONITORING REPORT**

Consideration was given to a report (Report No. 8).

The Town Clerk reported on the current expected budget out-turn indicating that at the present stage of the year the Council's expenditure was in line with that to be expected. The Committee was advised that the invoice to recover expenses due to Warwick District Council for the elections held in May 2019 had not been prepared and that there was likelihood that payment might fall due after the end of the current financial year.

RESOLVED that the Report (Report No.8) is noted.

73. **INSURANCE POLICY RENEWAL**

The Town Clerk reported that the Council's Insurance Policy expired on 25th March, 2020 and a renewal quotation from the current insurer, Zurich Insurance Plc, had been received in the sum of £2413. This compared with the 2019 premium of £2341 and therefore represented a modest increase of £72, subject to the Council entering into a three year agreement during which the premium would be fixed with the exception of increases for Insurance Tax.

RESOLVED that the Council's insurance policy is renewed in the sum of £2413 with Zurich Insurance Plc for a period of three years commencing 25th March, 2020.

74. **CURRENT ACCOUNT BANKING ARRANGEMENTS**

The Town Clerk reported on arrangements to implement the Committee decision taken at the meeting on 3rd September 2018 at which it had been agreed to register for on-line banking.

Discussions with the Council's current banker, HSBC had been broadened to include assessment of automated payment options (BACS) through alternative providers. These included the Unity Trust and Triodos Banks both of which offered services to local Councils and the not for profit sector through an ethical investment ethos that was reflected in the Town Council's broader objectives linked to community empowerment and climate change.

The Town Clerk advised that comparative costs between the three Banks indicated that Triodos Bank offered the most competitive solution with annual costs estimated at £122 compared with £339 for the current account provider. A significant saving would also arise in terms of set up charges which in the case of HSBC amounted to £350.

RESOLVED

(i) that the Town Clerk commences arrangements to open a Social Venture account with Triodos Bank for all the Council's current banking arrangements;

(ii) that arrangements are made for all debit transactions and bank transfers to be made via BACS and that the Council's approved signatories are allocated access to approve payments and withdrawals via internet banking; and

(iii) arrangements are made to close the current account with HSBC as soon as alternative banking arrangements are in place.

75. **ACCOUNTS**

A schedule of accounts of accounts arising for payment was circulated and a copy is attached to the signed Minutes.

RESOLVED that the schedule of accounts in the sum of £38,571.05 including £16,813 under Section 137 of the Local Government Act 1972, is approved.

The meeting commenced at 6.00 pm and ended at 7.05 pm.

**REPORT TO A MEETING OF THE POLICY AND RESOURCES COMMITTEE TO BE
HELD ON 2ND MARCH 2020**

ROYAL LEAMINGTON SPA TOWN COUNCIL - OBJECTIVES FOR 2019/20

1. PURPOSE OF THE REPORT

- 1.1 At the meeting of the Committee held on 3rd February, the Committee considered a Report on the agreed objectives for the Town Council for the year 2019/20. It had previously resolved to consider measures to monitor achievement of these objectives and to allocate responsibilities to the relevant Committees of the Council.
- 1.2 At the last meeting it was agreed that initial focus should be given to defining SMART objectives for a limited number of the broad objectives previously approved.

It was therefore proposed that the following objectives are prioritised for consideration at this meeting:-

Objective 4 – Promote equality for all, particularly in the more socially deprived areas of the Town

Objective 6 – Raise awareness of the role of the Town Council.

2. SMART OBJECTIVES

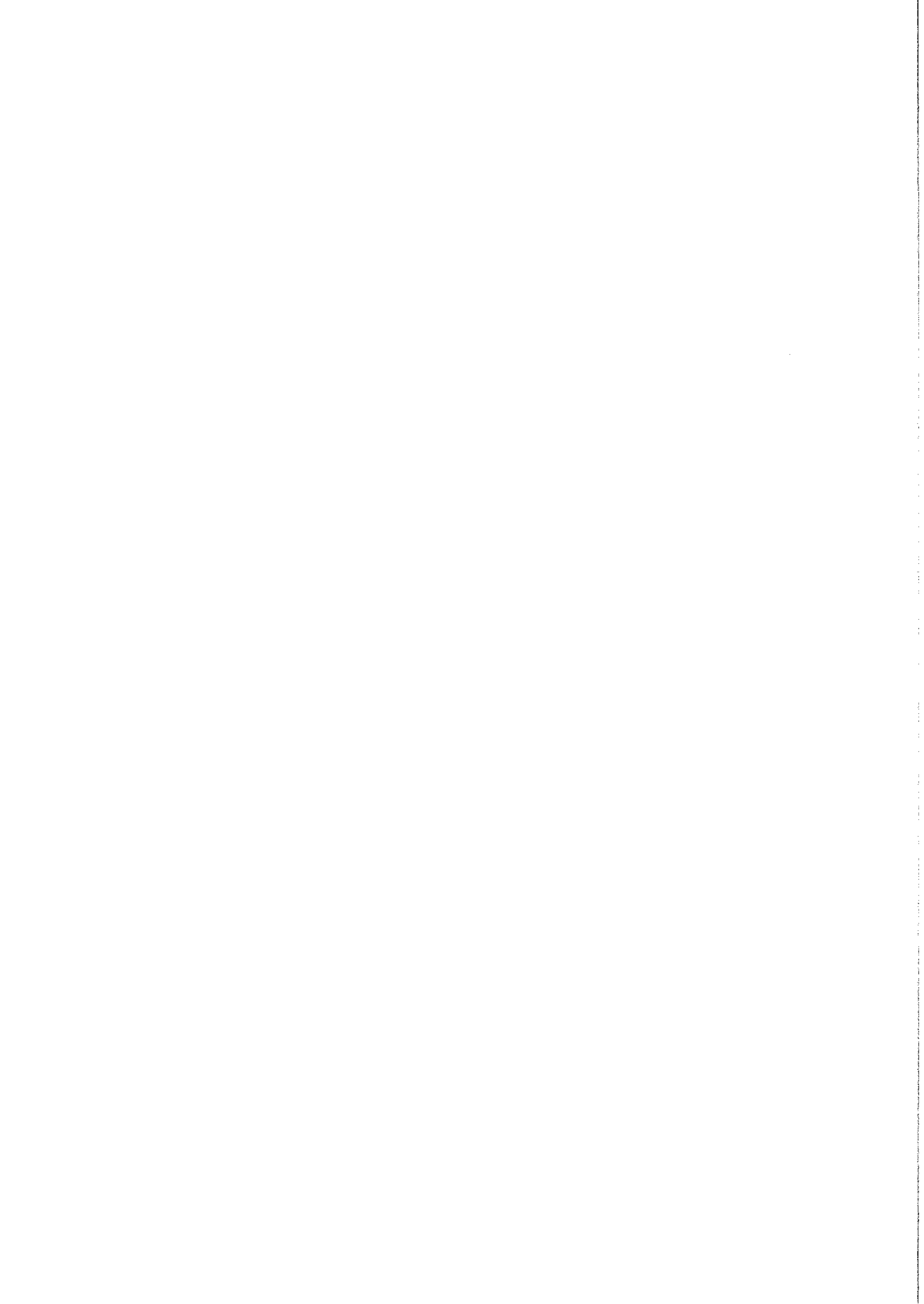
- 2.1 To avoid confusion, it may be helpful to initially establish the definition of SMART.
- S = Specific
 - M = Measurable
 - A = Achievable
 - R = Realistic
 - T = Timely

It may be better to think of the broad definitions in paragraph 1.2 above as goals rather than objectives. The measures outlined in the Objective table at Appendix 1 then become the objectives to achieve these goals.

- 2.2 In some instances, several of the objectives overlap and in order to establish a SMART definition, a single action has been suggested.
- 2.3 These SMART objectives have been allocated to specific Committees or Working Groups where applicable.

3.0 RECOMMENDATION

- 3.1 The Committee is invited to consider the action plan set out at Appendix 1 and to suggest further amendment as appropriate.



Report 5 – Appendix 1

No.	Goal	Objective	SMART	Achieved by
1	Promote equality for all, and particularly in the more socially deprived area in the Town.	<ul style="list-style-type: none"> - by working with WDC and WCC to ensure sufficient awareness of existing services such as one-stop shops, employment and training clubs and courses; 	Placing timely information on website/social media at least every month, or as necessary.	Policy and Resources Committee
2		<ul style="list-style-type: none"> by continued support of South Warwickshire Citizen's Advice and other third sector organisations; 	Review revenue grant annually having regard to monitoring reports from recipients of funding	Policy and Resources Committee
3		<ul style="list-style-type: none"> - by promoting and encouraging community involvement in the cultural diversity of the town.; 	Development of engagement strategy with third sector by April 2021	Cultural and Community Committee
4		<ul style="list-style-type: none"> by supporting Warwick District Shopmobility, and advising on its long-term financial viability; and 	Receive and consider prior to January annually, a report from Trustees of WD Mobility Ltd	Policy and Resources Committee
5		<ul style="list-style-type: none"> by encouraging the growth of business in Leamington. 	Maintain effective communication with all partners,(WDC, BID and Chamber of Trade) to inform all Council decisions	Policy and Resources Committee
6		<ul style="list-style-type: none"> - by promoting health and wellbeing to all our residents 	This is difficult to define and measure. It may simply be an action to recognise the Council's role in passing on information from Warks County Council and Health Watch	
7		<ul style="list-style-type: none"> by working with partners to support youth work 	Through Community Grant Fund invite funding bids from Young People First & WCC Youth Service	Policy and Resources Committee
8		<ul style="list-style-type: none"> by reviewing the grants scheme criteria to make sure it is funding organisations that meet Town Council objectives, including evidence of environmental considerations 	Undertake an annual review of the Community Grant scheme to be concluded by February each year.	Cultural and Community

9		by utilising the index of multiple deprivation for super output areas	This is not an objective – rather a means to achieve other objectives	
10	Raise awareness of the role of the Town Council.	by engaging with the event management officers of WDC in planning events in Learnington, including officially acknowledging significant historical anniversaries;	This is a requirement of all event management exercises. It is subordinate to the task of organising events which may be the better focus for an objective	
11		- by supporting and promoting community initiative and voluntary action through our Culture and Community Committee;	By May 2021 develop protocol for more direct communication with voluntary sector through WCAVA and other community groups	Cultural & Community Committee
12		by motivating and managing our staff complement with best management practice and financial procedures.	Ensure that staff appraisal programme is regularly reviewed, at least once every 4 years	Policy & Resources Committee
13		by regularly updating our website and social media presence, using them to publicise mayoral activities, and to promote projects, events and services we support or fund;	Social media and website to be updated at least weekly All Members to be advised of updates and encouraged to add to own social media	Policy & Resources Committee
14		by engaging with residents and other interested parties through direct contact and social media to ascertain their views;	See Objective 19	Communications Working Group
15		by maintaining a link with local press;	See Objective 19	Communications Working Group
16		- by ensuring that our role as a funding partner is acknowledged by principal authorities in their publicity;	See Objective 19	Communications Working Group

17		by working with WDC's Tourist Information service and Leamington BID to promote the Town to visitors including via accurate information signage .	Undertake analysis of South Warwickshire Tourism strategy for Leamington Spa & identify weaknesses/areas of improvement	Policy & Resources Committee
18		by using social media to inform residents re services and activities affecting the town	See Objective 19	Communications Working Group
19		by asking the Communications working group to look at the Council's social media and website and consider any improvements required, including a review and update of the Council's communications strategy	To produce for Council approval a Communications Strategy by December 2020	Communications Working Group

**MINUTES OF A MEETING OF THE CLIMATE CHANGE TASK AND FINISH GROUP
HELD ON 10th FEBRUARY, 2020 AT THE TOWN HALL, LEAMINGTON SPA**

Present: Councillors David Brunson, Will Bryce, Mubarik Chowdry, Jennifer McAllister, and Louisa Radice.
Robert Nash (Town Clerk)

37. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors J. Alty and S. Rasmussen.

38. **DECLARATIONS OF INTEREST**

There were no declarations at this time.

39. **MINUTES**

RESOLVED that the Minutes of the meeting of the Climate Change Task and Finish Group, held on 9TH January, 2020 are confirmed as a correct record.

40. **CLIMATE CHANGE ACTION PLAN**

Various activities contained within the Climate Change Action Plan were discussed and further action agreed as follows:-

Budget head	Service	Follow up action
Administrative expenses	Photocopying	Determine availability of Wifi in Council Chamber (Action RN)
Grants & Projects	Leamington in Bloom	Assessment with Warwick District Council of options for re-wilding. Analysis of WDC Climate Change Emergency Action Plan (Action RN)
Grants & Projects	Tree Planting & Maintenance	Limited opportunities for tree planting by Town Council, other than replacing existing (to be further assessed with Warwickshire Tree Wardens) (Action RN)
Neighbourhood Plan	RLS14 – Traffic & Transport	Option to provide electric cycle points cannot be implemented by Mobility Trust. Refer to Policy and Resources for further consideration. (Action Policy & Resources)
	Plastic Free Leamington	Exploiting Council website/social media/publicity etc to encourage change in behaviour to sustainable alternatives rather than single use plastic. To be considered by Communications Group – (Action Cllr W. Bryce)

It was noted that several target dates now needed to be revised, particularly where these were on-going tasks.

The Group was reminded that it had been tasked by the Council in June 2019 to produce a relevant plan of action within a period of 6 months. This had also included having regard to the work being undertaken by other local authorities, foremost being

Warwick District Council. The District Council Climate Change Action Plan was however not being considered until a meeting on 12th February and this document should ideally be assessed by the Group before signing off its report to the Town Council.

It was therefore agreed that a presentation is made to the Council at the meeting on 9th March detailing the key points within the Action Plan, as presently agreed, together with any emerging issues that may require further assessment. A final meeting of the Group could then be held approve a final report to be considered by the Council on 4th June.

Action: RN/ Cllr Alty

41. **NEXT MEETING**

Date of next meeting: **Monday 20th April, 2020 commencing at 6.30 pm.**

Action: All Members to note

The meeting commenced at 6.30 pm and ended at 7.35 pm.

REPORT TO A MEETING OF THE POLICY AND RESOURCES COMMITTEE TO BE HELD ON 2ND MARCH 2020

ALLOTMENT RENTALS 2020-2023

1. PURPOSE OF THE REPORT

- 1.1 To consider the current rental payments in respect of land let by the Town Council for use as public Allotments.

2. PROPOSED RENTAL INCREASE

- 2.1 In 2004 the Council became legally responsible for the sub-letting arrangements for three Allotment sites:-

Old Milverton Allotment Association – Land at West of Old Milverton Lane (2.63 acres/1.064 hectares)

Cliffe Allotment Association – Land East of Old Milverton Lane (3.05 acres/1.23 hectares)

Binswood Allotment Association – Land at Northumberland Road (11.74 acres/4.75 hectares)

- 2.2 In common with allotment land rental agreements, the annual rent paid to the land owner- Heber Percy Estate- is subject to a review at three year intervals. However, the Agent did not notify the Council of its intention to review the rental payments of these sites until January 2020 hence four years has now elapsed since the last review in March 2016.

- 2.3 The Council has been notified by the Agent for the owners of the following intended increases to rentals with effect from 25th March, 2020:-

Allotment Association	Current Rent	Proposed rent (per annum)
Old Milverton Allotment Association -Land west of Old Milverton Lane	£600	£660
Cliffe Allotment Association –Land east of Old Milverton Lane	£700	£800
Binswood Allotment Association– Land off Northumberland Road	£2750	£3050

- 2.4 The Committee will be aware that the policy applied to rental of these sites has been to simply pass on the rental cost to the respective Allotment Association. The proposed increase amounts to an average of 11% for the three year period equating to a rate annually of 3.6%.

- 2.5 Relating this increase to the land rental values of allotments is problematic. Land allocated for allotments will be of significantly lower value than land allocated for productive agricultural use which makes it difficult to compare with the rate of fluctuation in the value of agricultural land. The cost of commissioning an independent land review of the allotments sites would not be justified in the light of the relatively modest increases now proposed.
- 2.6 The rate of increase proposed by the land agent is consistent with the rate of increase applied since 2004.
- 2.7 The rental agreement of the land in which the Town Council has a freehold interest at Campion Hills is also due for review by 31st March, 2020. The Council generally applies an equivalent percentage increase to that applied to the other sites in the interests of equity
- 2.8 The current rental of Campion Hills Allotments is £2415. The application of an 11% per cent increase would increase the rental payable from April 2020 to £2680.
- 2.9 These proposals have been notified to the respective Allotment Associations and their response will be reported at the Meeting.
- 2.10 There are no financial consequences arising from the proposed increase in the light of the Council's decision to fully recover the rental fees from a commensurate increase in the fee charged to the Allotment Associations for lease of these sites. It should be remembered that the Council allocates a budget annually to provide grant assistance to all the Allotment Associations which helps them to offset costs associated with the management of these sites.

3. **RECOMMENDATION**

- 3.1 The Council is recommended to approve the proposed increase in rental agreements for land sub-let by the Town Council for the use as Allotments and to increase the annual rental payable by the respective Allotment Associations by the corresponding sum with effect from the 1st April, 2020.
- 3.2 The Committee is further recommended to approve a corresponding rental increase in relation to Campion Hills Allotments to take effect from 1st April, 2020.

REPORT TO A MEETING OF THE POLICY AND RESOURCES COMMITTEE TO BE HELD ON 2ND MARCH 2020

WARWICKSHIRE LOCAL GOVERNMENT PENSION FUND

1. PURPOSE OF THE REPORT

- 1.1 To advise the Committee of the outcome of the conclusion of the triennial pension review and other related pension matters.

2. INTRODUCTION

- 2.1 The Warwickshire Local Government Pension Fund is part of the national Local Government Pension Scheme (LGPS). The LGPS was set up by the UK Government to provide retirement and death benefits for local government employees, and those employed in similar or related bodies, across the whole of the UK. The Administering Authority (Warwickshire County Council) runs the Fund, in effect the LGPS for the Warwickshire area, to make sure it:
- receives the proper amount of contributions from employees and employers, and any transfer payments;
 - invests the contributions appropriately, with the aim that the Fund's assets grow over time with investment income and capital growth; and
 - uses the assets to pay Fund benefits to the members (as and when they retire, for the rest of their lives), and to their dependants (as and when members die), as defined in the LGPS Regulations. Assets are also used to pay transfer values and administration costs.
- 2.2 The Town Council is defined within the Local Government Pension Scheme Regulations as an admitted body. By resolution local Parish and Town Councils must apply to join the LGPS. Royal Leamington Spa Town Council was admitted to membership of the Warwickshire Fund in 2002.
- 2.3 The LGPS is a Defined Benefit scheme. Employees' benefits are guaranteed by the LGPS Regulations, and do not change with market values or employer contributions. Investment returns will help pay for some of the benefits, but probably not all, and certainly with no guarantee. Employees' contributions are fixed in those Regulations also, at a level which covers only part of the cost of the benefits. Therefore, employers need to pay the balance of the cost of delivering the benefits to members and their dependants.
- 2.4 Every Fund utilises experienced Fund Managers to ensure that it is able to meet its current and future obligations from within the assets under investment. This is achieved through a Funding Strategy Statement. The FSS for the Warwickshire Fund has recently been reviewed and published. A full copy is available from the Town Clerk on request.

2.5 The FSS focuses on how employer liabilities are measured, the pace at which these liabilities are funded, and how employers or pools of employers pay for their own liabilities. As part of the FSS, the Actuary will undertake a periodic review, usually every three years to assess how well the Fund liabilities are being met from the various sources of revenue upon which it relies. It is this that is used to assess Employer contribution rates.

3.0 **WARWICKSHIRE FUND PERFORMANCE**

3.1 On 8 May 2019 the Minister for Housing and Local Government issued a consultation seeking views on (among other things) proposals to amend the LGPS valuation cycle in England and Wales from a three year (triennial) valuation cycle to a four year (quadrennial) valuation cycle. On 7 October 2019 MHCLG confirmed the next LGPS valuation cycle in England and Wales will be 31 March 2022, regardless of the ongoing consultation. The Fund therefore instructed the Fund Actuary to certify contribution rates for employers for the period 1 April 2020 to 31 March 2023 as part of the 2019 valuation of the Fund.

3.2 The results of the 2019 valuation have now been published and are included at Appendix 1. Members will note that the Town Council is assessed as part of a pool of similar employers. From time to time, with the advice of the Actuary, the Administering Authority may set up pools for employers with similar or complementary characteristics. This will always be in line with its broader funding strategy.

3.3 The intention of the pool is to minimise contribution rate volatility which would otherwise occur when members join, leave, take early retirement, receive pay rises markedly different from expectations, etc. Such events can cause large changes in contribution rates for very small employers in particular, unless these are smoothed out - for instance by pooling across a number of employers.

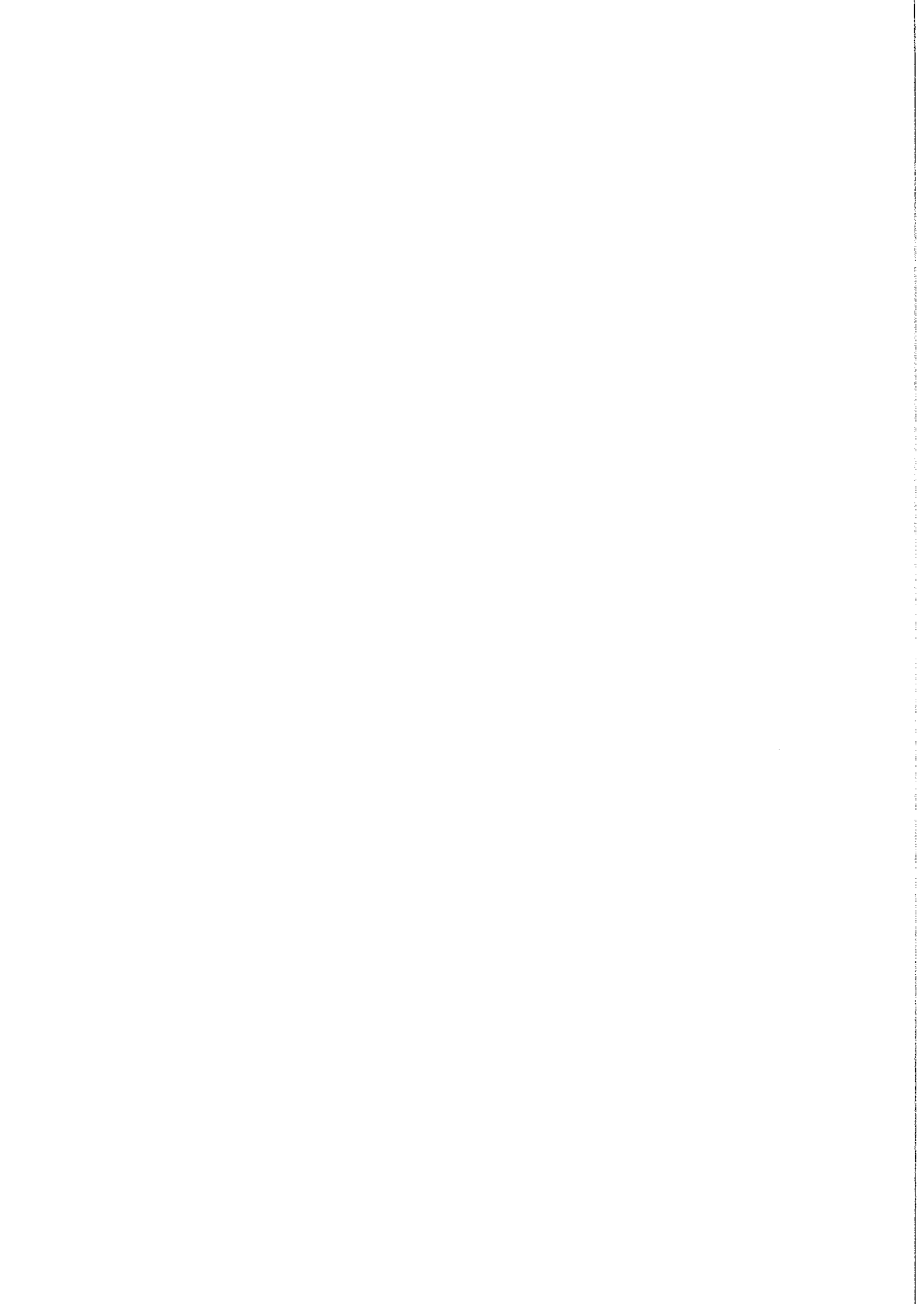
3.4 The result of the 2019 valuation for the Town Council is positive. Over the period of three years since the last valuation the Council's employer contribution rate had risen to 24% of gross salary. The 2019 valuation has reduced the Council's contribution rate to 21.1%. Based on the current salary payments (pay review pending) this will result in a net saving to the Council in 2020/21 of £2973.

4. **PENSION PERFORMANCE**

4.1 Each year the performance of the Warwickshire Pension Fund is reported to the Pension Fund Managers. This is reviewed by the Fund Board annually to ensure performance continues to meet the Fund liabilities. This is also reported at the Annual General Meeting which was last held on 21st November 2019. The meeting was attended by the Council's Democratic Support Officer – a summary of the key performance indicators and issues raised is included at Appendix 2.

5. CONCLUSION/RECOMMENDATION

- 5.1 The LGPS remains in robust health and is now at a funding level where it is able to fund 92% of its liabilities. This has been a consistently improving position and helps to explain why the employer contribution rate has been reduced for the period of the next three years. This is of course not an indicator of future performance which will be influenced by the performance of investments, interest rate changes and the rate at which employees retire and draw upon the fund. Future legislative changes to the LGPS Regulations may also have an impact.
- 5.2 Attention is drawn to the McCloud judgement referred to in the Appendix. The outcome of the Court Ruling is not yet clear but the implications of this decision will clearly have implications across the public sector pension funds including the LGPS.
- 5.2 For the period 2020-2023, the Town Council's contributions are therefore fixed and as described earlier the new contribution rate offers up a saving of £2970 compared with that allowed in the budget.



2019 Valuation Employer Results Report Draft

Employer / Pool: Parlah and Town Councils Pool
Fund: Warwickshire Pension Fund

Addressee and purpose

This Employer Results Report is addressed to the Administering Authority for the purposes set out in *Your Guide to the 2019 valuation*. It may be shared with the employer or pool of employers noted above ("the Employer") but should not be shared with any other third parties without our prior written consent. Please note that Hymans Robertson LLP accept no liability to any third parties (including the Employer). The results in this report should be read in conjunction with the draft Funding Strategy Statement. The assumptions and methodology used to calculate employer contribution rates are set out in the draft Funding Strategy Statement.

If you are the Employer, the purpose of this report is to give you advance notice of the contributions payable from 1 April 2020 for planning purposes and to allow you check that the way these recommended rates have been calculated is appropriate to your circumstances and is in line with the draft Funding Strategy Statement. It also allows you to verify the cashflow and membership data used in our valuation calculations. This report has been prepared for the Administering Authority and does not provide advice to you as the the Employer.

If the Employer is a member of a funding pool within the Fund, the contribution rates, funding level and membership data shown in this report may relate to the pool as opposed to the individual employer. This will be indicated in the title of the relevant table.

The following Technical Actuarial Standards have been complied with to a proportionate degree in the preparation of this report: TAS 100, TAS 300.

Prepared by: Robert Bilton FFA

05 December 2019

Pool Contribution rates	Primary	Secondary	Secondary	Total		
	(% of pay)	(% of pay)	(£)			
Currently in payment 2019/2020	20.6%	3.4%	-	24.0%	plus	£0
Contribution rate for year end to 31 March 2021	20.9%	0.2%	-	21.1%	plus	£0
Contribution rate for year end to 31 March 2022	20.9%	0.2%	-	21.1%	plus	£0
Contribution rate for year end to 31 March 2023	20.9%	0.2%	-	21.1%	plus	£0

The above contribution rates are the minimum rate required by the Fund. In most circumstances the Employer can pay additional contributions to improve their funding position but this should be referred to the actuary first. The Employer's final contribution rates will be certified in the Fund's Rates and Adjustment's Certificate, which must be published by 31 March 2020.

The Primary Rate includes an allowance of 0.7% of pay for administration expenses.

Employer contribution rates are additional to employee contributions. The average employee contribution rate is 6.0% of pay.

Funding strategy	Last Valuation 31 March 2016	This Valuation 31 March 2019
Funding target	100% funded on the ongoing participation basis	100% funded on the ongoing participation basis
Funding time horizon	19 years	19 years
Required likelihood of achieving target	66%	70%

The above contribution strategy gives a 70% likelihood that both past and future service benefits will be at least fully funded on the Fund's ongoing participation basis at the end of a 19 years time horizon. This funding strategy has been determined by the Administering Authority, taking into account the type of organisation the Employer is and the nature of its participation in the Fund. The approach to setting employer contribution rates, and the Employer's funding target, is explained further in the draft Funding Strategy Statement.

Investment strategy	Last Valuation 31 March 2016	This Valuation 31 March 2019
Investment strategy used in contribution rate assessment	Whole Fund	Whole Fund

Further details on the Employer's investment strategy is included in the Fund's Investment Strategy Statement.

Pool funding position	Last Valuation 31 March 2016 (£000)	This Valuation 31 March 2019 (£000)
Past service liabilities		
Employees - Final Salary	2,311	2,102
Employees - CARE	581	1,584
Deferred Pensioners	464	591
Pensioners	1,198	1,714
Total	4,554	5,991
Asset share	4,088	5,999
Surplus / (Deficit)	(466)	7
Funding Level	90%	100%

Please note, figures in tables throughout this document have been shown rounded. As a result, the sum of figures within tables may not add up due to rounding. The results are different at 31 March 2016 because there has been a change to the employers in the pool.

The assumptions underlying the funding position are summarised on Page 2.

2019 Valuation Employer Results Report Draft

Employer / Pool: Parish and Town Councils Pool
Fund: Warwickshire Pension Fund

Change in the Surplus / (Deficit) position	Assets (£000)	Liabilities (£000)	Surplus / (Deficit) (£000)
Last valuation at 31 March 2016	4,088	4,554	(466)
Cashflows			
Employer contributions paid in	634		634
Employee contributions paid in	221		221
Benefits paid out	(403)	(403)	0
Net individual transfers into / out of the Pool *	147		147
Other cashflows (e.g. Fund expenses)	0		0
Expected changes in liabilities			
Interest cost on benefits already accrued		586	(586)
Accrual of new benefits		1,169	(1,169)
Membership experience vs expectations			
Salary increases less than expected		(27)	27
Benefit increases greater than expected		2	(2)
Early retirement strain (and contributions**)	13	43	(30)
Ill health retirement strain		(76)	76
Early leavers fewer than expected		17	(17)
Pensioner deaths fewer than expected		78	(78)
Commutation less than expected		12	(12)
Impact of bulk transfers	0	0	0
Other membership experience		(20)	20
Changes in market conditions			
Investment returns on the Employer's assets ****	1,298		1,298
Changes in future inflation expectations		189	(189)
Changes in actuarial assumptions			
Change in demographic assumptions (exc. longevity)		(7)	7
Change in longevity assumptions		(150)	150
Change in salary increase assumption		15	(15)
Change in discount rate		10	(10)
This valuation at 31 March 2019	5,999	5,991	7

* We have not quantified the net liability for transfers in and out as we have insufficient data to do so

** Contributions include insurance payments towards ill health early retirements

** The investment return on the Employer's assets between 31 March 2016 and 31 March 2019 was 29.8%

Actuarial assumptions underlying the funding position	Last Valuation 31 March 2016	This Valuation 31 March 2019
Financial		
Investment Return	3.8%	3.7%*
Salary Increases	2.8%	3.1%
Benefit increases and CARE revaluation (CPI)	2.1%	2.3%
Demographic		
Baseline longevity	Club Vita	Club Vita
Future improvements in longevity	CMI 2013, 1.25% long term	CMI 2018, 1.25% long term
Other demographic assumptions	Available on request	Available on request

*There is a 75% likelihood of the Fund's investments achieving at least an annual return of 3.7% p.a. over the next 20 years

Pool details	
Pool name	Parish and Town Councils
Open / closed to new members	Open

Pool membership data	Last Valuation 31 March 2016	This Valuation 31 March 2019
Employee members		
Number	48	58
Total Actual Pay (£000)	820	935
Total Accrued Pension (£000) (80ths)	76	54
Total Accrued Pension (£000) (60ths)	52	41
Total Accrued Pension (£000) (CARE)	38	98
Average Age (liability weighted)	57.3	58.4
Deferred pensioners		
Number	26	26
Total Accrued Pension (£000)	23	30
Average Age (liability weighted)	52.7	55.1
Pensioners		
Number	22	32
Total pensions in payment (£000)	77	110
Average Age (liability weighted)	68.1	68.9
Average duration of liabilities	16.5	15.6

WARWICKSHIRE PENSIONS FUND AGM – 21st November 2019

Overview of Fund Actuary - Chris Norton, Strategic and Commissioning Manager, WCC

2018/19

- Assets under management = £2.2billion
- £1.3million spend on administration
- Investments managed by the Border to Coast Pensions Pool = £254.5million (11.8% of total funds)
- Cashflow neutral
- £140million investment returns
- Building up concentration on issuing debt to private companies - £10million
- Growing focus on ESG issues – Environmental, Social, Governance

Partners Group – Courtney Bensen, Fund Manager

- Partners Group makes investments in both private infrastructure and private debt portfolios around the world on behalf of Warwickshire Pensions Fund
- In terms of infrastructure, there are current investments in roads, transport, communications, hospitals and schools. Partners Group provide capital to fund these projects in partnership with governments. Only work with established governments with stable, positive credit ratings mostly in the US and Europe with some projects in Australia, Japan and South Africa.
- Invest in long term, fixed rate contracts
- Potential infrastructure investments examined for ESG – due diligence performed for corporate and environmental levels of responsibility. Particularly interested in renewables and communications.
- Invest into all stages of infrastructure – development, construction, operation and expansion. Examples include:
 - Broadband provision
 - Electric trains
 - Wind farms
 - Solar energy

50/50 split equity/debt management into such projects

- Investment return for Warwickshire Pensions Fund in 2018/19 = 11.1%
- Investment multiple = 1.20x (Euros)

Partners Group – Robert Evans, Fund Manager

- Partners Group also extends finance to private companies to develop and expand, including funds from the Warwickshire Pensions Fund
- Since the banking crisis of 2008, banks have lent less finance so other companies have stepped in. Focus is to protect the principal and collect the interest.

APPENDIX 2

- Equity cushions remain robust – the value of a company has to drop by 50% before an issue arises
- Partners Group invests only in mid-market companies with profitability above £10million and below £90million.
- Focus on first lien secured loans which are the safest part of the capital structure (LIBOR +4-6%)
- Emphasis on non-cyclical industries such as healthcare and education – established businesses e.g. vets, software, satellite navigation systems
- 2018/19 – investment return for Warwick Pension Fund was 5.7% with an investment multiple of 1.07x (Euros). Expected return of 30-40% of capital invested by the end of 2020.

LGPS Pooling & Border to Coast Pensions Partnership (BCPP) - Rachel Elwell, CEO

- Established in 2018, not for profit, has 12 partner funds carrying over £45billion.
- The Pool has expertise unavailable within Warwickshire Pensions Fund and benefits include scale, regulation and structure. Customer owned and focussed. Negotiate fixed fees and can invest in a wider range and size of funds.
- Warwickshire Pensions Fund has made £1billion available for investments within the Pool's equity funds and at the moment has funds invested in the UK Listed Equity Alpha Fund and the Global Equity Alpha Fund.
- Warwickshire Pensions Fund still makes the decisions about where their money goes and has a governance committee as well as a Section 151 officer group to oversee it.
- Potential asset allocation changes will be driven by the 2019 valuation of the Warwickshire Pensions Fund and there is growing interest in property investment ie housing development

2019 Valuation – Hymans Robertson

- Sept 2018 – Sept 2019 – 7.4% return on the Warwickshire Pensions Fund
- The global nature of the investment portfolio reduces exposure to the domestic UK economy
- Increasing focus on responsible investment and climate risks
- Guaranteed minimum pension has had to be fully funded by LGPS employers since 2016
- 3 key objectives: growth, income, protection
- Investment strategy = Global Equities 37.5%, UK Equities 17%, Corporate Bonds 10%, Property 10%, High Yielding Credit 7.5%, Private Debt 5%, Government Bonds 5%
- 2018/19 – outperformance over all periods against the Fund's benchmark.
- Overall funding level is 92%, outlook for return for 2019/20 = 3.7%
- Membership of the Fund = 52,000, will have paid out £65million by end of 2019
- Little change in valuation since the last valuation in 2016.

APPENDIX 2

- Issue to watch is the McCloud judgement:

A recent legal case brought by members of the Judicial and Firefighters' pension schemes found that their schemes were discriminatory to some members. This was on the grounds of age discrimination when the career average arrangement was introduced in 2015. The Government is considering the next steps to apply the court ruling. What can be confirmed is that whatever changes are needed will apply across all public service schemes.

The final decision on any steps needed to compensate members following the McCloud judgement is the role of an Employment Tribunal. No date has been set for this as yet.

