

Agenda

Council

Thursday, 16 May 2019, 10.00 am
County Hall, Worcester

This document can be provided in alternative formats such as Large Print, an audio recording or Braille; it can also be emailed as a Microsoft Word attachment. Please contact Democratic Services on telephone number 01905 846621 or by emailing democraticservices@worcestershire.gov.uk

DISCLOSING INTERESTS

There are now 2 types of interests:
'Disclosable pecuniary interests' and **'other disclosable interests'**

WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

NB Your DPIs include the interests of your spouse/partner as well as you

WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
 - you must **not participate** and you **must withdraw**.

NB It is a criminal offence to participate in matters in which you have a DPI

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:
You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests** **OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
 - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

Thursday, 16 May 2019, 10.00 am, County Hall, Worcester

Agenda and Summons

Councillors: Mr B Clayton (Chairman), Mr A A J Adams, Mr R C Adams, Ms P Agar, Mr A T Amos, Mr T Baker-Price, Mr R W Banks, Mr R M Bennett, Mr C J Bloore, Mr G R Brookes, Mrs J A Brunner, Mr P Denham, Ms R L Dent, Mr N Desmond, Mrs E A Eyre, Mr A Fry, Mr S E Geraghty, Mr P Grove, Mr I D Hardiman, Mr A I Hardman, Mr P B Harrison, Mr M J Hart, Ms P A Hill, Mrs A T Hingley, Mrs L C Hodgson, Dr A J Hopkins, Dr C Hotham, Mr M E Jenkins, Mr A D Kent, Mr R C Lunn, Mr P M McDonald, Mr S J Mackay, Mr L C R Mallett, Ms K J May, Mr P Middlebrough, Mr A P Miller, Mr R J Morris, Mr J A D O'Donnell, Mrs F M Oborski, Ms T L Onslow, Dr K A Pollock, Mrs J A Potter, Prof J W Raine, Mrs M A Rayner, Mr A C Roberts, Mr C Rogers, Mr J H Smith, Mr A Stafford, Ms C M Stalker, Mr C B Taylor, Mr R P Tomlinson, Mrs E B Tucker, Mr P A Tuthill, Mr R M Udall, Ms R Vale, Ms S A Webb and Mr T A L Wells

1 Apologies and Declaration of Interests

To receive apologies and invite any councillor to declare any interest in any of the items on the agenda.

2 Chairman

To elect a Chairman of the Council to hold office until his or her successor becomes entitled to act.

3 Vice-Chairman

To appoint a Vice-Chairman of the Council to hold office until immediately after the election of a Chairman at the next Annual meeting of the Council.

4 Public Participation

To allow a member of the public to present a petition, or ask a question relating to the functions of the Council, or to make a comment on any matter on the agenda.

Members of the public wishing to take part should notify the Head of Legal and Democratic Services in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case Thursday, 15 May 2019). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed below.

5 Minutes

To approve as a correct record and authorise the signing of the Minutes of the meeting held

on 14 February 2019 (previously circulated electronically).

6 Chairman's Announcements

To receive any announcements to be made by the Chairman.

7 Reports of Cabinet 1 - 6

To consider the reports of the Cabinet and to receive answers to any questions asked on those reports as follows:

- a) Reports of Cabinet – Matters which require a decision (**Yellow pages**); and
- b) Report of Cabinet – Summary of decisions taken (**White pages**).

8 Constitutional Report - Worcestershire Pension Fund Governance Arrangements 7 - 36

To consider changes to the Worcestershire Pension Fund Governance Arrangements (**Yellow pages**).

9 Constitutional Matters 37 - 38

To consider a report on (a) Council Meeting dates, and (b) Chairmen and Vice-Chairmen of Member Bodies (**Yellow pages**).

10 Notices of Motion 39 - 42

To receive the report of the Head of Legal and Democratic Services on any Notices of Motion received by him (**Lilac pages**).

Councillors are asked to note that any Notices of Motion must be received by the Head of Legal and Democratic Services no later than noon on Tuesday, 7 May 2019.

11 Report of the Cabinet Member with Responsibility for Highways 43 - 52

To receive the report of the Cabinet Member with Responsibility for Highways on current issues and proposed developments within his area of responsibility and to receive answers to any questions on the report (**Green pages**).

12 Question Time 53 - 54

To receive answers to any questions asked by Councillors (**Orange pages**).

(Members are reminded of the timescale adopted by Council for notice of questions. A Councillor may only ask a question if:

- *It is delivered in writing to the Head of Legal and Democratic Services by noon on Tuesday, 7 May 2019 or*
- *If it relates to urgent business, the Head of Legal and Democratic Services is notified at least half an hour before the start of the meeting.)*

13 Reports of Committees 55 - 68

To consider the reports of Committees and to receive answers to any questions asked on those reports as follows:

- a) Audit and Governance Committee (**White pages**);
- b) Pensions Committee (**White pages**);
- c) Planning and Regulatory Committee (**White pages**); and
- d) Standards and Ethics Committee (**White pages**).

NOTES

- **Webcasting**

Members of the Council are reminded that meetings of the Council are Webcast on the Internet and will be stored electronically and accessible through the Council's Website. Members of the public are informed that if they attend this meeting their images and speech may be captured by the recording equipment used for the Webcast and may also be stored electronically and accessible through the Council's Website.

- **Catering Arrangements**

Lunch will be available at 1.00pm or thereabouts in the Lakeview Room. This will be provided for all Councillors, without payment, and for pre-notified guests, who must be paid for in advance. An indication of any guests wishing to take luncheon should be given to staff in the Business Support Unit at least three days before the Council meeting.

- **Council Photograph**

Arrangements are being made for a photograph to be taken of the whole Council. Details will be included in the Chairman's Announcements circulated on Council day. It is envisaged that the photograph will be taken either during the lunch break or at the end of the meeting, whichever is earlier.

Agenda produced and published by Simon Mallinson, Head of Legal and Democratic Services, County Hall, Spetchley Road, Worcester WR5 2NP. The above reports and supporting information can be accessed via the Council's website at: www.worcestershire.gov.uk

To obtain further information or a paper copy of this agenda please contact Simon Lewis, Committee Officer by telephone on Worcester (01905) 846621 or slewis@worcestershire.gov.uk

Date of Issue: Wednesday, 8 May 2019

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COUNCIL
16 MAY 2019**REPORT OF CABINET – MATTERS WHICH REQUIRE A
DECISION BY COUNCIL**

**New Grant to support additional costs that may arise as a result of
Brexit****Recommendation**

- 1. The Cabinet recommends that Council approves an increase to the Financial Services revenue budget cash limits to reflect the use of £0.175 million grant funding over 2018/19 and 2019/10 from MHCLG to support additional costs that may arise because of Brexit, noting that central Government has indicated this is not the only funding it may allocate to Local Government for this purpose.**
2. Local authorities across England will receive a share of £56.5 million to help support their preparations for Brexit. For the Council this is £0.175 million over two years. This funding is intended to help local authorities with specific costs which may arise following Brexit.
3. The funding will not be the only resource Councils receive from central Government to fund Brexit costs. The Government has been clear that its departments will assess and, if appropriate, fund any potential new requirements of Councils as part of the Brexit work they are undertaking.
4. At this stage, the money will be ring-fenced in reserves whilst a review is undertaken to confirm how this funding will be utilised.

Mr S E Geraghty
Chairman

Contact Points

County Council Contact Points
County Council: 01905 763763
Worcestershire Hub: 01905 765765

Specific Contact Points for this report
Nichola Garner, Committee and Appellate Officer
Tel: 01905 846626
Email: ngarner2@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda and background papers for the meeting of Cabinet held on 14 March 2019

COUNCIL
16 MAY 2019**REPORT OF CABINET - SUMMARY OF DECISIONS TAKEN**

Development of Worcestershire Children First

1. Further to the report to Council in January 2019, the Cabinet has considered the further development of Worcestershire Children First (WCF), the wholly-owned Council Company model chosen to deliver children's social care. Members will recall that Cabinet agreed to consider broadening the scope of services transferred to WCF to include the full range of Children's Services. This decision subsequently triggered a refresh of the Full Business Case (FBC) originally approved in March 2018, a more detailed analysis of the proposals to extend the responsibility of WCF to include education and early help and a re-design of the Programme Plan.

2. The Cabinet has approved the refreshed FBC which has been updated to ensure it accurately reflects the intentions of the Council in relation to the services provided by WCF. It has also approved the recommendations in the refreshed FBC in relation to the size and scope of WCF. The updated version of the FBC will be used to inform the remaining implementation phase. Broadening the scope of WCF has increased the amount of contracts and frameworks in scope of novation to WCF. Excluding the regional frameworks, the largest contract is with the provider Babcock Prime. The Cabinet has approved the proposal not to extend the current contract with Babcock Prime beyond October 2020 when the contract is anticipated to come to a natural break at the end of the initial five-year term. The Director of Children, Families and Communities has been authorised to initiate and implement a programme of work with Babcock Prime in order to transfer Education Services into WCF at the earliest opportunity.

3. The Cabinet has also authorised the Chief Executive, in consultation with the Department for Education-appointed Children's Commissioner, Chairperson of Worcestershire Children First, Leader of the Council and the Cabinet Members with Responsibility for Education and Skills and Children and Families, to agree the final details of and terms upon which services transfer to WCF. The Chief Executive has been given authority to take all appropriate steps on behalf of the Council in relation to the development of WCF.

4. Progress made in developing WCF, including the confirmation of Company Board appointments, has been noted together with the re-worked Programme Plan which forms part of the Management Case of the FBC. A further report will be received by the Cabinet in Autumn 2019 which will include approval of WCF's Business Plan.

Progress Update on Joint Local Area Special Educational Needs and Disability (SEND) Written Statement of Action/Improvement Plan

5. Further to the report to Council in July 2018 the Cabinet has received a progress update on the Joint Local Area SEND Written Statement of Action (WSOA). The WSOA

(Improvement Plan) has five workstreams each led jointly by representatives from the Council, Health and Partners. It has a detailed reporting and governance process to ensure accountability at all levels including the SEND Improvement (Strategic) Board, Health and Well-being Board, ICEOG, CCG Governing Body and Cabinet updates. The five workstreams are: The Local Offer; Embedding the Graduated Response; Assessment and Planning; Joint Commissioning and Leadership, and Workforce and Engagement. There is also a section on Safeguarding actions. The Cabinet has endorsed progress made by partners in all these areas to deliver the WSoA in order to improve outcomes for all children and young people with SEND by helping them to achieve their full potential.

6. The Department for Education and NHS England monitoring visits and feedback provided, including the guidance on re-inspections, has been acknowledged by the Cabinet. It has also authorised the Director of Children, Families and Communities in consultation with the Cabinet Member with Responsibility for Education and Skills to continue to take all appropriate steps to deliver the Improvement Plan.

Resources Report – Revenue and Capital Budget Monitoring to Period 10 (Month ending 31 January 2019)

7. The Cabinet considered a detailed Resources Report at its meeting in March 2019. The main highlights included the following areas.

8. The conclusions of the Cabinet Member with Responsibility for Finance concerning revenue budget monitoring up to 31 January 2019 have been endorsed by the Cabinet. The outturn forecast for the Council's £324m net revenue budget as at Period 10 and progress to date on the savings and reform programme was reported. A forecast overspend of £2.9m, after management action, had been identified. There remained a risk that this could rise to £6.2m at the end of the financial year due to the underlying cost pressures around Children's Social Care Placements and Dedicated Schools Grant High Needs Block. The Cabinet noted the current progress regarding savings plans and additional management actions to reduce expenditure.

9. The Cabinet has also endorsed the Cabinet Member's conclusions concerning capital budget monitoring up to 31 January 2019. Overall the forecast expenditure for the Capital Programme is within the budget limit. The Cabinet has received a treasury management update and endorsed the Cabinet Member's conclusions that the management of debt and short-term investments continues to be cost effective.

10. Funding approval from Highways England totalling £2.68m was announced in January 2019 to support works to reduce congestion on the A38 at Bromsgrove. The funding will allow junction improvements around the A38 as part of the wider A38 Bromsgrove Corridor scheme. Finally, the Council has responded to the Government's consultations on the Fair Funding Review and Business Rates Retention Reform.

Mr S E Geraghty
Chairman

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Nichola Garner, Committee and Appellate Officer

Tel: 01905 846626

Email: ngarner2@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda and background papers for the meeting of the Cabinet held on 14 March 2019.

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COUNCIL
16 MAY 2019**CONSTITUTIONAL REPORT - WORCESTERSHIRE PENSION
FUND GOVERNANCE ARRANGEMENTS**

Recommendation

1. **The Pensions Committee recommends that:**
 - a) **Council endorses the creation of the Investment Sub-Committee (replacing the Pensions Investment Advisory Panel) with the Terms of Reference for the Pensions Committee and Investment Sub-Committee attached as Appendix 1; and**
 - b) **The revised and updated Governance Policy Statement attached as Appendix 2 be approved;**

Review of Governance Arrangements

2. The Council is the administering authority for the Worcestershire Pension Fund, which is the Local Government Pension Scheme for its own employees and also those of many other Scheme employers in Worcestershire and Herefordshire. On 12 February, Council approved new governance arrangements and a Pension Fund Governance Policy Statement, which now need updating.

3. In summary, it is proposed to add a specific delegation to the Pensions Committee for the transition of investments to LGPS Central or other pooling arrangements and to replace the current Pensions Investment Advisory Panel with a formal Investment Sub-Committee (ISC) which can make decisions and therefore improve the timeliness and effectiveness of some investment decisions and free up time for the main Pensions Committee to address key issues. The Pensions Committee has supported these changes so Council is being asked to update its previous decision on governance arrangements.

Background Information

4. At its meeting on 19 March 2019, the Pensions Committee considered changes to the Worcestershire County Council Pension Fund governance arrangements. The Pensions Committee, the LGPS and the Fund fall under the responsibility of the Pension Regulator and must therefore adhere to the relevant codes of practice. This Fund continues to be subject to scrutiny at a national level from the Scheme Advisory Board, and locally from our Pensions Board.

5. During the past year there has been more focus and scrutiny on governance and administration through reports relating to the Government Actuary Department, Guaranteed Minimum pensions, Stewardship code, covenant monitoring, LGPS Central

updates to name but a few. This is alongside the investment and funding performance and hence greater agenda time will be allocated to these issues.

6. In addition, it is crucial to make timely investment decisions for instance on the process of transitioning assets to LGPS Central or changes to the existing investment mandates. The table in the report to the Pensions Committee provides examples of the decisions that would be taken at the proposed Investment Sub Committee and those at Pensions Committee if this proposal were agreed.

7. Therefore, in effect extending the remit of the current Pensions Investment Advisory Panel (to be recreated as a formal decision-making body and renamed the Investment Sub Committee) would increase the timeliness and effectiveness of some aspects of investment decision-making process as well as releasing more time for discussion on key Pensions Committee items.

8. This proposal would mean that the ISC would meet in public quarterly, ahead of the main Committee meetings, to review manager performance and make decisions within the agreed strategic asset allocations.

Expanded Role of the Pensions Investment Sub-Committee (ISC)

9. The expanded role of the ISC would consider in detail matters relating to the investment of the assets within the strategic investment framework and performance of investment managers in achieving the Fund's investment objectives. The ISC may also be requested by the Pensions Committee to undertake research and report back on specific investment areas. The attached draft Terms of Reference is summarised below:

Membership

10. The membership of ISC would consist of 4 voting members who will be appointed for 1 year:

- 3 Worcestershire County Councillors
- 1 co-opted Councillor as nominated by Herefordshire Council (being the second largest employer in the Fund)

Non-Voting

- 1 co-opted employee representative from a relevant Union.

11. The 3 County Councillor members are formally appointed by the Head of Legal and Democratic Services in accordance with political balance requirements from time to time and the nominations of the relevant Group Leaders. The co-optees are co-opted by the Chairman of the Pensions Committee.

12. The ISC will be advised by an Independent Financial Adviser who will attend all meetings, and on an ad hoc basis by the Fund's Actuary.

Remit

13. It is the intention is to make the ISC responsible for the following:

- a) Reviewing strategic and emerging opportunities outside the strategic asset allocation and make recommendations to the Committee;
- b) Reporting regularly to Committee on the performance of investments, transition of assets and matters of strategic importance;

- c) Monitor investment managers' investment performance and recommend decision to terminate mandates on performance grounds to Committee; and
- d) Researching and providing a report back to the Worcestershire County Council Pension Fund Committee on any specific investment areas requested.

14. It is proposed the ISC will have delegated authority to:

- a) Approve and monitor tactical positions within strategic allocation ranges;
- b) Implement investment management arrangements in line with strategic policy, including the agreed transition of assets, setting of mandate parameters and the appointment of managers;
- c) Approve amendments to investment mandates within existing return and risk parameters; and
- d) Delegate specific decisions to officers as appropriate.

Reporting

15. The minutes of the ISC meetings (whether or not approved by the ISC) would appear as an item on the next agenda of the meeting of the Pensions Committee that follows.

Funding

16. The current Pensions Investment Advisory Panel already meets 4 times a year and therefore the only anticipated additional costs that this proposed revised arrangement will incur is additional Committee Services recharges of £1,200 and printing of approximately £500 per annum as a new democratic decision-making body needs administering.

Governance Policy Background

17. Regulation states, and best practice dictates, that a Pension Fund should have a range of written policies and procedures in place. Having such not only proves regulatory compliance, but more importantly demonstrates good governance and provides a range of information to stakeholders. This report provides an update to the Governance Policy Statement.

Governance Policy Statement

18. **Regulation 55** of the Local Government Pensions Scheme Regulations 2013 states: (1) An administering authority must prepare a written statement setting out-

- a) whether the authority delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority;
- b) if the authority does so:
 - i. the terms, structure and operational procedures of the delegation,
 - ii. the frequency of any committee or sub-committee meetings,
 - iii. whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights;

- c) the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying;
- d) Details of the terms, structure and operational procedures relating to the local pension board established under regulation 106 (local pension boards: establishment);
- e) An administering authority must keep a statement prepared under paragraph (1) under review, and make such revisions as are appropriate, following a material change to any of the matters mentioned in that paragraph;
- f) Before preparing or revising a statement under this regulation, an administering authority must consult such persons as it considers appropriate; and
- g) An administering authority must publish its statement under this regulation, and any revised statement.

19. The Governance Policy Statement was last updated by Council on 12 February 2015 to reflect the introduction of the Local Pensions Board in 2015. The latest version attached as Appendix 2 has been reformatted slightly and has also been updated to reflect the proposed changes to the governance arrangements for the Pensions Investment Sub Committee and LGPS Central Limited. As the statement reflects the actual Governance arrangements in place, no wider consultation is considered necessary.

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Simon Mallinson, Head of Legal and Democratic Services

Tel: 01905 846670

Email: smallinson@worcestershire.gov.uk

Michael Hudson, Chief Financial Officer

Tel: Ext 6268

Email: mhudson@worcestershire.gov.uk

Supporting information

Appendix 1 - Revised Terms of Reference for the Pensions Committee and Investment Sub Committee

Appendix 2 – Updated Governance Policy Statement

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services), there background papers relating to the subject matter of this report are the agenda papers for Council in February 2015 and Pensions Committee in March 2019.

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Worcestershire Pension Fund

Proposed Terms of reference for the Pensions Committee and Pension Investment Sub Committee

16 May 2019

1 **Pensions Committee Terms of Reference:**

1.1. The Pensions Committee will meet at least quarterly or otherwise as necessary to take decisions on:

- Changes to the Investment Strategy Statement, including the strategic benchmark for asset allocation, Investment Manager benchmarks and Investment Manager targets.
- Transition of investments to LGPS Central or other Pooling arrangements
- The termination and appointment of Investment Managers and associated professional service providers.
- The termination and appointment of the Fund's Independent Financial Adviser, Performance Measurement Consultant, Global Custodian and Actuary.
- The Pensions Administration Strategy Statement, Policy Statement on Communication Strategy, Policy Statement on Governance Strategy, Funding Strategy Statement and Governance Compliance Statement.
- The Triennial and Interim Actuarial Valuations.
- The approval of the Pension Fund Annual Report and Accounts.
- The approval of the Pension Fund annual and triennial budgets.
- Key outstanding risks as identified in the Pension Fund Risk Register.
- The Pension Administration Advisory Forum arrangement and regular Forum reports, which consider and address outstanding member and employer issues and concerns.
- The Pension Investment Sub Committee arrangement and regular Sub Committee reports, which monitor performance of the Fund's assets.
- Requests for admission of qualifying Community and Transferee Bodies wishing to join the Fund.
- Key pension policy discretions that are the responsibility of the Administering Authority.

1.2. All elected members and voting co-optees of the Pensions Committee are subject to the Worcestershire County Council Code of Conduct for Members, and must therefore register and keep updated their Disclosable Pecuniary Interests as required by the law and Code and disclose potential conflicts of interest as required by that Code.

1.3. Members of the Pensions Committee are expected to hold the appropriate knowledge and skills to discharge their responsibility effectively.

1.4. The responsibility for advising the Pensions Committee is delegated to the Chief Financial Officer.

- 1.5. Members of the Pensions Committee have equal access to Pensions Committee agenda papers and associated appendices in accordance with the legislation and constitutional Rules relating to access to information for committees. Formal meetings of the Committee will take place in public unless it has resolved to move into exempt session in accordance with the applicable access to information provisions.
- 1.6. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 formally introduced the concept of asset pooling. Over time, as assets move into pooled structures the Pensions Committee will also become responsible for:
 - The selection, appointment and dismissal of an investment pooling operator to manage the assets of the Fund;
 - Determining what the administering authority requires the pool to provide to enable it to execute its local investment strategy effectively;
 - Receiving and considering reports and recommendations from the Joint Committee and Practitioners Advisory Forum, established to oversee the pool, to ensure that the Fund's investor rights and views are represented effectively;
 - Identifying and managing the risk associated with investment pooling;
 - Ensuring that appropriate measures are in place to monitor and report on the ongoing costs of investment pooling; and
 - Ensuring the responsible investment, corporate governance and voting policies of the Fund are delivered effectively.

2. Worcestershire County Council Pension Investment Sub Committee (ISC)

- 2.1 The role of the Worcestershire County Council Pension Fund Investment Sub-Committee shall be to consider, in detail matters relating to the investment of the assets within the strategic investment framework and performance of investment managers in achieving the Fund's investment objectives.
- 2.2 The Council appoints the Chairman and Vice-Chairman of the Pension Investment Sub Committee. The Chairman of the particular meeting has a second or casting vote in the case of equality of votes.
- 2.3 The Pension Investment Sub Committee is a formal committee of the Council and comprises a total of 4 voting members:
 - 3 Worcestershire County Councillors
 - 1 co-opted Councillor as nominated by Herefordshire Council (being the second largest employer in the Fund)

Non-voting

 - 1 co-opted employee representative from a relevant Union.
- 2.4 The 3 County Councillor members are formally appointed by the Head of Legal and Democratic Services in accordance with political balance requirements from

time to time and the nominations of the relevant Group Leaders and the co-optees are co-opted by the Chairman of the Committee.

- 2.5 The ISC will be advised by an Independent Financial Adviser who will attend all meeting and on an ad hoc basis by the Fund's Actuary
- 2.6 The composition of the Pension Investment Sub Committee is intended to reflect the abilities and knowledge of the individuals in matters relating to the investment of the Fund's assets rather than political representation. Apart from the employee representative from a relevant union, members of the Sub Committee are entitled to vote if necessary for the Panel to fulfil its role and provide advice to the Pensions Committee regarding the administration of the fund's assets.
- 2.7 The responsibility for advising the Pension Investment Sub Committee is delegated to the Chief Financial Officer.

Terms of reference:

- 2.8 The role of the Worcestershire Pension Fund Investment Sub-Committee shall be to consider, in detail matters relating to the investment of the assets within the strategic investment framework and performance of investment managers in achieving the Fund's investment objectives.
- 2.9 The ISC may also be occasionally requested to by the Pensions Committee to undertake research and report back on a specific investment areas.
- 2.10 All decision taken and recommendations will be reported back to the next available ordinary meeting of the Pensions Committee in the form of the minutes of the ISC.
- 2.11 The ISC, will be responsible for:
 - a. Reviewing strategic and emerging opportunities outside the strategic asset allocation and make recommendations to the Committee.
 - b. Reporting regularly to Committee on the performance of investments and matters of strategic importance.
 - c. Monitor investment managers' investment performance and recommend decision to terminate mandates on performance grounds to Committee.
 - d. Monitor the Transition of investments to LGPS Central or other Pooling arrangements
 - e. Researching and providing a report back to the Pensions Committee on any specific investment areas requested.

The ISC will have delegated authority to:

- f. Approve and monitor tactical positions within strategic allocation ranges.
- g. Implement investment management arrangements in line with strategic policy including the setting of mandate parameters and the appointment of managers.
- h. Approve amendments to investment mandates within existing return and risk parameters.
- i. Delegate specific decisions to officers as appropriate.

- 2.12 The ISC would meet quarterly ahead of the main Committee meetings to review manager performance and make decisions within the strategic asset allocations agreed.
- 2.13 The ISC is advised by an Independent Financial Adviser who attends all meetings and on an ad hoc basis by the Fund's Actuary.
- 2.14 One of the regular quarterly meetings will include an annual meeting to consider the Fund's full year's performance.
- 2.15 The Fund's Investment Strategy Statement (ISS) sets out the arrangements in place for the management of the investments of the Worcestershire Pension Fund.
- 2.16 The day to day management of the Fund's investments is divided between external Investment Managers, operating in accordance with mandates set out in the Investment Strategy Statement.
- 2.17 The Chairman of the Investment Sub Committee will attend the Pension Committee to ensure flow of information between the 2 bodies.
- 2.18 Members of ISC must not have a conflict of interest and are required to provide the Chief Financial Officer with such information as the Chief Financial Officer reasonably requires for the purposes of ensuring no conflict of interest exists prior to appointment to the ISC and on an ongoing annual basis.
- 2.19 Members of the ISC are required to hold the appropriate knowledge and skills to discharge their responsibility effectively.

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Worcestershire Pension Fund

Governance Policy Statement

16 May 2019

1. Introduction

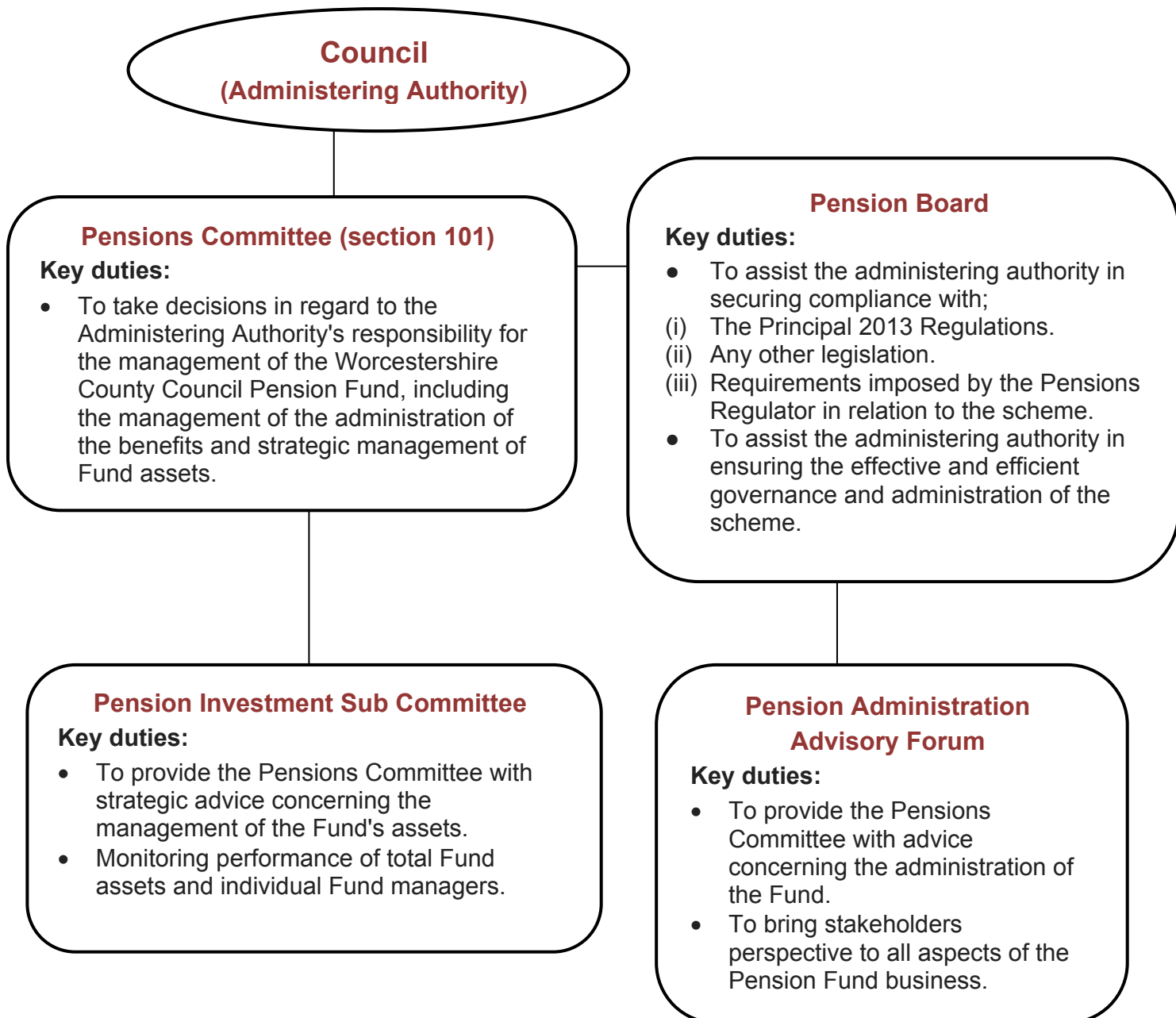
- 1.1 The Worcestershire Pension Fund administers the Local Government Pension Scheme for its own employees and those of over 200 other Scheme Employers in the administrative area of Herefordshire and Worcestershire, with 22,000 contributing members, 17,000 pensioners and beneficiaries and a further 20,000 deferred pensioners.
- 1.2 The Local Government Pension Scheme (LGPS) regulations require all administering authorities to publish a Governance Policy Statement which sets out how the County Council discharges its responsibilities in response to the regulatory requirements.
- 1.3 This statement combines the overall governance arrangements which meet the requirements set out in Part 2 (Administration) Regulation 55 and Part 3 (Governance) Regulation 106 of LGPS Regulations 2013.
- 1.4 This statement also takes account of the guidance issued by Ministry of Housing, Communities and Local Government (MHCLG) entitled Local Government Pension Scheme Governance Compliance Statement Statutory Guidance. The basic principles are accountability and transparency and both principles are achieved by setting clear responsibilities and appropriate reporting mechanisms.
- 1.5 Further sources of information are available on the Fund's website worcestershire.gov.uk/pensions including the Annual Report and Accounts, Funding Strategy Statement and Investment Strategy Statement.

2. Purpose of the Governance Policy Statement

- 2.1 The LGPS regulations require an administering authority, after consultation with such persons as they consider appropriate, to prepare, maintain, publish and keep under review a written statement setting out:
 - whether it delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority;
 - the terms, structure and operational procedures of the delegation;
 - whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights;
 - the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and
 - Details of the terms, structure and operational procedures relating to the Local Pension Board.

- 3. Governance of the Worcestershire County Council Pension Fund**
- 3.1 Overall responsibility for managing the Fund lies with the full Council of Worcestershire County Council Pension Fund in its role as administering authority. Under the County Council's Constitution, further delegations for the management, administration and investment of the Fund are made to the Pensions Committee, the Pension Board and the Chief Financial Officer and his Staff.

Governance Structure of the Worcestershire County Council Pension Fund



In all areas of the Governance Structure, the 7 Principles of Public Life (Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership) are widely acknowledged and practiced; both within the decision-making framework and within day to day activities.

4. Administrative Arrangements

- 4.1 On 1 April 1998 Worcestershire County Council was constituted and vested, under section 16 of the Hereford and Worcester (Structural, Boundary and Electoral Changes) order 1996 (Statutory Instrument 1996 No 1867), with the rights and liabilities of the former pension fund Hereford and Worcester County Council. Therefore, the Council is the appropriate Administering Authority to maintain the Fund.
- 4.2 As the statutory Administering Authority and Scheme Manager for the Fund, Worcestershire County Council is responsible for ensuring effective stewardship of the Fund's affairs. Worcestershire County Council has established a Pensions Committee to discharge the Council's responsibility for the management of the administration of the Fund.
- 4.3 Worcestershire County Council has also established a Pension Investment Sub Committee to provide the Pensions Committee with strategic advice concerning changes to the Fund's asset allocation, the termination and appointment of investment managers and Independent Financial Advisers.
- 4.4 A Pension Administration Advisory Forum has also been established to provide wider stakeholder representation and communication in matters relating to the Fund. The Pensions Committee has overall responsibility for the management of the administration of the Fund, as set out in the Scheme of Assignment of Responsibility for Functions, however the Pensions Committee takes advice from the Pension Administration Advisory Forum to enable the Pensions Committee to discharge its responsibility effectively.

5. Pensions Committee

- 5.1 The Pensions Committee discharges the responsibilities of the Council as Administering Authority of the Fund pursuant to Section 101 and Regulations under Section 7 of the Superannuation Act 1972.
- 5.2 The Pensions Committee discharges the responsibilities for management of the administration of the Fund. However it will take views from the Investment Sub Committee to enable it to discharge its duties effectively.
- 5.3 The Pensions Committee discharges the responsibilities for the strategic management of the Fund's assets. However, it will take strategic advice from the Investment Sub Committee to enable it to discharge its duties effectively. The dates of Pensions Committee meetings will be synchronised with those of the Pension Investment Sub Committee to ensure investment decisions are reviewed without unnecessary delay.
- 5.4 The Council appoints the Chairman and Vice-Chairman of the Pensions Committee. The Chairman of the particular meeting has a second or casting vote in the case of equality of votes.
- 5.5 The Pensions Committee is a formal committee of the Council and comprises a total of 8 voting members:

- 5 Worcestershire County Councillors
 - 1 co-opted Councillor as nominated by Herefordshire Council (being the second largest employer in the Fund)
 - 1 co-opted voting employer representative and
 - 1 co-opted voting employee representative from a relevant Union.
- 5.6 The 5 County Councillor members are formally appointed by the Head of Legal and Democratic Services in accordance with political balance requirements from time to time and the nominations of the relevant Group Leaders and the 3 co-optees are co-opted by the Chairman of the Committee.
- 5.7 The Pensions Committee will be advised by on an ad hoc basis by an Independent Financial Adviser and the Fund's Actuary.
- 5.8 **Pensions Committee Terms of Reference:**
The Pensions Committee will meet at least quarterly or otherwise as necessary to take decisions on:
- Changes to the Investment Strategy Statement, including the strategic benchmark for asset allocation, Investment Manager benchmarks and Investment Manager targets.
 - Transition of investments to LGPS Central or other Pooling arrangements
 - The termination and appointment of Investment Managers and associated professional service providers.
 - The termination and appointment of the Fund's Independent Financial Adviser, Performance Measurement Consultant, Global Custodian and Actuary.
 - The Pensions Administration Strategy Statement, Policy Statement on Communication Strategy, Policy Statement on Governance Strategy, Funding Strategy Statement and Governance Compliance Statement.
 - The Triennial and Interim Actuarial Valuations.
 - The approval of the Pension Fund Annual Report and Accounts.
 - The approval of the Pension Fund annual and triennial budgets.
 - Key outstanding risks as identified in the Pension Fund Risk Register.
 - The Pension Administration Advisory Forum arrangement and regular Forum reports, which consider and address outstanding member and employer issues and concerns.
 - The Pension Investment Sub Committee arrangement and regular Sub Committee reports, which monitor performance of the Fund's assets.
 - Requests for admission of qualifying Community and Transferee Bodies wishing to join the Fund.
 - Key pension policy discretions that are the responsibility of the Administering Authority.
- 5.9 All elected members and voting co-optees of the Pensions Committee are subject to the Worcestershire County Council Code of Conduct for Members, and must therefore register and keep updated their Disclosable Pecuniary Interests as required by the law and Code and disclose potential conflicts of interest as required by that Code.

- 5.10 Members of the Pensions Committee are expected to hold the appropriate knowledge and skills to discharge their responsibility effectively – see Section 8.
- 5.11 The responsibility for advising the Pensions Committee is delegated to the Chief Financial Officer.
- 5.12 Members of the Pensions Committee have equal access to Pensions Committee agenda papers and associated appendices in accordance with the legislation and constitutional Rules relating to access to information for committees. Formal meetings of the Committee will take place in public unless it has resolved to move into exempt session in accordance with the applicable access to information provisions.
- 5.13 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 formally introduced the concept of asset pooling. Over time, as assets move into pooled structures the Pensions Committee will also become responsible for:
- The selection, appointment and dismissal of an investment pooling operator to manage the assets of the Fund;
 - Determining what the administering authority requires the pool to provide to enable it to execute its local investment strategy effectively;
 - Receiving and considering reports and recommendations from the Joint Committee and Practitioners Advisory Forum, established to oversee the pool, to ensure that the Fund’s investor rights and views are represented effectively;
 - Identifying and managing the risk associated with investment pooling;
 - Ensuring that appropriate measures are in place to monitor and report on the ongoing costs of investment pooling; and
 - Ensuring the responsible investment, corporate governance and voting policies of the Fund are delivered effectively.

6. Pension Board

Please see separate Pension Board Terms of Reference document.

7. Worcestershire Pension Investment Sub Committee (ISC)

- 7.1 The role of the Worcestershire Pension Investment Sub-Committee shall be to consider, in detail matters relating to the investment of the assets within the strategic investment framework and performance of investment managers in achieving the Fund’s investment objectives.
- 7.2 The Council appoints the Chairman and Vice-Chairman of the Pension Investment Sub Committee. The Chairman of the particular meeting has a second or casting vote in the case of equality of votes.
- 7.3 The Pension Investment Sub Committee is a formal committee of the Council and comprises a total of 4 voting members:
- 3 Worcestershire County Councillors

- 1 co-opted Councillor as nominated by Herefordshire Council (being the second largest employer in the Fund)

Non-voting

- 1 co-opted employee representative from a relevant Union.

7.4 The 3 County Councillor members are formally appointed by the Head of Legal and Democratic Services in accordance with political balance requirements from time to time and the nominations of the relevant Group Leaders and the co-optees are co-opted by the Chairman of the Committee.

7.5 The ISC will be advised by an Independent Financial Adviser who will attend all meeting and on an ad hoc basis by the Fund's Actuary

7.6 The composition of the Pension Investment Sub Committee is intended to reflect the abilities and knowledge of the individuals in matters relating to the investment of the Fund's assets rather than political representation. Apart from the employee representative from a relevant Union, members of the Sub Committee are entitled to vote if necessary for the Sub Committee to fulfil its role and provide advice to the Pensions Committee regarding the administration of the fund's assets.

7.7 The responsibility for advising the Pension Investment Sub Committee is delegated to the Chief Financial Officer.

Terms of reference:

7.8 The role of the Worcestershire Pension Investment Sub-Committee shall be to consider in detail, matters relating to the investment of the assets within the strategic investment framework and performance of investment managers in achieving the Fund's investment objectives.

7.9 The ISC may also be occasionally requested to by the Pensions Committee to undertake research and report back on a specific investment areas.

7.10 All decision taken and recommendations will be reported back to the next available ordinary meeting of the Pensions Committee in the form of the minutes of the ISC.

7.11 The ISC, will be responsible for:-

- a. Reviewing strategic and emerging opportunities outside the strategic asset allocation and make recommendations to the Committee.
- b. Reporting regularly to Committee on the performance of investments and matters of strategic importance.
- c. Monitor investment managers' investment performance and recommend decision to terminate mandates on performance grounds to Committee.
- d. Monitor the Transition of investments to LGPS Central or other Pooling arrangements
- e. Researching and providing a report back to the Pensions Committee on any specific investment areas requested.

The ISC will have delegated authority to:

- f. Approve and monitor tactical positions within strategic allocation ranges.
- g. Implement investment management arrangements in line with strategic policy including the setting of mandate parameters and the appointment of managers.
- h. Approve amendments to investment mandates within existing return and risk parameters.
- i. Delegate specific decisions to officers as appropriate.

- 7.12 The ISC would meet quarterly ahead of the main Committee meetings to review manager performance and make decisions within the strategic asset allocations agreed.
- 7.13 The ISC is advised by an Independent Financial Adviser who attends all meetings and on an ad hoc basis by the Fund's Actuary.
- 7.14 One of the regular quarterly meetings will include an annual meeting to consider the Fund's full year's performance.
- 7.15 The Fund's Investment Strategy Statement (ISS) sets out the arrangements in place for the management of the investments of the Worcestershire Pension Fund.
- 7.16 The day to day management of the Fund's investments is divided between external Investment Managers, operating in accordance with mandates set out in the Investment Strategy Statement.
- 7.17 The Chairman of the Investment Sub Committee will attend the Pension Committee to ensure flow of information between the 2 bodies.
- 7.18 Members of ISC must not have a conflict of interest and are required to provide the Chief Financial Officer with such information as the Chief Financial Officer reasonably requires for the purposes of ensuring no conflict of interest exists prior to appointment to the ISC and on an ongoing annual basis.
- 7.19 Members of the ISC are required to hold the appropriate knowledge and skills to discharge their responsibility effectively.

8. Pension Administration Advisory Forum

8.1 The Pension Administration Advisory Forum provides the Pensions Committee with advice concerning the administration of the Fund. It is neither a decision-making body nor formal committee, and will not normally meet in public. No voting rights apply to the Pension Administration Advisory Forum as the purpose of the Forum is to provide transparency of information to scheme employers and for scheme employers to provide advice to, and raise concerns with, the employer representative.

8.2.1 The Pension Administration Advisory Forum comprises:

- all Fund employers who wish to attend following invitation by the Administering Authority
- the Fund's Actuary (ad hoc basis)
- the Administering Authority's Pensions Manager and HR Service Centre Manager
- and the employer representative and employee representative of the Pensions Committee.

Terms of reference:

- 8.3 The Forum will meet at least twice a year or otherwise as necessary to:
- Discuss an Annual Administration Report and respond to any issues raised by employers.
 - Discuss Government Consultations relating to the administration and benefits of the LGPS.
 - Discuss the outcomes of the triennial/interim valuations and respond to any issues raised by employers.
 - Discuss the minutes and updates from the Pensions Committee and ensure flow of information between the Pensions Committee and the Forum.
 - To advise on service delivery to all stakeholders.
 - To bring stakeholders perspective to all aspects of the Pension Fund business.
 - To ask the Administering Authority and the Pensions Committee to consider topics which affect the Pension Fund.
- 8.4 All Fund employers are invited to attend the Pension Administration Advisory Forum along with the Fund's Actuary, Administering Authority officers and the employer and employee representatives on the Pensions Committee.
- 8.5 Other meetings are held as required between Administering Authority officers and employers to discuss important issues such as discretionary policies and regulatory changes.
- 8.6 The Administering Authority also communicates with the Fund's membership through newsletters, road shows and presentations.
- 8.7 The Fund's Policy Statement on Communication Strategy explains in more detail engagement with all stakeholders.
9. **Delegation**
- 9.1 The day to day administration of, and investment decisions for, the Worcestershire Pension Fund are delegated to the Chief Financial Officer.
- 9.2 The Chief Financial Officer may authorise other officers to exercise on his/her behalf those functions delegated to him/her.
- 9.3 The Chief Financial Officer has delegated responsibility for the following responsibilities concerning the management of the administration of the Fund including:

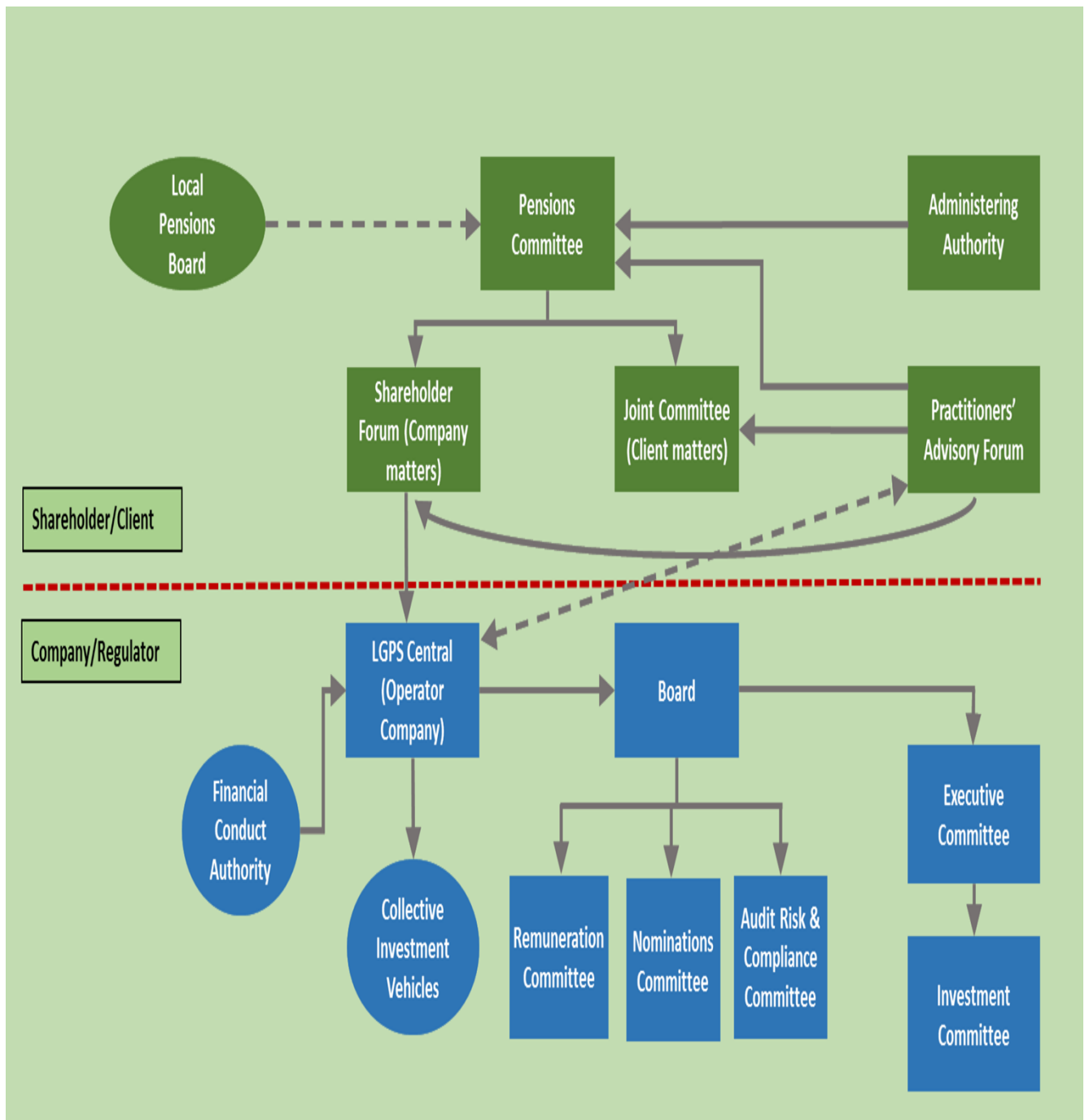
- Preparing and maintaining a Pensions Administration Strategy Statement, Policy Statement on Communication Strategy, and Policy Statement on Governance Strategy, Funding Strategy Statement and Governance Compliance Statement.
- Provision of data for the Triennial and Interim Actuarial Valuations. The Chief Financial Officer will also negotiate over actuarial assumptions, set the appropriate funding target and associated recovery period.
- Preparing the Pension Fund Annual Report and Accounts.
- Preparing the Pension Fund annual and triennial budgets.
- Preparing and maintaining a Pension Fund Risk Register and monitoring key outstanding risks.
- Overseeing and administering the Pension Administration Advisory Forum arrangement and review regular Forum reports to consider and address outstanding member and employer issues and concerns.
- Administering the Pension Investment Sub Committee (ISC) arrangements and reviewing regular ISC reports to monitor performance of the Fund's assets.
- Deciding upon requests for admission of qualifying Community and Transferee Bodies and Scheduled and Designated Bodies wishing to join the Fund.
- Deciding upon key pension policy discretions that are the responsibility of the Administering Authority
- Executing documentation relating to the implementation of new and existing investment mandates, Independent Financial Advisers, Performance Measurement Consultant, Global Custodians, Actuaries and any other associated professional service providers.
- Quarterly monitoring of Investment Managers' performance for managers not presenting to the Pension Investment Sub Committee.
- The effective discharge of the pensions administration function, including the payment of pensions and collecting and reconciling of contribution income.
- Maintaining the Fund's accounting records.
- Preparing and maintaining the Investment Strategy Statement, including implementing changes to the strategic benchmark for asset allocation.
- Implementing and maintaining a knowledge and skills training plan for members of the Pensions Committee and Pension Investment Sub Committee.
- Advising the Pensions Committee.
- Implementing and maintaining the cash flow strategy for the Fund, which includes the transfer of cash to the Fund's Global Custodian to ensure cash is fully invested when available and the transfer of cash from the Global Custodian to pay pension liabilities as they fall due.

10. LGPS Central (LGPSC)

10.1 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 formally introduced the concept of asset pooling. As a result of this, the Worcestershire Pension Fund has joined with 8 other LGPS Funds across the Midlands (Partner Funds) to form an asset pool, known as LGPS Central.

- 10.2 LGPS Central Limited is the Company formed by the Partner Funds which is authorised as the operator of the Authorised Contractual Scheme (ACS), to provide investment services to the Partner Funds, by the Financial Conduct Authority (FCA). The company is therefore subject to the regulator's conduct of business rules and has established its internal governance framework to ensure strict adherence both to its regulatory obligations to the FCA and with the Companies' Acts.
- 10.3 It is important to note that the Councils of each of the Partner Funds retain their core duties and responsibilities as the administering authorities of their respective LGPS Funds.
- 10.4 Asset allocation decisions remain with the Partner Funds. Manager selection for assets transitioned into the ACS and for assets managed under discretionary agreements by the Operator is the responsibility of LGPS Central Limited. Manager selection for the remainder of the Pool's assets currently remains with the Partner Funds. The Operator is responsible for selecting the custodian for the assets in the ACS; the Partner Funds are responsible for selecting the custodian for the remaining assets.
- 10.5 The formation of LGPS Central Limited on 1 April 2018 will begin to have an impact on the roles of the Worcestershire County Council Pensions Committee and the Pension Investment Sub Committee. However, changes will be gradual as the transfer of the management activity to the new company progresses. Consequently, the existing Governance arrangements and Terms of Reference need to run concurrently with new terms required to facilitate changes.

Governance Structure of LGPS Central



- 10.6 The governance structure of LGPS Central will allow Partner Funds to exercise control (both individually and collectively) over the pooling arrangements; not only as investors in the ACS but also as shareholders of the operator company.
- 10.7 The **LGPS Central Joint Committee** has been set up in accordance with provisions of the Local Government Act 1972 to provide oversight of the delivery of the objectives of the Pool, the delivery of client service, the delivery against the LGPS Central business case and to deal with common investor issues.

- 10.8 The membership of the Joint Committee consists of one elected member from each Council within the LGPS Central pool. The first meeting of the Joint Committee took place on 23 March 2018 and at that meeting it was agreed that a Trade Union representative would be appointed as a non-voting member of the Joint Committee to represent the scheme members across the Councils' pension funds.
- 10.9 Worcestershire Pension Fund representative on the LGPS Central Joint Committee is the Chair of the Pensions Committee.
- 10.10 The primary role of the **Shareholders' Forum** is to oversee the operation and performance of LGPS Central Ltd and to represent the ownership rights and interests of the Shareholding Councils within the LGPS Central pool. The Shareholders' Forum is independent of the Company and its meetings are distinct from Company meetings, however, members of the Shareholders' Forum represent the Councils at Company Meetings. The Councils as individual investors in the Company have in place local arrangements to enable their Shareholder representatives to vote at Company meetings.
- 10.11 The Worcestershire Pension Fund, as a shareholder in LGPS Central has equal voting rights alongside the other Partner Funds and unanimous decisions are required on certain reserved matters before the actions can be implemented. These are specified in the Company's Shareholder Agreement and Articles of Association. Other matters, not directly related to the control of the company to manage its operation are subject to a majority approval (75%).
- 10.12 Worcestershire Pension Fund representative on the Shareholders Forum is the Chair of the Pension Investment Sub Committee.
- 10.13 The **Practitioners' Advisory Forum (PAF)** is a working group of officers appointed by the Shareholding Councils within the LGPS Central pool to support the delivery of the objectives of the Pool and to provide support for the Pool's Joint Committee and Shareholders' Forum. PAF seeks to manage the Pool's conflicting demands and interests, either between the participating Councils or between the Councils (collectively) and the Company, recognising that speaking with "one voice" reduces the duplication of costs and resources and maximises the benefits of scale. PAF will also report back to Partner Fund's Pensions Committees on matters requiring their attention.
- 10.14 Worcestershire Pension Fund representatives on PAF are the Chief Financial Officer and the Finance Manager for Pension Investments and Treasury Management.
- 10.15 Terms of Reference have been approved for the Joint Committee, the Shareholders' Forum and the Practitioners' Advisory Forum. These are "live" documents which are likely to evolve as the practical day to day experience of working within the LGPS Central pool evolves.
- 11. Knowledge and Skills**
- 11.1 The Administering Authority has regard to the legal requirements set out in the Local Government Pension Scheme Regulations, other relevant legislation and best practice guidance published by CIPFA and other professional and

regulatory bodies in creating a knowledge and skills policy for the Worcestershire Pension Fund, to ensure all those involved in the decision-making process receive relevant training in order to obtain the appropriate knowledge and skills to discharge their responsibilities effectively.

- 11.2 Committee members and appropriate Administering Authority officers complete an annual knowledge and skills self-assessment form. These are used to prepare annual training plans and a log of training undertaken is maintained by the Administering Authority. The annual training plans include a programme of external and internal training events designed to meet the requirements both of new members of the committee and the ongoing needs of existing members. These events are reported formally to members on an annual basis. Individual reports to authorise attendance by members at these events are put to the Chief Financial Officer on an event by event basis.

12. Governance Compliance Statement

- 12.1 LGPS Regulations require Pension Funds to issue a statement confirming the extent to which their governance arrangements comply with guidance issued by the Secretary of State. The statement below confirms the mechanism in place to satisfy each requirement.

Ref.	Principles	Compliance Status	Evidence of Compliance
A	Structure		
a.	That the management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Compliant	The responsibilities of the Pensions Committee (PC) and its Sub-Groups are set out in the Fund's Governance Policy Statement. The Governance Policy Statement was approved by Full Council
b.	That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Compliant	The Pensions Committee membership includes an employee and employer representative. Full membership details are set out in the Fund's Governance Policy Statement.
c.	That where a secondary committee or panel has been established, the structure ensures effective	Compliant	The Pension Investment Sub Committee provides strategic advice to the Pensions Committee regarding the management of the Fund's assets. It is intended that the Chairman of the Pensions Committee also

Ref.	Principles	Compliance Status	Evidence of Compliance
	communication across both levels.		sits on the Pension Investment Sub Committee to ensure effective communication. The Pensions Committee receives quarterly investment updates from the Pension Investment Sub Committee. An Administration forum has been established. The employer and employee representatives from the Pensions Committee attend the forum and there is a standing invitation from the Pension Board to attend the forum.
B	Representation		
a.	<p>That all key stakeholders have the opportunity to be represented within the main or secondary committee structure. These include:</p> <ul style="list-style-type: none"> i) employing authorities (including non-scheme employers, e.g., admitted bodies) ii) scheme members (including deferred and pensioner scheme members) iii) where appropriate, independent professional observers, and iv) expert advisers (on an ad-hoc basis). 	Compliant	<p>Membership of the Pensions Committee and Pension Investment Sub Committee include employer and employee representatives. Full membership details are set out in the Fund's Governance Policy Statement.</p> <p>Expert advisors including an independent financial adviser attend the Pensions Committee as required for the nature of the main decisions. For example, the Actuary attends when the valuation is being considered, and the main Investment Consultant attends when the Strategic Asset Allocation decision is being made. The Investment Consultant regularly attends the Pension Investment Sub Committee meeting.</p> <p>All members are treated equally in terms of access to papers and to training that is given as part of the Committee process.</p>
C	Selection and role of lay members		
a.	That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Compliant	The Pensions Committee has noted its terms of reference and the Fund's Governance Policy Statement. Minutes of the Pensions Committee meetings are published on the Council's website. A detailed Training programme is also provided to Committee members and Investment Sub Committee members.

Ref.	Principles	Compliance Status	Evidence of Compliance
b.	That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	Compliant	Declaration of interests is a standing agenda item at the start of all Pensions Committee meetings. The Pensions Committee and Investment Sub Committee are serviced by Legal and Democratic Services who invite members to declare any financial or pecuniary interest related to specific matters on the agenda. Minutes of the Pensions Committee and Investment Sub Committee meetings are published on the Council's website.
D	Voting		
a.	That the individual administering authorities on voting rights are clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Compliant	Voting rights are clearly set out in the Fund's Governance Policy Statement.
E	Training / facility time / expenses		
a.	That in relation to the way in which the administering authority takes statutory and related decisions, there is a clear policy on training, facility time and reimbursement of expenses for members involved in the decision-making process.	Compliant	A policy on expenses is set out in the Fund's Governance Policy Statement along with the number of Committee meetings required each year. The Fund has an approved Joint Training Policy for the Pensions Committee, Investment Sub Committee and the Local Pension Board
b.	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Compliant	These policies apply to all committee members and this is clearly set out in the Fund's Governance Policy Statement, Knowledge and Skills Policy Statement & the Joint Training Policy for the Pensions Committee, Investment Sub Committee and the Local Pension Board .
c.	That the administering authority considers adopting annual training plans for committee	Compliant	The fund's Knowledge and Skills Policy Statement sets out the requirement for annual training plans to be developed and maintained for committee members and for

Ref.	Principles	Compliance Status	Evidence of Compliance
	members and maintains a log of all such training undertaken.		a log of all such training undertaken to be maintained. Regular feedback on training events is provided to pensions committee
F	Meetings (frequency / quorum)		
a.	That an administering authority's main committee or committees meet at least quarterly.	Compliant	The Pensions Committee meets quarterly. This requirement is set out in the Fund's Governance Policy Statement.
b.	That an administering authority's secondary committee or panel meets at least twice a year and is synchronised with the dates when the main committee sits.	Compliant	The Pension Investment Sub Committee meets quarterly. These meetings are synchronised with the dates when the Pensions Committee sits. These requirements are set out in the Fund's Governance Policy Statement. The Employer Administration Forum meets twice a year.
c.	That an administering authority that does not include lay members in its formal governance arrangements must provide a forum outside of those arrangements to represent the interests of key stakeholders.	Compliant	The Fund has established a Pension Administration Advisory Panel which meets twice yearly. All Fund employers are invited to attend the Panel meetings. The Panel arrangement and terms of reference are set out in the Fund's Governance Policy Statement.
G	Access		
a.	That subject to any rules in the Council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that are due to be considered at meetings of the main committee.	Compliant	All members of the Pensions Committee, Pension Investment Sub Committee and the Pension Administration Advisory Panel have equal access to committee papers, documents and advice that are due to be considered at meetings of the main committee. The Pensions Committee agendas and associated papers are published on the Council's website prior to the committee meeting.
H	Scope		
a.	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Compliant	The Pension Administration Advisory Panel which meets twice yearly is also attended by the employer and employee representatives who sit on the Pensions Committee. This ensures flow of information between the wider scheme

Ref.	Principles	Compliance Status	Evidence of Compliance
			employers and the main committee. Scheme employers are invited to bring wider scheme issues to the attention of the Pensions Committee through the established communication routes.
I	Publicity		
a.	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in how the scheme is governed can say they want to be part of those arrangements.	Compliant	<p>The Fund's Governance Policy Statement is published on the Council's website and all scheme employers are invited to attend the Pension Administration Advisory Panel meetings. The Fund ran an open recruitment process for the employer and employee representative appointments to the now established Pension Board.</p> <p>Contact details are provided in the Communications Policy and in the Annual Report, as well as on the website, so other interested parties can find out more if they wish</p>

COUNCIL
16 MAY 2019**CONSTITUTIONAL MATTERS**

(a) Council meeting dates 2020**Recommendation**

1. **The Head of Legal and Democratic Services recommends that the Council approves its meetings for 2020-21 as follows:**

16 January
13 February
14 May
16 July
10 September
12 November

2. County Council meeting dates are currently scheduled up to November 2019. To enable the 2020 meetings programme to be produced and help members plan their commitments, the Head of Legal and Democratic Services suggests that further meetings of the Council are now scheduled for 2020. In accordance with the usual practice and pattern of meetings, further meetings (Cabinet, Committees and Panels) will be arranged in the light of the Council dates and members notified in due course.

3. Members may wish to note that the remaining Council meetings for 2019 are scheduled for 18 July, 12 September and 7 November 2019.

(b) Chairmen and Vice-Chairmen of Member Bodies

4. The Head of Legal and Democratic Services recommends that the constitutional appointments as set out in the Appendix to this report be confirmed.

5. The Council needs to make the appointments to various chairmanships and vice-chairmanships of member bodies and of Lead Scrutiny Members. The nominations for a number of appointments are set out in the Appendix to this report, which will be circulated separately to the agenda.

6. At agenda item 8 for this meeting the Council is asked to set up the Investment Sub-Committee which will report to the Pensions Committee. If the Council has agreed the establishment of the Sub-Committee, it is subsequently being asked to appoint its Chairman and Vice-Chairman.

Contact Points

Worcestershire County Council: 01905 763763
Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Simon Mallinson, Head of Legal and Democratic Services

Tel: 01905 846652

Email: smallinson@worcestershire.gov.uk

Sheena Jones, Democratic Governance and Scrutiny Manager

Tel: 01905 846011

Email: sjones19@worcestershire.gov.uk

Supporting information

Appendix – Nominations for constitutional appointments (To follow)

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) there are no background papers relating to the subject matter of this report:

COUNCIL
16 MAY 2019**NOTICES OF MOTION**

Notices of Motion Received

1. The Head of Legal and Democratic Services reports that he has received the following 5 Notices of Motion. The Constitution provides that any submitted motion must be moved and seconded at the meeting. Otherwise, unless postponed with the consent of the Council, it will be treated as withdrawn.
2. If a motion is in relation to the exercise of an executive function it will be referred to the Cabinet for decision (if applicable this will be indicated below). Otherwise the Council may decide itself to determine the Motion, or refer it to the Cabinet or another appropriate Committee for advice before determining it at the next available meeting.

Notice of Motion 1 – The Living Wage

3. **This motion is not in relation to the exercise of an executive function and the Council may decide to determine the Motion.**

4. Notice of Motion standing in the names of: Mr P M McDonald, Mr R C Lunn, Mr R M Udall, Ms C M Stalker Ms P A Hill, Mr P Denham, Mr L C R Mallett and Mr C J Bloore.

"This Council calls on the Cabinet to ensure in future that all contractors, agencies and any organisation or body carrying out work or research on behalf of this Council, pay its employees/workers at least the 'Living Wage' as defined by the Living Wage Foundation."

Notice of Motion 2 – Parish and Town Councillors

5. **This motion is not in relation to the exercise of an executive function and the Council may decide to determine the Motion.**

6. Notice of Motion standing in the names of: Mr P Middlebrough, Mr R C Adams, Mr A A J Adams, Mrs E A Eyre, Dr K A Pollock, Mrs L C Hodgson, Mr B Clayton, Mr S J Mackay, Mr A I Hardman, Mr R W Banks, Mr M J Hart, Mr J H Smith and Ms K J May.

"Following their successful election or appointment this month, Worcestershire County Council will continue to celebrate and cooperate with new and returning parish and town councillors to deliver public services for the benefit of all our residents."

Notice of Motion 3 – Climate Change

7. This motion is not in relation to the exercise of an executive function and the Council may decide to determine the Motion.

8. Notice of Motion standing in the names of: Mrs E B Tucker, Prof J W Raine, Mrs F M Oborski and Mr M E Jenkins.

"The Intergovernmental Panel on Climate Change (IPCC) in their October report stated that if the planet wants to avert dangerous climate breakdown, we need to cut emissions in half by 2030, and hit zero by the middle of the century.

Worcestershire is already doing its bit: we are committed to reducing emissions from our own estate and activities by 20% from a 2015/16 baseline by the end of March 2021. Unfortunately, our current plans are not enough.

The IPCC's report suggests that the world has just a dozen years left to restrict global warming to 1.5 degrees Celsius above pre-industrial levels. Should they increase by 2 degrees Celsius, humanity's capacity to prevent catastrophic food shortages, floods, droughts, extreme heat and poverty will be severely impaired.

Limiting Global Warming to 1.5 degrees Celsius may still be possible, but only with ambitious action from national and sub-national authorities, civil society, the private sector and local communities. Furthermore, bold climate action can deliver economic benefits in terms of new jobs, economic savings and market opportunities.

We call on Worcestershire County Council to:

1. Declare a "Climate Emergency";
2. Pledge to make Worcestershire County Council (including all buildings, schools and services) carbon neutral by 2030, taking into account both production and consumption emissions;
3. Call on Westminster to provide the powers and resources to make the 2030 target possible;
4. Continue to work with partners across the county and region, such as district councils, Worcestershire LEP, to deliver this new goal; and
5. Set up a task group, commencing by September 2019, to investigate the actions Worcestershire County Council will take to address this emergency, reporting via Scrutiny to Cabinet by March 2020."

Notice of Motion 4 – Health Overview and Scrutiny Committee

9. This motion is not in relation to the exercise of an executive function and the Council may decide to determine the Motion.

10. Notice of Motion standing in the names of: Mr R C Lunn, Mr P M McDonald, Ms P A Hill, Mr P Denham, Mr L C R Mallett and Mr C J Bloore.

"In light of concerns expressed about the provision of health services in the county from the public and recent statements by local MP's, we call on the

Overview and Scrutiny Performance Board to explore and implement ways of expanding the scrutiny powers and scope of the Health Overview and Scrutiny Committee.

This should include contacting the Secretary of State for Health with proposals to improve the accountability of Health Service providers in Worcestershire"

Notice of Motion 5 – Availability of sanitary products

11. This motion is not in relation to the exercise of an executive function and the Council may decide to determine the Motion.

12. Notice of Motion standing in the names of: Mr R M Udall, Ms P A Hill, Mr P Denham, Mr L C R Mallett and Mr C J Bloore.

"Council welcomes the decision of HM Government to fund free sanitary products in all primary and high schools, Council asks the Cabinet Member with Responsibility (CMR) to consider bringing a report to Cabinet on the progress towards implementation of the new initiative, to provide details of how it will be monitored and to ensure the maximum possible uptake. Furthermore, Council asks that the CMR report considers all other ways to reduce period poverty in the county and to consider all possible means to ensure period poverty is eliminated within Worcestershire"

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Simon Lewis, Committee Officer

Tel: 01905 846621

Email: slewis@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) there are no background papers relating to the subject matter of this report.

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COUNCIL
16 MAY 2019**REPORTS OF CABINET MEMBERS WITH RESPONSIBILITY
– CABINET MEMBER WITH RESPONSIBILITY FOR
HIGHWAYS**

Introduction

1. It is my pleasure as Cabinet Member with Responsibility for Highways to submit my report to Council on progress and developments that have taken place across my portfolio of responsibility since May 2017.

Communications with Members

2. Good communication is a key element for all organisations, including Highways, since County Councillors are, and must remain, the first and sole point of personal contact for all highways issues. This was one of my top priorities I addressed on taking up office.
3. For example, I have implemented the Highways & Transport Briefing Sessions by District. These provide a regular opportunity for colleagues to talk about relevant issues in their areas, which may be strategic or operational. Recent examples where further information was required include Planning and Streetworks. Relevant officers are on hand to answer any questions.
4. In order to fully brief Members on key issues throughout the year, I have instigated email updates, the most recent one being on Grass Cutting last month. The winter update is another example when we provide useful information to help Members with responses to any local enquiries. Whilst we have not had much snow this winter, we were prepared. All schools and Parish Councils are encouraged to purchase salt from us and, of course, we are always on hand to offer advice and guidance.
5. In addition, I have introduced a new system of public contact by re-directing highways-related enquiries from the Hub to the established Highways Control Centre. Whilst I embrace the corporate drive towards digital processes where they work well for routine issues (e.g. reporting a pothole or failed street lights), there will always be some people for whom, or complexities for which, the digital route is not the most appropriate medium.
6. Liaison Engineers meet regularly with their Local Members to keep them abreast of highways matters and run through these issues and provide progress updates. Liaison Engineers have facilitated a variety of works for Local Members including new footways, provision of school flashing lights, upgrades to street lighting, Pelican crossing upgrades, and many others.

7. The cohort of Liaison Engineers has been re-established at six officers, one for each District and they play an extremely important role at the heart of the Highways service, both in terms of communication and getting things done.

8. In May 2018, Wythall experienced major flooding. Our response to this situation was excellent with a multi-agency approach, including the setting up of a local hub to offer support and advice to local residents. In every situation, we complete a 'lessons learnt' exercise to look for improvements.

Pavement Maintenance

9. Worcestershire County Council has invested an additional £6m in footways maintenance over the last two years.

10. This investment, in addition to the core footways maintenance budget, over the two years has delivered over 180 kms of pavement being vastly improved across the County, equalling the distance between Worcester and Leeds, with 230 footway schemes completed during this last year alone. See attached table for spend information.

11. This key work for our residents continues in 2019/20 with a record 8 footway teams completing schemes.

Highway Maintenance

12. In the last year we finished our £12m 'Driving Home' programme completing improvements to over 150 miles of road and benefitting around 39,000 residents.

13. The impact on the condition of our carriageways from last year's severe weather should not be underestimated. The exceedingly long and wet winter followed by the exceptionally hot and dry summer caused considerable damage to the infrastructure.

14. The public routinely tells us that roads are their top priority and so we are investing in our highways network to ensure we have some of the best roads in the country. Our aim of being in the top quartile for the condition of our roads and footways is within sight.

15. In 2019/20 we will be spending over £17m on carriageway works. This includes the full amount of DfT Incentive Fund following our demonstration of compliance at the highest level (Level 3) in that process. See attached table for spend information.

16. In 2018/19 the Department for Transport provided Worcestershire County Council with a further £6.4m to spend on repairing potholes, maintaining our highways infrastructure and completing preventative maintenance, repairing our roads with surfacing and patching before potholes appear.

Surface Dressing

17. Our spring and summer surface dressing programme started last month around the Evesham area, then will follow on around Pershore, then Malvern before heading into the north of the County.

18. Over 250 sites will be treated, at a programme cost of around £1.2M.

19. In the surface dressing process, hot bitumen is sprayed onto the road surface using a calibrated tanker. In many cases, structural patching of the road will have taken place months beforehand. Chippings are then applied onto the bitumen from a metered spreader. The new surface is rolled, and then swept to remove loose chippings after 24 hours, again after 48 hours and again after 7 days.

20. Surface dressing improves the skid resistance of the road surface. It seals the road surface against water ingress, preventing potholes forming. It is an extremely effective method of extending the life of the road.

21. Details of the surface dressing programme will be shared with members by the Liaison Engineers.

22. The process is weather dependant and the programme will be amended as the year progresses.

Walking and Cycling New Projects

23. The County Council continues to invest in walking and cycle provision across Worcestershire. Aside from the numerous schemes developed through the planning system via S106 obligations, we are delivering improvements in Bromsgrove through the £3.4m National Productivity Investment Fund (NPIF). The programme will be complete by Spring 2020 and will significantly improve access to key destinations in Bromsgrove for walkers and cyclists. In addition, £4m has recently been allocated towards essential maintenance works on Sabrina Bridge in Worcester and a new bridge across the River Severn linking the west of Worcester with Gheluvelt Park.

24. Across 2018/19 and 2019/20 almost £600k will have been spent on cycle related projects.

Updated Design Guide: New Parking Requirements

25. At the Cabinet meeting in June 2018, I presented the updated Streetscape Design Guide (formerly the Highways Design Guide) for adoption. It is considered to be good practice for a Local Highway Authority to have an up-to-date guidance document to assist developers with local requirements which tailor highway design to meet the aspirations of this Council and the Local Planning Authorities (District Councils).

26. The Streetscape Design Guide supports the aims of Worcestershire's fourth Local Transport Plan (LTP4).

27. The Streetscape Design Guide has evolved based on productive discussions with stakeholders in both the public (e.g. District Councils) and private sectors (e.g. developers). Particular emphasis was placed on the requirement for new developments to provide additional off street parking in order to tackle the growing problem of congestion caused by increasing levels of on street parking. We must now work to ensure that local planning authorities implement these new requirements.

Review of Grit Bins Policy

28. Members will be aware that I asked for a review of grit bins to take place at the end of last year. No change was necessary to the County Council's policy on its own

(yellow) grit bins. The criteria remain the same with each criterion carrying a weighting, with gradient carrying a higher weighting.

29. However, the assessment for green grit bins has changed slightly to make it more sensitive to what the community wants. Most green grit bins will be on private land and their location would need the consent of the landowner and a brief inspection by Highways staff to avoid any hazard to the highway user. Where the bin is to be located on the public highway, a signed agreement now needs to be in place between Worcestershire County Council and the owner (for example, the Parish Council or group of residents). This will clarify ownership and responsibility for maintenance/refilling. The owner will also need to hold the appropriate public liability insurance. Outside of Parish Council areas, Members can use their Locally Determined budget to purchase a green grit bin for use on the public highway if there is a demand for it, and then 'gift it' to the residents/businesses.

30. The policy document, assessment forms and other information are available on the Worcestershire County Council website:
http://www.worcestershire.gov.uk/info/20007/travel_and_roads/381/gritting_ice_and_snow/2

Review of Lengthsman Scheme

31. I am aware that some colleagues may feel that the Lengthsman Scheme has become too bureaucratic so I asked for a review of the scheme to look specifically at what work can or cannot be undertaken and how. The new agreement was in place last month.

32. My focus has to be the safety of all highway users, including the Parish Lengthsman. We have invested in training to ensure that every Lengthsman is qualified to work on the public highway and has the required Personal Protective Equipment to do this. This proved a difficult task as there was a wide take up and limited availability on courses.

33. The Parish Lengthsman Scheme continues to be successful and justly popular with local communities. My aim is to see it expand further to take on duties best done at the most local level.

Passenger Transport Review

34. In 2013/14 the Council undertook an extensive public consultation exercise on proposals relating to financially supported bus services. The objective was to understand people's priorities for service provision and the likely impact of proposed service changes. The outcomes from this consultation defined the shape of the current passenger transport network within Worcestershire.

35. Since the consultation, there have been many changes in the commercial bus market, reflecting the difficulties that operators have in identifying and maintaining profitable services. Commercial services have gradually reduced and some have been completely withdrawn in parts of the county. Some commercial operators have ceased to operate altogether and some have stopped running local bus services.

36. This decline in the commercial bus market is likely to continue in line with national trends of falling patronage. This decline is due to rising car ownership and use,

changing shopping and employment patterns, and rising operating costs. Worcestershire County Council is continually facing calls to consider subsidising those commercial routes that have been withdrawn. We have, therefore, made a commitment that we will develop and adopt a robust Worcestershire Passenger Transport Strategy over the next 12 months.

37. The Worcestershire Passenger Transport Strategy will take a strategic and holistic view of all passenger and community transport provision, including home to school transport arrangements, fares and ticketing, concessionary travel, bus priority, infrastructure and information. This Strategy will be informed by a Passenger Transport Review of needs and demands (including future development), together with an assessment of how well these are met by current services. The Passenger Transport Review will also consider changes in the local market for passenger transport and different options for the future.

38. The findings of the Passenger Transport Review will inform the Worcestershire Passenger Transport Strategy which will set out a way forward. There will be clear policies detailing Worcestershire County Council's position on aspects of passenger transport provision and it will highlight future approaches to be adopted.

39. To assist with the review, we have appointed Integrated Travel Planners (ITP), a specialist in strategic planning and optimisation of transport networks. ITP will engage with all of the appropriate stakeholders and we will host a number of stakeholder events.

40. A public consultation will commence on 7th June 2019.

Real Time Information

41. A total of 108 real time in-shelter displays have now been installed across Worcester City, Malvern, Redditch and Droitwich as well as a new Interchange display installed at Bromsgrove Bus Station. Wyre Forest locations are currently being surveyed.

42. Worcestershire County Council was shortlisted for a National Transport Award for its innovative work in Real Time Information and its use of Transport Solar Technology.

43. Three Information Points have been successfully installed at The Cross, Cornmarket and Cathedral Square in Worcester. Once approval has been secured from West Midlands Trains, a point will also be installed at Worcester Foregate Street Station. The final point for Worcester City will be located outside Worcester Guildhall. Three internal information points have also been installed at the University of Worcester. Other potential town centre sites in the County are being investigated.

Utilities

44. In 2018/19, up to the end of March, permits have been granted for around 18,000 utility works on our highway network. Performance over this period has identified Severn Trent Water having a 12% failure rate of inspected sites (22% for live sites) and Cadent Gas with a 16% failure rate (14% for live sites). 'Failures' can occur at various stages and for a number of reasons including incorrect traffic management, unsafe working, wrong materials used and incorrect reinstatement method employed.

Currently, across most utility works, failure rates are worst for live sites. Severn Trent Water and Cadent Gas are the poorest performers during the period with failure at an unacceptable level. As Severn Trent Water is performing poorly across the whole region, we are insisting on improvement through regular regional meetings. Cadent Gas's performance is being dealt with locally through improvement meetings and plans. Permits for our own works this year covered over 6,650 sites.

Traffic Regulation Order Consultation Pilot

45. I have introduced a trial to consult residents more fully regarding waiting restriction proposals outside their homes. This has had the desired impact of ensuring that directly affected residents are more aware of proposed parking restrictions and can have a meaningful say in their introduction. However, the number of objections, costs, workload and timescales have increased. To reduce this impact, the trial has been adapted to pursue increased consultation at a later stage in the legal process.

Extending Roadworks Permit Schemes

46. In March 2016 Worcestershire County Council adopted a Permit Scheme for roadworks. After the first year of operation a review identified that the scheme had been successful. The original scheme charged a fee along traffic sensitive routes. We have now amended the Permit Scheme Order allowing us to charge a fee for works on all roads starting in May. This will increase our resources to monitor and manage the scheme enabling greater control and realising improvements such as reduced congestion on our busy roads. In particular, it will facilitate an increase in the number of inspections carried out to tackle the poor site performance of utility companies.

Congestion - Worcestershire Network Efficiency Programme

47. Since the original £5m Budget was allocated in 2017, we have been working through the known congestion sites to assess, design and implement solutions across the County.

48. Successes with the Worcestershire Network Efficiency Programme so far include:

- a. The roundabout arm at Icknield Street Drive, Redditch where we have widened the approach from the south to improve flow and capacity;
- b. Traffic Regulation Order amendments on the approaches to the signalised junctions at the A435 Astwood Bank and Hanbury Road, Droitwich have allowed us to remove parking, clear detection loops and vastly improve the efficiency and capacity for traffic;
- c. A442/A449 at Hoobrook /Chester Road South island, Kidderminster whereby opening up the dual carriageway exit north, revised carriageway markings and reconfigured signals at the A4420 Hoobrook Link Road have allowed us to massively reduce congestion to the south; and
- d. We have improved journey times along Worcester Road, Bromsgrove by removing pinch points and narrowed sections of carriageway, which has also aided the issues of this AQMA (Air Quality Management Area)

49. In Worcester, we have invested in new equipment at many signalised sites to improve their efficiency including:

- a. Shrub Hill/Tallow Hill/Midland Rd – we have also re-configured the signal phasing to improve traffic flow and queuing at this busy 4-armed junction on the Hospital/City corridor;
- b. Waitrose and Sebright signal improvements have seen increased green time for the A44 corridor, helping to improve journey times between the M5 and City;
- c. Deansway, North Parade and New Rd pedestrian crossings have all been upgraded to better integrate them into the SCOOT system across the City, reducing unnecessary delays;
- d. Copenhagen St, Dolday and New Road signals have also been improved which brings benefits to those junctions independently, but when the A44 corridor is completed, it will allow the whole route to work efficiently; and
- e. TRO reviews along the key corridors of the A38 north and south, A44 west and east of the City and other sites are also ongoing at this time.

50. Modelling work is being carried out across Kidderminster so that a staged plan of improvement can be produced. We will then move onto modelling work in Bromsgrove, as we try to improve the journeys for people travelling the A448 from Kidderminster to the A38/M5, considering key junctions to the west of the town. Evesham modelling work, in conjunction with the Signals Team, has created a suite of improvements for the busy north/south High Street corridor between Greenhill and Abbey Bridge, hoping to start work this summer. Three key schemes in Worcester City will be progressed in the year ahead, namely the Croft Road crossing, Sidbury/ City Walls Road signals and St Johns/The Bullring. We are also improving congestion by replacing the hated Asda zebra crossing in the heart of the City.

51. This year's Budget has allocated a further £5m over the next three year period, so I am drawing up schemes for each of the four named sites (A38 Upton Junction, The Evesham Transport Strategy, The Bromsgrove Transport Strategy and A449 Hoobrook Roundabout, Kidderminster).

Street Lighting

52. Following the investment agreed as part of the Highways Infrastructure Investment Fund in 2018, the Council's Street Lighting Service is working with our contractor, Prysmian, delivering a capital programme of concrete column replacement and LED roll-out. This has resulted in a reduction in energy usage (and costs). Following a survey of the concrete columns, a programme was established to replace concrete lighting columns with new steel columns and energy efficient LED lanterns. Good progress has been made with the column replacements and this will continue through 2019/20, integrated with the extensive Footway maintenance programme.

Roll-out of LED lanterns will continue in 2019/20 resulting in further energy savings as planned. The reduced availability of the low-pressure sodium lighting (SOX), that was introduced in the 1970s, has also led to a more reactive lamp replacement strategy in addition to planned LED replacement.

53. We continue to roll-out the use of energy efficient LEDs lanterns and the replacement of the most dangerous concrete columns. To date we have changed 6,395 older SOX and SON lanterns with LEDs and replaced 522 concrete columns. The new LED lanterns are controlled by sensors, turning on and off at predetermined ambient light levels.

Winter Maintenance

54. We have invested in a modern Winter Service fleet, vital to ensure Worcestershire's key roads are treated to keep residents and businesses moving. There are 34 gritters in the fleet which are strategically allocated to depots around the County. Those of you who know me will be aware that I am a leading advocate for embracing new technology! Gritters are no exception. The gritters we have today have the capability to provide GPS tracking (location details) and send information on road surface temperatures allowing the Service to collate data so that, for example, we can adjust the discharge rate for salt to ensure we operate efficiently in small areas that may otherwise be problematic.

55. The formal "Winter Service" Period is from mid-October through to mid-April. The recent Winter Service period did not bring the snow events of the previous year, and returned to a more typical position. The table below shows the headline information for the 2018/19 period.

56. At the start of the Winter Service Period we had just over 14,000 tonnes of salt stock, including our strategic reserve that was maintained through the period. Current levels equate to just under 10 days of continuous treatment at 20g/m, well above the required level.

Winter period	183 days
No of standbys (where marginal or sub-zero temperatures were forecast:)	68
No of primary treatments	30
No of secondary treatments (precautionary)	15
No of snow events	1
Tonnes of salt spread across network	5,127
Salt delivered to Parishes (tonnes)	22
Salt delivered to schools (tonnes)	21

57. We actively monitor using a forecast specific to Worcestershire, in conjunction with 12 weather stations and sensors we have deployed around the county throughout the entire season. This ensures we have the best weather information available to enable effective decision making in terms of when to treat and also prepare, communicate and effectively deal with more severe weather when it arises.

Community Transport (CT)

58. Worcestershire's Community Transport Development Plan and Strategic Grant Quarterly Reviews took place in early February. Objectives are being met in all areas including:

- a. More control and coordination of marketing of and access to CT services
- b. New website for Worcestershire CT at www.communitytravel.org.uk;
- c. New leaflets currently being produced for widespread distribution;
- d. 16 WCC contracts being run by CT schemes including Adult Services and local and community bus routes;

- e. Numerous other contracts with independent day centres, academies, charitable organisations and housing associations being run by individual CT schemes;
- f. Effective partnership working with District Councils and several initiatives taking place with Parish, District and County Councillors;
- g. Ongoing upgrade of computer hardware and software by CT schemes to ensure efficient booking, scheduling and administrative processes;
- h. Expansion of Minibus Leasing Scheme by WCC for CT schemes and renewal of lease agreements for 2019/20 underway.

59. With the support from colleagues, we have introduced two new Community Bus routes:

- a. one serving Habberley. The Habberley Community Bus runs every Tuesday and Thursday and is providing around 14 single passenger journeys on each trip. It has funding until March 2020 from the local County Councillor; and
- b. the other serving the Brickfields area of Worcester. This new Community Bus route is the 'Tolly Shopper' operated by Worcester Wheels on Monday and Wednesday from the Tolladine area of the city (where there is no commercial bus route) to Sainsbury's, the WRH and Crowngate.

60. Work is ongoing with the Acute and Community & Health Trusts regarding transport to and from their locations.

61. CT in Worcestershire delivers approximately 12,500 journeys each month.

Budget

62. Through the use of a blend of capital, revenue and grant monies, spending on highways remains at the level set in the previous year. This reflects the high priority that this administration attaches to these services and assets. Table for budget information is to follow.

Acknowledgements

63. I would like to place on record my thanks to the Director of Economy and Infrastructure and the relevant heads of service, managers and staff across the Council for their commitment and continued hard work and for running one of the best Highways networks in the country. The work is unremitting and relentless but we face every challenge with determination.

Alan Amos
Cabinet Member with Responsibility for Highways

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COUNCIL
16 MAY 2019**QUESTION TIME**

Question 1 – Bus services

1. Mr R C Lunn will ask the Cabinet Member with Responsibility for Highways:

"Does the Cabinet Member for Highways agree that local bus companies could learn from the 11% increase in bus journeys in Guernsey in the first quarter of 2019, further strengthening an already popular service? Does he also agree that regular repeatable services with a clear fare pattern tend to increase use?"

Question 2 – LED lighting in Arrow Valley East Division, Redditch

2. Mrs J A Brunner will ask the Cabinet Member with Responsibility for Environment:

"Could the Cabinet Member with Responsibility for Environment please confirm when the updating of lighting columns to LED will be completed in my division of Arrow Valley East?"

Question 3 – Implementation of new 20mph zones

3. Mr L C R Mallett will ask the Cabinet Member with Responsibility for Highways:

"Please could the Cabinet Member with responsibility for Highways provide an update on the Council's position in relation to implementing new 20mph zones?"

Question 4 – Parking restrictions on the A44 Bromyard Road in St John's, Worcester

4. Mr R M Udall will ask the Cabinet Member with Responsibility for Highways:

"The Cabinet Member will be aware of the opposition which I have expressed to the new parking restrictions being proposed for the A44 Bromyard Road in St John's. He will also be aware of the total opposition from residents; who have indicated concerns about increased traffic speed, safety, displacement, the impact on local services and businesses and the lack of any alternative parking places. The proposal has not won a single letter of support from any resident. There is growing discontent and anger in the local community, every time residents have been consulted they have responded with a firm no. Can he therefore confirm that he has no plans to overrule the local member and that he will not impose the proposed

restrictions on to the local residents who have shown total unity in their opposition to new parking restrictions?"

Question 5 – Liberata - Upgrade of software

5. Mr R C Lunn will ask the Cabinet Member with Responsibility for Transformation and Commissioning:

"Does Liberata offer us a free upgrade of software when one becomes available, on the systems we buy in from them?"

Question 6 – Transforming Care Programme

6. Mrs J A Brunner will ask the Cabinet Member with Responsibility for Adult Social Care:

"Could the Cabinet Member with Responsibility for Adult Social Care inform me what steps he is taking to share the success of the Transforming Care Programme in Worcestershire with a wider audience?"

Question 7 – Car parking charges at Worcester Woods Countryside Centre

7. Mr R M Udall will ask the Cabinet Member with Responsibility for Communities:

"Can the Cabinet Member confirm she has no plans to introduce car parking charges at Worcester Woods Countryside Centre?"

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Simon Lewis, Committee Officer

Tel: 01905 846621

Email: slewis@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) there are no background papers relating to the subject matter of this report.

COUNCIL
16 MAY 2019**REPORTS OF COMMITTEES****(a) SUMMARY OF DECISIONS TAKEN BY THE AUDIT AND GOVERNANCE COMMITTEE**

Statutory Accounts 2018/19 – Accounting Policies

1. The Statutory Accounts include the County Council's accounting policies. These are reviewed and updated on an annual basis to ensure that any new policies are incorporated, and existing policies are correct. A review of the 2017/18 accounting policies has been completed and some wording amended to assist in the clarity and reader's understanding of the policies. Two new standards have required changes to the Council's policies: IFRS 9 – Financial Instruments (The introduction of this standard has required amendments to the Council's classification of financial assets and impairment calculations with regard to potential credit losses); and IFRS 15 – Revenue from Contracts with Customers (This standard requires income to be recognised in our accounts when the Council's performance obligation is fulfilled rather than on receipt of income). The Committee has approved the accounting policies for 2018/19.

Corporate Risk Report – Education and Buildings

2. Following a request at the previous meeting, the Committee received a more detailed overview of the red risks associated with Education and the Management of the County Estate. For each risk, the Committee received details of the mitigation of the risk, the evidence of the mitigation work and an update on the Quarter 2 risk report and future planned activity. The Committee has noted the report outlining in detail evidence of mitigation (current and planned) against the corporate risk areas of education and buildings.

Internal Audit Progress Report – 1 November to 28 February 2019

3. The main issue that the Committee has had particular focus on is the progress of Internal Audit (IA) recommendations. The total number of recommendations outstanding has fallen by 2%, and the majority of request for responses were received (although four schools have yet to respond) which account for 83% (24 out of 29) of recommendations outstanding without an update. In total 82 recommendations have passed the original planned date of implementation.

4. The IA report identifies that there were 67 recommendations outstanding reported to the December Committee compared to the 82 noted in the paragraph above - that does not mean the position per se has deteriorated, rather that more recommendations due from 31 December 2018 to 28 February 2019 have fallen

outstanding.

5. Lessons need to be drawn from the more detailed analysis and fed into the future audits, these are:

- Where reports are signed off by interim management / leadership then the timescale for completion should be subject to further review by the Chief Financial Officer (CFO) and Chief Executive
- Implementation dates should only be reset once after due consideration and agreement with IA and the CFO
- Any resetting of deadlines should be reported quarterly to the Committee with explanations of acceptance of slippage and further lessons to learn
- The key performance indicators should reflect the monitoring of implementation.

6. The Committee has noted the Internal Audit Progress Report.

External Audit – Audit Progress Report and Sector Update

7. Peter Barber, Engagement Lead and Helen Lillington, Audit Manager presented the External Audit – Audit Progress Report and Sector Update to the Committee on behalf of Grant Thornton, the Council's external auditor. The Committee has noted the External Audit – Audit Progress Report and Sector Update.

External Audit Plan – Informing the Audit Risk Assessment for Worcestershire County Council and Pension Fund

8. Peter Barber, Engagement Lead and Helen Lillington, Audit Manager presented the External Audit Plan – Informing the Audit Risk Assessment for Worcestershire County Council and Pension Fund to the Committee on behalf of Grant Thornton, the Council's external auditor. The Committee has noted the External Audit Plan – Informing the Audit Risk Assessment for Worcestershire County Council and Pension Fund.

Internal Audit Plan 2019/20

9. In maintaining and providing assurance for the Annual Governance Statement the Council employs the three lines of defence model. The third line of defence being Internal Audit. As part of that process and in line with statutory requirements Internal Audit has drawn up an Annual Audit Plan. As part of the transfer back in-house of the Internal Audit Service, the Chief Financial Officer undertook to present the 2019/20 Internal Audit Plan to the Committee.

10. The Audit Plan will be delivered by the in-house team who will work in accordance with the Audit Charter. The performance of the function will be monitored regularly against agreed indicators, and regularly reported alongside audit findings to the Committee.

11. An Audit Charter is a mandatory requirement of the Public Sector Internal Audit Standards and the associated Local Government Application Note (PSIAS) and sets out the purpose, responsibilities and authority of the internal audit service within Worcestershire County Council. With effect from 1 April 2019 the Internal Audit

service will return to an in-house provision, having been provided by Warwickshire County Council since 1 May 2015. The Charter sets out what the Council can expect from the Internal Audit service. The Committee has approved the Internal Audit Plan for 2019/20 and the revised Internal Audit Charter.

Update on Finance Improvement Plan

12. To ensure that the Council has a fit for purpose finance function to support the organisation in the coming years a Finance Improvement Programme is in place. The Finance Improvement Programme has six projects that are interlinked and the Committee received an update on each of the following projects: Control Environment; Budget Structures and roles and responsibilities; Financial Transactions; Staffing structures; Systems; and Partners and customers. Underpinning these projects are two cross-cutting projects: Communications; and Training. The Committee has noted the report and that a further update is brought to the September Committee.

Commissioning External Audit Conclusion Progress Report

13. Following a request at the last meeting, members received a further update in relation to progress made regarding the risks and findings previously raised by the Council's external auditors in relation to commissioning.

14. All contracts have a lead officer who have been monitoring the contract and working with the Procurement team to assess the strategy for each. A project plan also exists and is available on the website for further reviews. One major contract has been insourced since the external audit opinion – DCX IT, and reports on progress and lessons learnt have been reported to members in other forums. The Liberata contract is being reviewed and a progress report is scheduled for the Commercial and Commissioning Board in May 2019, and this will be reviewed by external audit as part of their assessment of the 2018/19 Value for Money assessment.

15. A Commercial and Commissioning Board is in place and has met approximately every two weeks since August 2018. The minutes of these have been shared with external audit for their assessment in relation to the 2018/19 opinion. This Board has maintained the governance over decision making, introducing standardised assessment of contract extensions and procedures to market.

16. A review has been completed of tail end spend, with improved reporting to directorates in relation to spend by supplier and source. The Procurement team are also just finalising the first tranche of suppliers to move to longer payment terms (30 days) and seeking to secure savings through negotiated discounts in agreeing shorter time scales. A Commercial and Procurement Strategy is being developed for consideration by members in Summer 2019. The Committee has noted the progress in the report.

Work Programme

17. The Committee has noted its future work programme.

Mr N Desmond
Chairman

Contact Points

County Council Contact Points
County Council: 01905 763763
Worcestershire Hub: 01905 765765

Specific Contact Points for this report
Simon Lewis, Committee Officer
Tel: 01905 846621
Email: slewis@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Audit and Governance Committee held on 15 March 2019.

COUNCIL
16 MAY 2019**REPORTS OF COMMITTEES****(b) SUMMARY OF DECISIONS TAKEN BY THE PENSIONS
COMMITTEE**

Initial Strategic Asset Allocation

1. Every three years the Fund takes stock of the performance and composition of the Fund's Strategic Asset Allocation. Given the improved funding position of the fund and the implementation of the Equity Protection Strategy, it was felt that it would be beneficial to conduct an interim review in advance of the 2019 actuarial valuation to assess the suitability of the current investment strategy and asset allocation set in 2016.
2. Hymans Robertson LLP were commissioned to undertake the review which took into account any scope to improve the risk return profile of the Fund's investments, optimising diversification benefit where possible, whilst being mindful of contribution rates, income generation and the dynamic structured equity arrangement in place. David Walker from Hymans Robertson LLP presented the key findings to the Committee. In particular Hymans are supportive of the Committee's development of a core set of investment beliefs as a framework for decision making. Hymans believe that any recommendations from this report are tested against these beliefs to ensure there is a robust process for testing investment decisions that can stand up to scrutiny and can be clearly explained to external parties or new members of Committee.
3. The Committee has noted the initial strategic allocation review undertaken by Hymans Robertson LLP and the key findings of the review detailed in the Executive Summary of the report. The Committee asked that the detailed strategic allocation review, to be undertaken later in the year, is referenced to the key findings of the review detailed in the Executive Summary of the Hymans Robertson report.

LGPS Central Update

4. The Committee has received a presentation from Joanne Segars, Chair, Mike Weston, newly appointed Chief Executive Officer and Callum Campbell, Head of Client Services and Stakeholder Relations of LGPS Central which set out progress to date, new product launches, the current "state of play", key performance indicators, foundations for the future, working arrangements with Worcestershire and partner funds, and global emerging market sub-fund.
5. The Committee has noted the LGPS Central Update and presentation provided at the meeting.

Pension Administration Strategy

6. The aims of the Pensions Administration Strategy are to: provide a high-quality pension service to members; set out the quality and performance standards expected of the Fund and its scheme employers; and promote good working relationships and improve efficiency between the Fund and its scheme employers. The Strategy sets out the expected levels of performance of the Fund and the scheme employers and these will be monitored and performance levels will be reported annually. The Strategy will be effective immediately and the Fund will continue to keep the strategy and policy document under review and update as required to reflect changes in scheme regulations and Fund working practices. The Committee has approved the 2019 Pensions Administration Strategy.

Administering Authority Update

7. The Committee has noted the general update from the Administering Authority in relation to the Guaranteed Minimum Pension (GMP) Reconciliation and Rectification, Administration Software, Covenant Review, the McCloud Case, and the Fair Deal Consultation.

Worcestershire County Council Pension Fund Administration Budget 2019/20

8. The forecast outturn for Worcestershire County Council Pension Fund Administration Budget is estimated to be £11.213m compared to a budget of £9.931m, a difference of £1.282m. The key reason for the variance is investment management fees - when the original budget was set it was assumed that the management fees relating to our investment of £100m in the US Property Fund 'Stonepeak' would be incurred as the capital was gradually invested over the next 2 to 3 years. However the management fees are based on the committed sum rather than as the capital is invested, hence the significant variance. The Committee has agreed the variation to the Pension Fund Administration Budget, including manager fees, for 2018/19 totalling £11.213m.

9. The budget now proposed for 2019/20 is £12.640m, an increase of £2.709m (+27%) from the original 2018/19 budget. The largest proportion of the budget (£10.599m) is investment managers' fees and this is the key reason for the increase in the budget. The Committee has approved the Pension Fund Administration Budget, including manager fees, for 2019/20 totalling £12.640m.

10. In line with good governance practice, officers are bringing budget monitoring reports back to Committee twice a year. In the interim, variations against budget will be monitored and if they become very significant, the Chief Financial Officer to the Pension Fund will approve variations to the budget and report these to the Committee retrospectively for ratification. The Committee noted the indicative budget allocations for 2020/21 and 2021/22 and that the variations against budget will be monitored. The Committee has granted delegated authority to the Chief Financial Officer to approve variations of up to £0.5m.

Pension Fund Training Programme for Pensions Committee Members and Pension Board

11. The Committee has noted the feedback from the Pensions Training event held on the 18 December 2018; and the Training Plan.

Risk Register

12. The risk register has been through a major refresh including a review of all previous risks, a new format and has been updated. This new Risk Register introduces a new approach to measuring risk. The following colour coding is used for the residual risk scores: Red ≥ 45 ; Amber ≥ 25 but < 45 ; and Green < 25 .

13. Risk scores can range from 0 to 100 and are derived by multiplying an impact score by a probability score as follows: Impact = 0 (none); 5 (minor); 15 (moderate); 20 (major); or 25 (severe). Probability = 0 (no chance); 1 (25% likely to happen); 2 (50:50); 3 (75% likely); or 4 (certain to happen).

14. The risk register shows the following number of risks by colour category: Red – 5 risks; Amber – 11 risks; and Green - 13 risks. The risk register will be kept under regular review and will be reported to each Committee. Future reports will identify risks which have changed score/category for improved tracking/monitoring purpose. The Committee has noted the re-formatted and updated Risk Register.

Business Plan

15. The purpose of the Worcestershire Pension Fund (WPF) Business Plan 2018 - 2020 is to outline the Fund's strategic direction, goals and objectives, as well as providing Action Plans (project and business as usual) of the key priorities in order to further these objectives and setting a sustainable financial plan. The Committee has noted the report and that a further update will be brought to the June Committee meeting.

Pension Fund Unaudited Annual Report and Accounts 2018/19 Proposed Draft Format

16. The annual report is a key communications channel between the fund and a wide variety of stakeholders. The report contains information relating to fund investments, administration, governance, valuations, accounts and membership. The proposed draft format for the Annual report 2018/19 is aimed to make the document more user-friendly and easier to read whilst ensuring compliance to statutory regulations. The Committee has noted the proposed extract of the draft format for the unaudited Pension Fund Annual Report and Accounts 2018/19.

Forward Plan

17. The Committee has noted the Forward Plan and that it would be reviewed at each Committee meeting.

Pensions Investment Update

18. The Committee has noted the Independent Financial Adviser's fund performance summary and market background.
19. The Committee has noted the update on the Investment Managers who continue to be placed 'on watch' by the Pension Investment Advisory Panel, namely JP Morgan – Emerging Markets and JP Morgan – Bonds.
20. The Committee has noted the update on the Property and Infrastructure commitments. The Committee has authorised the Chief Financial Officer to revisit the specific US Property Debt Walton Street Fund II investment and consider currency hedging options at each capital drawdown of the investment, in consultation with the Chairman of the Pensions Committee and Chairman of the Pensions Investment Advisory Panel. The Committee has noted the outcome of the due diligence report for Venn Fund II.
21. Worcestershire currently has active emerging market mandate with JP Morgan and Schroder's totalling £331.2m as at the end of December 2018. The Committee has agreed the transition of the existing active Emerging Market investments into the LGPS Central Global Emerging Markets Fund subject to appropriate due diligence being undertaken.
22. The potential next transition is likely to be the existing active corporate bonds mandate currently with JP Morgan with an existing value as at December 2018 of £139.1m. The mandate being proposed by LGPS Central is a 'Global active Investment Grade Corporate Bond Fund. The Committee has noted the potential transition of the existing Active Corporate Bond fund into the LGPS active.
23. The last actuarial valuation undertaken as at the 31 March 2016 showed that the fund was 75% funded with a £654m deficit at this point. In November 2018 the fund was estimated to be 99% funded with a deficit of £19m as at the end of August 2018. However, the asset valuations were subject to market fluctuations and subsequently by December 2018 estimated funding levels had reduced to 92% with a deficit of £221m, with a recovery in January to 94% funded with a deficit of £182m. The Committee has noted the funding position compared to the investment performance.
24. At the meeting on the 28 November, the Committee were presented with a report detailing the Pension funds approach to responsible investment and seeking approval to the Stewardship Compliance Statement. As part of that report, it was agreed that the key areas of the Local Authority Pension Fund Forum (LAPFF) quarterly engagement be reported to the Committee. As part of LGPS Central, the Fund is actively exploring opportunities to enhance its stewardship activities. The Committee has noted the update on Responsible Investment activities and Stewardship investment pooling.
25. The Ministry of Housing, Communities and Local Government Minister have issued new statutory guidance on LGPS asset pooling. This will set out the requirements on administering authorities, replacing previous guidance, and builds on previous Ministerial communications and guidance on investment strategies. The Committee has noted the LGPS - Statutory guidance on asset pooling informal consultation and the proposed response from Worcestershire County Council

Pension Fund.

Mr R W Banks
Chairman

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Simon Lewis, Committee Officer

Tel: 01905 846621

Email: slewis@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Pensions Committee held on 19 March 2019.

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COUNCIL
16 MAY 2019**REPORTS OF COMMITTEES****(c) SUMMARY OF DECISIONS TAKEN BY THE PLANNING
AND REGULATORY COMMITTEE**

Applications

1. The Committee approved the following applications subject to detailed conditions:
 - Planning application made under Section 73 of the Town and Country Planning Act 1990 (as amended) to vary condition 3 of Planning Permission Reference: 10/000032/CM (Planning Inspectorate Ref: APP/E1855/V/11/2153273) (as amended) to increase throughput of the EnviRecover Energy from Waste (EFW) Facility from 200,000 to 230,000 tonnes per annum at Mercia EnviRecover, Plot H600, Oak Drive, Hartlebury Trading Estate, Hartlebury, Worcestershire
 - Proposed Pinvin Junction Highway Improvements at Pinvin Junction (Junction between A44, A4104 and B4082), Pinvin, near Pershore, Worcestershire.
2. Details of the above applications can be found in the agenda papers for the Committee meeting held on 26 March 2019.

Mr R C Adams
Chairman

Contact Points

County Council Contact Points
County Council: 01905 763763
Worcestershire Hub: 01905 765765

Specific Contact Points for this report
Simon Lewis, Committee Officer
Tel: 01905 846621
Email: slewis@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Planning and Regulatory Committee held on 26 March 2019.

COUNCIL
16 MAY 2019**REPORTS OF COMMITTEES****(d) SUMMARY OF DECISIONS TAKEN BY THE STANDARDS
AND ETHICS COMMITTEE**

**Local Government Ethical Standards – Report of the National Committee on
Standards in Public Life**

1. The National Committee on Standards in Public Life (the Nolan Committee) assessed whether the existing structures, processes and practices are conducive to high standards of conduct in local government. Members will recall that representatives of the Nolan Committee visited the Council in September 2018 as part of its information gathering exercise and evidence of good practice relating to member conduct in local government – the Council was the only county council visited. Following the visit, the Nolan Committee was kind enough to write to say its delegation was impressed by the leadership demonstrated by senior officers and members of the Council, and the Chairman of this Committee was invited to attend the formal launch of the report at the end of January 2019. The Nolan report makes recommendations for improvement, to government in relation to the legislative regime, and best practice recommendations to local government for consideration.

2. The highlight recommendations are that authorities should regain the power to suspend members (for up to 6 months) as a sanction for breaching the Code; the criminal offences in relation to Disclosable Pecuniary Interests should be abolished but the classes of registrable interests broadened; a register of gifts and hospitality be re-established; and independent members of standards committees should be allowed to vote.

3. Local government will have to await the Government's response to legislative recommendations. This Committee has noted the report published by the Nolan Committee following its review of standards in local government and the various recommendations to Government concerning legislative change.

4. The Nolan Committee has issued a series of Best Practice recommendations and this Committee was asked for any initial views on what action should be taken in relation to them. This Committee reinforced its support for a pan-Worcestershire Code and noted that the Council already complied with many of the Best Practice recommendations.

5. Additionally, this Committee supported in principle an extension of the Code to expressly cover prohibition of both bullying and harassment, and that the Head of Legal and Democratic Services discuss and try to agree a definition with the other principal authorities. It has also agreed that the Head of Legal and Democratic

Services would discuss with the other principal authorities in the county the further Nolan recommendations on Codes of Conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors. The Committee has supported in principle that a Register of Gifts and Hospitality could be established ahead of any legislation, to be discussed with the other authorities.

6. This Committee has noted that the Monitoring Officer, having regard to those initial views, will be discussing any implications for the pan-Worcestershire Code of Conduct with the other principal authorities in the county and a further report would be received following those discussions.

Code of Conduct – Complaints Update

7. Since the last report to the Committee in October 2018, the Council has received one formal complaint that a County Councillor has breached the Code of Conduct for members. The Committee received a summary of the details of the formal complaint and has noted that no further action was necessary.

Mr S Mackay
Chairman

Contact Points

County Council Contact Points
County Council: 01905 763763
Worcestershire Hub: 01905 765765

Specific Contact Points for this report
Simon Lewis, Committee Officer
Tel: 01905 846621
Email: slewis@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Standards and Ethics Committee held on 10 April 2019.