

The **PENSION FUND INVESTMENT BOARD** met at
WARWICK on the **23rd MAY, 2005**

Present:-

Councillor Chris Davis
“ Bob Hicks
“ Helen McCarthy
“ Brian Moss

Fund External Advisors

Peter Jones
Keith Shepherd

**Officers
Treasurer's**

Dave Clarke
Oliver Winters
Phil Triggs
Louise Black
Neil Buxton

Chief Executive's

Liam Nevin
Phil Maull

1. Election of Chair

Councillor Helen McCarthy, seconded by Councillor Brian Moss, moved and it was Resolved:-

That Councillor Chris Davis be elected Chair of the Pension Fund Investment Board.

**2. General
(1) Apologies for absence**

An apology for absence was submitted from Councillor George Atkinson.

(2) Members Declaration of Personal and Prejudicial Interests

Councillors Chris Davis, Helen McCarthy and Bob Crowther declared personal interests as members of the Fund.

Peter Jones informed the Board that he had been invited by UBS to attend a conference in China. He had checked with the Board's officers and had been

informed that it would be in order for him to accept the invitation provided that he paid his own air fares and hotel bill. He confirmed that he had done so.

(3) Minutes of the meeting held on the 28th February 2005 and any matters arising.

(i) Minutes

Resolved:-

That the minutes of the Pension Fund Investment Board's 28th February 2005 meeting be approved and be signed by the Chair.

(ii) Matters arising
Minute 1(3)(ii) – Status of Board Members

Liam Nevin referred to the advice on the status of Board members and said that he had copies available at the meeting for members.

In considering the following reports, the Board also took into consideration any issues raised at the Consultative Panel's meeting immediately preceding the Board's meeting.

3. Investment Performance

The report of the County Treasurer was considered.

The following issues from the Panel meeting were noted:-

- *There had been a small level of underperformance.*
- *The level of volatility had been reduced.*
- *The new fund manager structure had only been operating for two quarters and it was too early to draw any firm conclusions from this.*

It was then Resolved:-

That the Board notes the Warwickshire Pension Fund's value and performance in 2004/05.

4. Outcome of the Triennial Actuarial Valuation

The report of the County Treasurer was considered.

The following issues from the Panel meeting were noted:-

- *Much of the loss that the Fund had incurred as a result of the fall in the market had been recouped.*
- *There was a residual problem in that the valuation had been carried out on the basis that the normal retirement age would be altered for the majority of members to 65 and the 85 year rule removed. The subsequent*

decision to withdraw the regulations meant an additional liability to the Fund. However, the Government had said that the cost would not fall on the Council Tax payer or the Government. Therefore, it was likely that employees would be asked to pay increased contributions.

- *It was likely that any changes to the pension scheme in future would be part of an across the board changes to all public pension schemes.*
- *The increases in the employers' contribution rates would bring about full funding over time.*
- *Under current legislation the Pension Fund could not be asked to contribute to other less successful funds. Local authority pension funds could not become bankrupt and so there were not the same issues about solvency as with private schemes.*
- *In the longer term there might possibly be a question of merger of funds.*

The following further points were raised:-

- Dave Clarke confirmed that his staff monitored information from other local authority pension funds to see if there was anything that they were doing that could be usefully done for the Warwickshire Fund. He referred to the change in the structure of managers for the fund as an example of officers making changes to improve the management of the Fund.

The Board then noted report.

5. Corporate Governance and Shareholder Activism Policy

The report of the County Treasurer was considered.

There were no particular issues raised during the Panel meeting.

It was noted that a small one-off contract was proposed and although Dave Clarke undertook to consult with Board Members over the award of the contract, it was not proposed to ask tenderers to present to Members.

It was then Resolved:-

- (1) That the Warwickshire Pension Fund Investment Board approves the report of the County Treasurer and delegates to officers the appointment of a consultant to draft a policy in respect of corporate governance and shareholder activism; and
- (2) That the draft policy be presented to a future meeting of the Board for approval.

6. **Any other items**

(1) **Website launch**

The Committee noted a proposal to hold an official launch of a new website for the Pension Fund to which the Board Members, Councillor Alan Cockburn, as the appropriate Cabinet portfolio holder, and key staff would be invited. It was suggested that this should be held on a day when the Council or the Cabinet met to give an opportunity to raise the profile of the Fund with other members.

The website would contain a lot of information, including the existing newssheet, hard copies of which would continue to be sent.

(2) **Future meetings**

It was noted that the next meeting would be held in London at the offices of UBS.

Liam Nevin reminded members that meetings of the Board were open to the public and that it would be necessary to reconvene the Board in Warwickshire after that meeting so that the formal decisions could be taken.

.....
Chair of Board

The Panel rose at 11.32 a.m.