

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Pension Fund Investment Board

**Date of Committee** 17 February 2006

**Report Title** Pension Fund Investment Board Member Protocol

**Summary** Report setting out the requirement for a member protocol in line with corporate governance requirements.

**For further information please contact:** Phil Triggs  
Group Accountant  
Tel: 01926 412227  
philtriggs@warwickshire.gov.uk

**Would the recommended decision be contrary to the Budget and Policy Framework?** No.

**Background papers** None

**CONSULTATION ALREADY UNDERTAKEN:-**

Details to be specified

- Other Committees  .....
- Local Member(s)
- Other Elected Members  Cllr Davis - Chair of Pension Board
- Cabinet Member  .....
- Chief Executive  .....
- Legal  Jane Pollard, Assistant County Solicitor
- Finance  David Clarke - Strategic Director of Resources
- Other Chief Officers  .....
- District Councils  .....
- Health Authority  .....
- Police  .....
- Other Bodies/Individuals  .....

**FINAL DECISION YES**

**SUGGESTED NEXT STEPS:**

Details to be specified

Further consideration by this Committee  .....

To Council  .....

To Cabinet  .....

To an O & S Committee  .....

To an Area Committee  .....

Further Consultation  .....

## Agenda No

### Pension Fund Investment Board - 17 February 2006

#### Pension Fund Investment Board Member Protocol

#### Report of the Strategic Director of Resources

#### Recommendation

That the Board Approve the Warwickshire County Council Pension Fund PFIB Member Protocol as set out in **Appendix A**.

### 1. Introduction

- 1.1 In line with the corporate governance requirements of the Pension Fund, the Council's consultant has drafted a Member Protocol that outlines the role and responsibilities associated with being a Member of the PFIB.
- 1.2 Members are asked to review the draft with a view to making any suggestions on amendments and additions as considered appropriate.

### 2. Draft Protocol

- 2.1 The Protocol covers the key requirements as outlined by the Local Government Pension Scheme Regulations 1997, the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 (both made under the Superannuation Act 1972) as well as certain specific issues for the Warwickshire County Council Pension Fund.
- 2.2 The draft protocol is shown in **Appendix A**.

### 3. Member Skill Sets

- 3.1 In addition to an individual understanding of the role and responsibilities associated with being a Member of the PFIB, it is also important to ensure that Members have the right skill sets. In order to be an effective Member, the following characteristics are important:
  - the ability to build relationships with the other PFIB Members, officers and advisers to ensure that effective decision making is made possible;

- a willingness to debate and challenge the various issues until a satisfactory position is reached that reflects the objectives of the Fund and is in the best interest of all the stakeholders of the Fund;
- an ability to absorb technical information, to understand it and to analyse it.

3.2 Members of the PFIB will help to ensure that informed decisions are made through a process of rigorous debate and challenge.

#### **4. Recommendation**

4.1 Members are asked to consider the draft protocol in **Appendix A** and to approve the document, making any suitable additions or amendments as appropriate.

DAVID CLARKE  
Strategic Director of  
Resources

Shire Hall  
Warwick

27 January 2006

**Warwickshire County Council Pension Fund (the Fund)  
Pension Fund Investment Board (the PFIB)**

**DRAFT MEMBER PROTOCOL**

In accepting the role as a Member of the PFIB, I agree to serve all the different stakeholders fairly. In this respect, I will not unduly represent the interests of any particular group or party, such as the employers, employees, pensioners or a trade union.

**The duties that I will undertake as a Member of the PFIB:**

- To act in accordance with the Regulations and other legislation;
- To act prudently, conscientiously and honestly;
- To declare and act in accordance with the Members' Code of Conduct in relation to all or any personal or prejudicial interests I may have;
- To act in the best interest of the Fund;
- To ensure that the Fund operates in the correct manner in accordance with legislation;
- To invest assets in accordance with the terms of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998, or as may be amended;
- To take expert advice on matters where help is needed. This includes taking advice on the suitability of investments for the Fund and the appointment of investment managers;
- To raise any concerns that I may have in connection with the Fund with the appropriate officer or other advisor;
- When making decisions on investments, I will consider the following:
  - The need to have a spread of investments;
  - The suitability of investments to the needs of the Fund and future liabilities; and
  - Any Statement of Investment Principles as may be adopted by WCC from time to time;
- To put aside personal views as to the ethical aspects of particular investments and seek the best financial return for the Fund that is achievable at the desired level for security and risk;
- To perform any other duties as prescribed by legislation.

**I will take assurances from the Strategic Director of Resources that:**

- The right benefits are paid out at the right time to the right beneficiaries;
- Accurate records of past and present Fund members are maintained;
- Full and proper accounts are kept and reported to the Inland Revenue for any tax which is due or has to be deducted from the benefits paid;
- Having taken actuarial advice, the level of contributions to the Fund is sufficient to meet the liabilities and recover the funding deficit;
- The Fund is properly invested;
- Suitable professional advisors are appointed;
- Suitable custody/banking arrangements are in place;
- Fund members have a procedure through which to resolve queries or disputes about their benefits;
- Members of the Fund and other interested parties are told about the Fund and about their personal benefits.

**My commitment will be to:**

- Read and understand all the literature of the Fund, including the Booklets, Annual Reports, the Statement of Investment Principles, the Funding Strategy Statement and Corporate Governance Statements;
- Ask the legal advisor/Officers/independent advisors to explain any aspects of Regulations which I do not understand, and to draw attention to any unusual aspects relating to my powers or the role as a Member of the PFIB;
- Ask the Actuary to explain any aspects of the latest actuarial valuation that I do not understand;
- Ask the Auditor to explain any aspects of scheme accounts which differ from standard practice and to tell me of any concerns they may have about the procedures for running the Fund;
- Attend each of the PFIB meetings that are held each year;
- Review all Agenda items and tabled reading materials in advance of each meeting;
- Raise any concerns that I have relating to the running of the Fund;
- Participate in all debates relating to PFIB matters.
- Attend training sessions as arranged.

In signing this Protocol, I confirm that I am both eligible and fit to be a Member of the PFIB. I also confirm that I will fulfil my responsibilities as a Member of PFIB to the best of my ability for the duration of my role and I will ensure that I have sufficient training to carry out my duties accordingly.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_